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March 29, 2011



Delaware Weatherization Assistance Program

Policies and Procedures Manual

**Delaware Department of Natural Resources and Environmental Control
Division of Energy and Climate
Weatherization Assistance Program**

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1. SECTION 100 PLANNING

The provision of weatherization services requires collaboration at all agency levels – federal, state, local – to effectively lessen the energy burden of low-income families, improve their environmental quality and help them maintain a healthy and a safe home. This policy manual is intended as a comprehensive guide to the joint administration and implementation of services. Its purpose is to ensure compliance consistent with the all applicable regulations, while providing a framework for the implementation of reasonable and effective weatherization measures.

The Delaware Weatherization Program Policy Manual details responsibilities at various levels but it is primarily to provide a comprehensive resource for policies and procedures to the state's subgrantees of weatherization funds who have the primary responsibility for the day to day implementation of weatherization services and are thus contractually obligated for adherence to all policies and procedures contained in this manual.

It is intended as a dynamic document for the repository of all program policy and procedures, and is to be revised periodically as the program evolves. The input of staff from all administrative levels is encouraged, is vital, for the manual to remain a valuable tool for ensuring a quality program.

The content of this manual includes:

SECTIONS	TOPICS
100 PLAN AND BUDGET	Federal, State and Local Administrative Roles – Planning & Budgeting
200 CLIENT SERVICES	Application Process – Eligibility Determination
300 WEATHERIZATION SERVICES	Program Requirements – Energy Audit – Health and Safety - Weatherization Services – Final Inspection
400 ADMINISTRATION	Funds Management – Cost Categories – Claims – Closeout and Audit – Administrative Rules
500 TRAINING	Training Requirements
600 QUALITY ASSURANCE	State Monitoring Program – Subgrantee Quality Management
700 REPORTS	State, Subgrantee and Subcontractor Reporting Requirements – ARRA Reporting – Davis Bacon Reporting
800 PROCUREMENT	Competitive Procurement Definitions and Thresholds – Request For Weatherization Proposal Process

900 TRANSITION	Special Provisions for Transition Between DHSS and DNREC and Treatment of “Old” Units
1000 APPENDIX	Documents and Forms

Each agency level of administration has an important role to play in the delivery of effective weatherization. Each level has inherent responsibilities which if not conducted appropriately degrades the final effect of the services to the low-income. Operated effectively, the weatherization program not only has the outcome of vital services to the low-income, it has concomitant effects of community economic development and societal energy conservation, making the program an important economic stimulus to both the low-income family and the community at large.

Key roles in the general program structure include:

AGENCY	ROLE
DE Energy Assistance Program LIHEAP Subgrantee	Weatherization Assistance Program Intake and other initial case work.
DNREC	Maintain WAP waiting list and other database(s)
DNREC	Maintain ongoing WAP training programs
DNREC	Maintain WAP policies and procedures
WAP Subgrantee	Ensure eligibility of the unit and individual Arrange for and coordinate WAP services
WAP Subgrantee	Select Energy Auditor and arrange initial energy audit of unit
WAP Subcontractor: Energy Auditor	Conduct Energy Audit
WAP Subgrantee	Create Work Order from the energy audit based on available funding and program priorities
WAP Subgrantee	Select appropriate WAP subcontractor(s) and authorize Work Order
WAP Subcontractor: Installer	Complete weatherization measures called for in the Work Order
WAP Subgrantee	Monitor ongoing weatherization work, as needed
WAP Subcontractor: Energy Auditor- Subcontractor	Conduct Final Inspection of completed weatherization
WAP Subgrantee	Finalize work with subcontractors, including re-work as needed to pass inspection.

WAP Subgrantee	Review and approve subcontractor invoices against work orders. Submit subgrantee claims to DNREC. Assign funding sources
DNREC	Review, approve and pay claims with documentation, as required.
DNREC	Code units and pay claims to subgrantees
WAP Subgrantee	Pay subcontractor invoices
DNREC	Conduct Quality Assurance reviews of WAP units and programs
DNREC WAP Subgrantee WAP Subcontractors	Comply with fiscal accountability requirements Produce required fiscal reports Produce required production reports Produce required demographic reports

101 FEDERAL ADMINISTRATION

~~The National Energy and Technologies Laboratory (NETL) is the federal office under the US Department of Energy's (DOE) which is responsible for the administration of the Weatherization Assistance Program (WAP). DOE is responsible for the distribution of federal funds appropriated for the program. NETL staff provides consultative assistance to states in the planning of their program, monitors the state's compliance to program regulations, and provides informational platforms for communication among state programs.—~~

The federal regulations over the program are contained ~~at~~in 10 CFR, Part 440, “Weatherization Assistance for Low-income Persons”. Further ~~relevant regulations are eode is at~~in 10 CFR Part 600, “Financial Assistance Rules” which contains the regulations for the administration of all DOE grants including weatherization. Additional DOE guidance documents are available online at: <http://www.waptac.org/Rules-0024&-Guidance/Program-Guidance.aspx>.

More recently, additional federal weatherization funds were made available through DOE as a provision in Part 230 of the “American Recovery and Reinvestment Act of 2009” (ARRA). ARRA provided for additional program and administrative requirements that 'flow down' to the state and local implementation of the weatherization program. Those regulations have been incorporated in various sections of this manual, as well as the subgrantee's contract with the state agency.

While the DOE is the cognizant federal agency administering most of the weatherization funds, a portion of the funding comes from the Low-income Home Energy Program (LIHEAP). Federal LIHEAP funds come from the Department of Health and Human Services (DHHS) in the form of a block grant to the state, the bulk of which is used to provide energy assistance payments for low-income families. The block grant offers the flexibility to the state to use a portion of LIHEAP for residential weatherization. Current expectations are that 10% of the LIHEAP funding will be devoted to Weatherization over time to maximize investment in actual energy savings.

In addition to the weatherization program regulations, state recipients and local subgrantees (“subrecipients”) are covered under federal guidelines from the Office of Management and

Budget (OMB) such as those contained in OMB Circular A-110, the “Common Rule”; OMB Circular A-122, “Cost Principles for Non-Profit Organizations”; and OMB Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations.”

102 STATE ADMINISTRATION

The State of Delaware grantee for federal weatherization funds is the Department of Natural Resources and Environmental Control (DNREC), which has placed the grant administration in its Division of Energy and Climate Policy (DECP). The Division of Energy and Climate DECP also contains the Delaware Energy Office, and includes with DNREC’s the key energy and climate policy staff in DNREC who implement extensive energy efficiency programs and oversee the Sustainable Energy Utility (SEU). The weatherization programs have long been a source of advances in energy efficiency and conservation technologies. Placing the program in the DECP Division of Energy and Climate works to maintain the high level of innovation in weatherization thus optimizing the use of federal dollars to assist the low-income population.

Various sources of weatherization funding are coordinated at the state level in Delaware. Federal grant funds from DOE include the regular DOE weatherization grant and the new funds from ARRA. Funds are joined with an allocation from the federal LIHEAP block grant, state utility funds, and funds from the Regional Greenhouse Gas Initiative (RGGI) to maximize the fiscal impact of the program.

102.1 State Plans & Budgets

As the recipient of the federal funds, the state office has a role in the ensuring the program is planned and administered in a fair and accountable manner. The primary grant applications are made to the Department of Energy and currently include: the revised WAP annual plan for 2009-2010; the WAP annual plan for the 2010-2011 grant; and the American Recovery and Reinvestment Act (ARRA) grant for 2009-2012. Each includes a separate planning narrative and a distinct budget for the projected use of the grant funds.

A list of state level planning responsibilities includes:

- Devise and submit statewide plans for federal DOE, LIHEAP, ARRA grants.
- Devise and submit statewide plans for state funds as may be required.
- Write and maintain policies and procedures that will maximize the implementation of the program benefits in compliance with state and federal requirements.
- Develop and maintain effective forms, as well as procedures that assist in the efficient and accountable delivery of services without overburdening program operations.
- Have developed and maintained a statewide software system to manage the weatherization program.
- Formulate a statewide budget utilizing all funding resources in the most cost-effective manner possible.
- Allocate grant funds among subgrantees in a fair and efficient formula, one which

maximizes the use of the grant dollars.

- Set overall production targets for weatherization activities based on available funding.
- Set price list for materials and labor.
- Review and approve local budgets and budget modifications to ensure compliance, efficiency and accountability.
- Review and approval of local plans and plan modifications to ensure compliance and effectiveness in policy implementation.

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102.2 State Procurement

DNREC must ensure that competitive procurement procedures are followed in the program. The two primary applications of procurement policy are in the selection of subgrantees qualified to provide administrative functions on the local level and in the Subgrantees' subcontracting for weatherization services.

As a new recipient of weatherization funds, DNREC will initially subcontract with the experienced subgrantees already in place from the prior state agency's procurement process. DNREC will devise a proposal process to periodically choose subsequent subgrantees.

To choose weatherization subcontractors, the weatherization subgrantees and DNREC have jointly issued a Request For Weatherization Proposals (RFP) which will result in a pool of weatherization companies with whom subgrantees will subcontract to conduct weatherization work in their service area(s).

See SECTION 800, PROCUREMENT.

102.3 Weatherization Database

DNREC will maintain a master database of weatherization cases with the following information:

- the date of application and all application information.
- position on the waiting list for weatherization services
- unit information
- dates of energy audit
- date(s) weatherized
- weatherization services information
- date passed Final Inspection
- other information

Much of the information in the database will come from reports made by subgrantees and is dependent on those entities having an organized system of reporting.

The weatherization waiting list will be fed from the applications for energy assistance

currently taken by Catholic Charities. Any and all entities seeking weatherization services shall be directed to Catholic Charities for income and eligibility determination.

102.4 State Reports

The DNREC state office is also responsible for the collection of data for reports to the funding sources. Federal funding sources such as DOE require periodic reporting on the program's production and use of funds which the state office assembles. The receipt of ARRA funds adds a layer of reporting which the state staff must also submit. Finally, the state office is responsible for any required reporting on state funds used for weatherization.

102.5 State Quality Assurance

DNREC also has responsibilities monitoring the quality and effectiveness of the ongoing weatherization program, throughout the state. State administrative responsibilities include:

- Monitor program production reports submitted by subgrantees and vendors
- Conduct annual monitoring of the local implementation of the program through an annual administrative review and annual case file reviews
- Monitor the quality of weatherization work on individual units by reviewing energy audit and final inspection documentation and conducting quality assurance audits
- Monitor the proper payment of subgrantee claims
- Review and monitoring of subgrantee expenditures

See Section 600 QUALITY ASSURANCE for additional information.

102.6 Training and Technical Assistance

The state agency works with the DOE, the subgrantees and the weatherization subcontractors, but takes the primary responsibility for obtaining the finest quality of technical assistance for the program. DNREC strives to not only increase the requirements for conducting weatherization work but to upgrade the quality of the weatherization workforce to meet those requirements through the best training and technical assistance available.

See Section 500, TRAINING

102.7 State Personnel Functions

Staffing at the state level is determined by the needs determined by the DNREC but generally will include a program manager, a program technical expert ~~and~~, a program quality field monitor, a community liaison, a data analyst, and fiscal and administrative support staff.

State weatherization program personnel functions include:

- Overall plan & budget management
- Design and maintenance of policies, procedures, forms
- Review and approval of local agency plans and budgets
- Federal & state reports
- Training & technical assistance
- Program quality monitoring
- Local liaison and coordination of services
- State level appeals process
- Fiscal and regulatory compliance monitoring

102.8 Policy Advisory Group

The Delaware Weatherization Policy Advisory Council (PAC) is available to assist in the development of the weatherization program. The PAC has special qualifications and sensitivity with respect to solving the problems of low-income persons, including the weatherization and energy conservation problems of these persons. The PAC is broadly representative of organizations and agencies, including consumer groups that represent low-income persons, particularly elderly and handicapped low-income persons and low-income Native Americans, in Delaware. Furthermore, the PAC has responsibility for advising DNREC on the development and implementation of the weatherization assistance program.

103 LOCAL ADMINISTRATION

DNREC enters into contracts with community-based subgrantee agencies to administer weatherization services within their service areas. The subgrantees are not-for-profit agencies which administer a broad range of social services programs in each of the three counties in Delaware. Weatherization is a unique program because of its complex technical aspects but its purpose is to provide for basic human services that are most effective when combined with an array of local programs for ~~the~~ low-income ~~people~~. DNREC will periodically select local subgrantees through a competitive proposal process.

Through the local administrative agencies the program subcontracts with individuals and companies with the demonstrated capacity to perform the range of technical weatherization measures. The subgrantee has the responsibility to ensure that weatherization services are delivered by such companies in a cost-effective, accountable manner, in eligible units occupied by low-income families.

103.1 Local Staffing

Planning for adequate staffing is essential to success of the local program. The number of full-time positions employed locally depends on the size and needs of the program. At a minimum the local agency must have a full time program manager for weatherization.

Adequate numbers of case worker staff to handle intake and the ongoing services to program participants is also essential. In addition to program staff, administrative and support staff must be dedicated to the program in adequate time allocations to accomplish program activities.

The planning of staffing needs should reflect the lists of subgrantee functions in the areas of administration, case work, service delivery, fiscal, reporting, quality management, and training.

103.2 Local Responsibilities

The subgrantee must carefully plan all aspects of the delivery of weatherization services. The following sections list areas for which the subgrantee has responsibility. The balance of this policy manual detail the bullet points on these lists and must be considered by subgrantee planners and administrators in their designing of local programs.

Key roles of the subgrantee in implementing the Weatherization Assistance Program include the following.

103.3 Program Operations

The subgrantee has the responsibility for all aspects of local program operations. The subgrantee must:

- Conduct outreach, education and publicity for the program.
- Maintain adequate staffing of the agency's program.
- Contract for weatherization services to be delivered by qualified subcontractors.
- Comply with computerization requirements determined by DNREC to be necessary for effective weatherization program operations.
- Procure equipment, materials and supplies as required.

103.4 Case Work

Effective program implementation begins with competent case work staff performing the following functions:

- Intake of applicants from the waiting list generated by the Delaware Energy Assistance Program.
- Maintain the overall waiting list.
- Pull names from the waiting list according to program priorities.
- Determine and verify program eligibility according to program eligibility rules.
- Negotiate and administer landlord part pay agreements.
- Provide energy education services.
- Explain the weatherization work to families.
- Maintain applications, correspondence, forms and documentation in an organized client case file.

- Assign a specific job order number traceable to every step in the weatherization process.
- Process the local client appeals.

103.5 Service Delivery

Subgrantee staff is responsible that the flow of work ensures a timely and accurate job completion.

- Coordinate weatherization work flow among the agency, the family and the subcontractors.
- Assign the unit for the initial energy audit.
- Formulate a work order based on the energy audit.
- Assign the weatherization work on the unit according to the weatherization needs identified in the work order.
- Monitor the progress of weatherization work on the unit to ensure the work and time frames comply with the work order.
- Assign the completed unit to the Final Inspection Auditor.
- Review the Final Inspection to ensure the work was completed properly, resolving issues with subcontractors, coordinating any re-works, and so forth.
- Approving units for payment only after Final Inspection is passed.

103.6 Fiscal Administration

The subgrantee's responsibilities include the management of weatherization funds.

- Prepare the subgrantee program budget according to allowable cost categories
- Modify the program budget as called for.
- Review, approve and pay subcontractor claims for labor and materials only after the unit has passed the Final Inspection.
- Submit claims for reimbursement of weatherization expenditures to DNREC based on state policies and procedures
- Account for weatherization funds in accordance with applicable financial regulations and generally accepted fund accounting principles
- Maintain a fair and competitive process for the procurement of weatherization related supplies, equipment and services
- Institute an annual agency-wide audit including weatherization funds
- Cooperate fully with weatherization program monitoring, fiscal reviews or other requests for fiscal information.

103.7 Reporting

The subgrantee will be required to submit the following reports:

- Weekly, monthly, and quarterly production reports as required.
- Periodic evaluations of auditors and subcontractors as required.
- Demographics, as required
- Fiscal reports, as required
- Davis Bacon Act, employee pay information.
- *Ad hoc* reports as requested by DNREC

See Section 700 REPORTS

103.8 Quality Assurance

The subgrantee will be responsible for responding to the monitoring reports resulting from state program quality assurance reviews. Within 30 days of any state review, the State will send a written report to the subgrantee with its review findings. The subgrantee will respond to the findings with responses to recommendations and corrective action taken when required for compliance.

See Section 600 QUALITY ASSURANCE

103.9 Training and Technical Assistance

As part of its effort to improve the quality of weatherization services, DNREC will devise the program including a comprehensive set of training requirements that will apply to the subgrantee and its subcontractors. Funds are available for this purpose and the subgrantee planning should include full participation in training opportunities.

The responsibilities of the subgrantee are the subject of most of the remainder of this program manual. The subgrantee weatherization administrators must thoroughly understand every aspect of the program in order to plan and implement this highly complex program. Effective planning starts with the formulation of a detailed budget.

See Section 500 TRAINING

103.10 Program Budget Planning

The Delaware Weatherization Assistance Program is funded by as many as six different sources. In most instances, the subgrantee will construct local program budgets for each source of funding based on funding allocations made by DNREC under its contract(s) with the local agency. While the base DOE weatherization grant is the primary source of the budget and cost categories, each funding source may have its own budget characteristics. While funds must be strictly accounted for separately, in some instances the variations in funding source requirements allows for creativity in which funds are used in a coordinated way to conduct services around an individual unit.

See Section 400, ADMINISTRATION

103.10.1 DOE Weatherization Budget

The base Weatherization grant and the majority of regulations covering the use of funds come from the Department of Energy. The State of Delaware receives about one million dollars annually from the Department of Energy (DOE) for the core weatherization program. DOE sets the basic fiscal parameters for the use of funds.

103.10.2 LIHEAP Weatherization Budget~~:-~~

The federal Low-income Home Energy Assistance Program (LIHEAP) primarily funds utility assistance for low-income households. However, the federal DHHS allows states to divert a portion of LIHEAP dollars, up to 15%, to use for weatherization services. The amount used in Delaware, currently 10%, is negotiated by DNREC and the state recipient of LIHEAP, the Department of Health and Social Services (DHSS). LIHEAP funds that are used for weatherization generally take on the fiscal characteristics of DOE funds. However, LIHEAP allows for state flexibility in the regulation of the block grant funds, enabling the program to be creative in the ways that LIHEAP funds are used.

103.10.3 DOE Training and Technical Assistance (T/TA) Budget

Realizing the need for a significant program of technical training involved with weatherization, the DOE supplements its regular funding with a T/TA grant. DNREC will use T/TA funds to improve the training available in the state to strengthen of its staff, that of the subgrantees along with developing the expertise among its subcontractors.

103.10.4 DOE ARRA Budget

The passage of the American Recovery and Reinvestment Act in 2009 brought a tremendous increase in dollars available to states for weatherization services. Delaware alone received an ARRA award of \$13.7 million for the period 2009 through 2012. ARRA funds are subject to the DOE weatherization regulations with regard to expenditure and bring with them additional rules with fiscal impacts.

103.10.5 State of Delaware Utility Fund

Since 1999, a customer charge has been collected to fund low-income fuel assistance and weatherization programs (26 Del. C. Chapter 10). Traditionally, those funds, which amount to approximately \$~~1.78~~00,000 per year, have been used to help low income families with heating repairs, fuel bills and weatherization. -The amounts of these funds used annually in the weatherization program are negotiated each year by DNREC and DHSS.—

103.10.6 Regional Greenhouse Gas Initiative (RGGI)

The state of Delaware participates along with nine other Northeastern and Mid-Atlantic states in the first mandatory, market-based effort in the United States to reduce greenhouse gas emissions. By capping greenhouse emissions, these will reduce CO2 emissions from the power sector 10% by 2018. States sell nearly all emission allowances through auctions and invest proceeds in consumer benefits: energy efficiency, renewable energy, and other clean energy technologies. ~~10% A portion~~ of the revenue to Delaware is dedicated to providing weatherization services to the low-income as authorized under 7 Del C. Chapter 60. Another 5% is dedicated to LIHEAP.

~~Weatherization program cost categories are as follows:~~

103.11 Budget Categories

Weatherization program budget categories are as follows (SEE SECTION 403 for more details):

103.11.1 Administrative Costs Category

Administrative Costs are budgeted for projected costs associated with those functions of a general nature, not specific to one program, but applied to a range of the subgrantee's programs; salary and fringe costs for individuals such as directors, bookkeepers, clerks, and secretaries, for example. Personnel functions such as agency planning, budgeting, accounting, and activities that establish and direct the subgrantee's policies, goals, and objectives overall, may be part of the administrative costs.

This includes consumable office supplies used across programs, such as copier paper, note paper and pads, pencils and pens, and application pads. Rental or purchase of equipment used across programs may be allocated partially to the program on a reasonable basis.

Administration Budget Examples

Some specific examples of costs that, so far as they are not directly chargeable to program operations, may be considered as administrative include:

- Executive functions
- Office management functions
- Accounting, auditing, and budgeting
- Corporate legal services
- Personnel management

- Purchasing and distribution of supplies
- Insurance and bonding
- Receptionist, mail distribution, filing, and other central clerical services
- Data processing and computer services
- Computer equipment used for administrative functions
- General record keeping
- Office space/facilities lease or rental
- Utilities in the office space/facilities
- Postage
- Duplicating/copying.
- Telephone equipment and services
- Administrative staff training
- Applicable state and local taxes
- General personal liability and property insurance

Up to 5% of the total budget may be assigned to the Administration line item.

NOTE that the actual amount *claimed* by the subgrantee for administrative costs over the period of the contract will be limited to 5% of the actual amount *expended*.

Administration Cost Allocations

Overall agency costs that cover a range of programs must be budgeted using a reasonable formula to figure how much to charge each program. Most agencies split overall agency administrative costs among programs based on a cost allocation plan using historical time studies of the employees involved. Specific costs can be allocated to the weatherization program if they are treated consistently with other costs incurred for the same purpose in like circumstances, and if they are:

- incurred specifically for the purposes and benefit of weatherization,
- distributed in reasonable proportion to the benefits received,
- necessary to the overall operation of the organization, even though a direct relationship to any particular cost objective cannot be shown.

103.11.2 Insurance

Insurance costs are budgeted for subgrantees costs of carrying liability insurance. Liability insurance required by the DOE and DNREC may be charged to the weatherization grant at the actual direct cost. Liability insurance is a separate line item in the budget and as such is not considered a part of the administrative costs or as a part of the program operations costs.

Workers' Compensation

The Subgrantee must provide Workers' Compensation as required by law.

Unemployment Compensation

Subgrantee must provide Unemployment Compensation as required by law.

Pollution Occurrence Insurance

Regular liability insurance coverage does not provide for many health and safety circumstances which the weatherization program may encounter. For example, liability may not extend to such hazards as lead based paint or asbestos. DOE has mandated that additional insurance is required of the Subgrantee if their current policy does not specifically cover liability for these work-related hazards. Subgrantees are required to review their existing policies to ensure that they have adequate coverage.

103.11.3 Fiscal Audit

Fiscal Audit costs are budgeted for the subgrantee fiscal audit of its weatherization funds, which is required following the expiration or termination of the subgrantee's weatherization contract each year. The audit cost is a separate line item in the budget and not considered a part of administrative costs nor program operations costs.

In the event that more than one program is being audited the cost to the weatherization program is to be allocated on a reasonable basis.

The audit must be conducted by an independent public or certified public accountant and may be a part of the agency-wide audit as required under OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations".

103.11.4 Health and Safety

Health and Safety costs may be budgeted in an amount not to exceed ten percent (10%) of the total budget. Health and safety activities only include those that eliminate hazards that may be aggravated or even caused by the installation of weatherization measures. Health and Safety requirements will conform with those defined in 10 CFR 440.18 (d)(15) ~~and~~ Weatherization Program Notices (such as WPN 11-06 and WPN 02-05), and other state and federal policies, guidance, and regulations.

103.11.5 Program Operation Costs

Program Operations costs are those that are clearly identifiable with the operation of the subgrantee's weatherization program. The Subgrantee's direct costs as well

as the cost of subcontractors to the agency are included in this budget line item.

Subgrantee Costs

Staff: The Subgrantee's projected costs are budgeted for the staff and labor working directly in the operation of the weatherization program. These include program staff, program coordinators, and program support staff.

Where employees work on multiple activities, a distribution of their salaries or wages must be supported by adequate documentation of the activity percentage of work time by the employee(s).

Program Support: Subgrantee program support costs include the direct costs to the program for rent and utilities for agency labor, program advertising, supplies consumed by the program, as well as office equipment, furnishings, and computer equipment used in the program. Program support charges must be budgeted using the actual, net projected cost.

Subgrantee Subcontractor Costs

The cost of all anticipated weatherization subcontracted funds is budgeted in the program support line item. This includes all subcontractor costs for staff and labor; including subcontractor management staff, supervisory staff and laborers, as well as subcontractor overhead. The funds to be used by the subcontractor for purchase of weatherization materials are also included.

Incidental Repairs: Incidental repairs are included in subcontractor costs as program support funds which in limited circumstances may be used for certain minor repairs needed in a unit to ensure that weatherization procedures to are safe and effective. Such repairs should be infrequent and documented as necessary, and shall not exceed \$400 per unit.

Subgrantee Equipment

The weatherization program requires the purchase of certain items related to the proper performance of weatherization services and as implements in the performance of the program (e.g. blower doors). "Equipment" is defined by federal and state regulation as an item of non-expendable, tangible personal property, having a useful life of more than one year and an acquisition cost which equals or exceeds a unit cost of \$5,000. Purchases less than this amount are considered supplies. All such purchases are to be made in accordance with program procurement standards.

Subgrantee Vehicles

Vehicle purchases for the weatherization program are a type of equipment that must be procured according to program regulations. Vehicle purchases require prior approval by the subgrantee, the DNREC and the DOE.

103.12 Average Cost Per Unit

The subgrantee's weatherization program operations costs are limited to an average cost per unit which is set annually by the Department of Energy (DOE). The average cost requirement must be met by the subgrantee over the period of the contract. Failure to meet the requirement may result in a repayment of Program Operations funds. The limit for the 2010 year was set by DOE at \$6,500 per unit.

103.13 Budget Periods

Because the various funding sources are on different fiscal years, the periods covered by each budget vary accordingly. DOE funds are granted on a federal fiscal year from April through March. The LIHEAP funds are budgeted on the fiscal year from October through September. State funds may align differently. The budget form for each has the appropriate dates. All budgeted funds are to be expended within the applicable budget period, no matter the period of the contract in which they are granted.

104 SUBCONTRACTOR PLANNING

A significant part of the local administration of the weatherization program deals with the selection and utilization of companies that have the specialized experience and knowledge required to apply the wide range of weatherization measures to units in a safe and effective manner. To ensure the best quality and most reasonable cost, it is vital that the subcontractor be chosen through the competitive procurement process that meets the requirements of federal regulations. The success of the subgrantee largely depends on its initial choice as well as its ongoing handling of the subcontractors who actually perform the weatherization jobs.

104.1 Subcontractor Pools

The weatherization subcontractors may be divided into three pools: the Energy Auditor/Inspector pool, the Building Shell pool and Mechanical Services pool. Successful Bidder(s) will be drawn from each pool for individual job assignments. Each of the three pools which result from the competitive procurement process comprises a list of qualified individuals and companies from which the subgrantee will assign weatherization jobs.

See SECTION 300 WEATHERIZATION SERVICES

104.1.1 Energy Auditors and Inspectors Pool

The weatherization process begins with a comprehensive Energy Audit to identify the ways in which the housing unit and its systems are wasting energy, looking for

problems that range from straightforward energy leaks to complex heating and ventilation system malfunctions. Using advanced diagnostic techniques a trained energy auditor identifies actions needed in three basic areas on each unit.

- Health and safety measures that will ensure the safety and security of the occupants of the unit (and of the weatherization personnel working in a home).
- General heat waste reduction measures that will increase energy efficiency of the dwelling and reduce the family's energy burden.
- Energy education to provide information and tools to the family that they need to protect the weatherization materials installed. Education also offers clients the ability to actively participate in saving energy in their homes.

Once the weatherization work is completed a Final Inspection is conducted to ensure the quality and completion of the work called for in the audit.

104.1.2 Building Shell Weatherization Pool

Weatherization measures in the building are designed to result in the optimum volume of air exchanged throughout the weatherized unit using prescribed air sealing techniques and guided by pressure diagnostic methods. Such measures include traditional weatherization measures such as weather stripping and caulking. (Actual window and door replacement is done on a very limited basis.) Also, insulation levels are raised to optimum R-values using the techniques and materials appropriate to the locations in the individual residential unit structure.

104.1.3 Weatherization Mechanical Services Pool

Weatherization works with the home's mechanical heating systems, furnaces and water heaters along with connected electrical, gas and duct systems to ensure their efficient and safe function. In most instances, such equipment will be cleaned and tuned ~~+~~ with other repairs made as needed to optimize performance in the unit. In some limited circumstances, ~~new units will be called for~~ replacement units may be an eligible weatherization activity under Health & Safety.

104.2 Supplemental Job Competition

When the individual residential unit comes up for assignment, the subgrantee will compare the measures called for on the work order to the pool and choose the most appropriate. At this point, the subgrantee may assign the job based on the measures and quotes on file that fit the work order. However, the subgrantee may, at its discretion re-bid all or part of the job from among the applicable pool.

2. SECTION 200**CLIENT SERVICES**

The weatherization program subgrantee is responsible for client services, working with weatherization program families through the entire process, from the application for services through the final inspection of the weatherization work, to ensure that eligible families receive effective weatherization measure to reduce their energy burden, increase their health and safety, and improve their economic circumstances.

201 APPLICATION

The key to an effective program is an open, fair and available process for taking weatherization applications from to anyone who may be eligible. An application may be filed by any household member 18 years of age and over.

201.1 Where to Apply

Families (including individuals) may apply for weatherization services at the local office of Catholic Charities, Inc. Applicants who apply and are eligible for benefits through the Delaware Energy Assistance Program (DEAP) may elect to be added to the list for weatherization benefits at the same time.

Families may also apply directly for weatherization benefits without applying for DEAP.

The DNREC subgrantee and other agencies should refer all interested clients to Catholic Charities for an application.

201.2 Right to Apply

No one may be pre-screened or otherwise deterred or delayed in applying for benefits. In no instance shall a family be denied the opportunity to make a formal application for weatherization services.

201.3 Application Procedure

The application is processed in accordance with the program policies in this manual. In general, the steps are as follows:

1. The WAP application is completed, signed and dated by the applicant. (The approved application for the DEAP is considered an application for WAP and DEAP recipients are placed directly on the WAP waiting list).
2. The received application is reviewed by the WAP subgrantee staff for completeness and additional information is requested from the family, as needed. (Verification documents are not necessary at this point.)

3. The household’s application is scored according to the priority points and added, in order, on the WAP waiting list maintained by DNREC.
4. When a weatherization slot becomes available the applicant is pulled from the waiting list by DNREC and sent to the subgrantee.
5. The applicant is notified by the subgrantee that their name has been pulled from the list
6. The applicant is notified of what additional documentation may be needed to verify the information on the application. (If an approved DEAP application is on file, no further verification is needed provided the application is no less than 12 months old.)
7. The applicant’s documentation is reviewed for approval by the subgrantee caseworker.
8. The caseworker officially determines eligibility and notifies the applicant in writing of program acceptance or denial for weatherization services.
9. Denied applicants are given a right to appeal.
10. The energy audit, the weatherization work and the final inspection occur on eligible units.

201.4 Waiting List Priorities

Because of the high demand for weatherization services, the program frequently has a waiting list for services. The waiting list is comprised of families who have qualified for the program as noted above.

NOTE: The current year’s DOE grant funds will be used to complete the weatherization work begun over previous years. Households will not be pulled from the waiting list until that group of units is completed.

In determining the order of weatherization, priority is given to applicants on the waiting list with certain characteristics. Families with elderly or disabled members receive priority, as do families with children.

DNREC has adopted the following point system accounting for various factors to determine the applicant's position on the waiting list:

POINTS	FACTOR
10	The family contains an elderly individual (over 65 years old)
10	The family contains a disabled individual (receiving Medicaid,

	Medicare, Social Security Disability, or Supplemental Security Income)
5	The family has one or more additional members who are elderly or disabled
10	The family has one or more children (under 18 years old)

Once these priority points are applied, the applicants on the waiting list are drawn on a first come first served basis. This is done by applying 10 to 40 points for the length of time the family has been on the list, according to the latest available data. Points are added as follows:

- 1-12 months add 10 point
- 13-24 months add 20 points
- 25-36 months add 30 points
- 37+ months add 40 points

Once all points are tabulated the applicants are drawn from the list according to the highest point total. In the event families have the same number of points, the oldest actual application date will be used as the tie breaker.

202 ELIGIBILITY FOR SERVICES

A residential unit is eligible for weatherization services if it is occupied by a family:

- whose annual gross family income is at or below 200 percent of the poverty level adjusted for family size; *or*,
- includes at least one member of whom has received cash assistance payments in the form of Temporary Assistance for Needy Families (TANF) any time during the 12-month period preceding the determination of eligibility for weatherization assistance; *or*,
- includes at least one member of whom has received cash assistance payments in the form of Supplemental Security income (SSI) any time during the 12-month period preceding the determination of eligibility for weatherization assistance; *or*,
- ~~has been~~ currently eligible for assistance under the Delaware Energy Assistance Program (DEAP)

202.1 Proof of Identity

All families applying for services must prove identity. The head of the household must provide a form of identification, such as a state driver's license, which includes a photograph of the individual. All adult members of the household must provide a social

security number documented by his/her social security card. Social security numbers and birth dates must be provided for all minor children in the household.

203 ELIGIBILITY DETERMINATION

Because eligibility for certain types of low-income programs are known to be within the poverty guideline, families are considered “categorically eligible” for assistance if a family member receives those program benefits. In this instance only the family member's receipt of such benefits must be documented. (Other income should still be noted in the case file, however.)

While it is the responsibility of the family to verify the eligibility information in the case file, the subgrantee should assist in obtaining documents when appropriate case work is called for. Copies of all eligibility documentation must be placed in the case file.

203.1 Temporary Assistance for Needy Families (TANF)

The receipt by any member of the family of TANF benefits any time during the 12-month period preceding the determination of eligibility for weatherization assistance categorically qualifies the family for the program, regardless of overall income level. TANF may be verified by the most recent – within the past twelve months - notice of eligibility from the TANF agency. A copy of the documentation must be placed in the case file.

203.2 Supplemental Security income (SSI)

The receipt by any member of the family of SSI benefits any time during the 12-month period preceding the determination of eligibility for weatherization assistance categorically qualifies the family for the program, regardless of overall income level. SSI may be received by the elderly or disabled individuals, either by itself or as a supplement to Social Security benefits. SSI can be verified by the most recent – within the past twelve months - notice of eligibility from the Social Security Administration. A copy of the documentation must be placed in the case file.

203.3 Delaware Energy Assistance Program (DEAP)

The U.S. Department of Health & Human Services (HHS), under the Low-Income Home Energy Assistance Program (LIHEAP), provides a block grant of funds for the Delaware Energy Assistance Program (DEAP) administered by the Department of Health and Social Services (DHSS), Office of Community Services (OCS).

The receipt by the family of DEAP benefits categorically qualifies the family for the program. The DEAP application form asks if the family wants to be placed on the

weatherization waiting list. If the family is eligible for DEAP and has responded affirmatively, they are placed on the weatherization waiting list.

203.4 Income Eligibility

A family is eligible to have their unit weatherized if the total family income on an annualized basis is at or below two hundred percent (200%) of the poverty level. The poverty level, established annually by the federal Department of Health and Human Services, is adjusted for family size. The total, combined, annualized, gross income in the family is counted in the eligibility calculation.

NOTE: the financial eligibility determination for the weatherization program is valid for one year. This means that to be eligible for reimbursement by the program, the weatherization of a unit must be completed and pass Final Inspection within one year of the financial eligibility determination.

203.4.1 Income Types

Family income is the total annual gross cash receipts before taxes from all sources.

Typical income sources include:

- Earnings, wages, salaries, tips
- Self-employment, business, farm income
- Regular, periodic payments to a household by outside family or other persons
- Training stipends
- Government benefits such as Social Security, Veteran's Benefit, Railroad Retirement, Unemployment Compensation, worker's compensation payments
- Strike benefits from union funds
- Alimony, verified child support
- Military family allotments
- Regular private pension benefits, government employee pensions
- Military Retirement
- Individual retirement account withdraws
- Regular insurance or annuity payments
- Dividends, interest
- Net rental income
- Net royalties
- Periodic receipts from estates or trusts

- Net gambling winnings, lottery winnings

203.4.2 Income Exclusions

The following sources are to be excluded as income to the family: capital gains; withdrawals from a bank savings account; ~~the sale of property, a house, or a car;~~ one-time payments from a welfare agency to a family or person who is in temporary financial difficulty; tax refunds; one-time gifts; loans; lump sum inheritances; lump sum insurance payments; or, a lump sum compensation for injury.

The following benefits are also excluded as income to the family: employer-paid or union-paid portion of health insurance; employee fringe benefits; food or housing received in lieu of wages; the value of food and fuel produced and consumed on farms; the imputed value of rent from owner-occupied non-farm or farm housing; and, Federal benefits programs such as LIHEAP (DEAP), Medicare, Medicaid, Food Stamps, school lunches; and, housing assistance such as Housing Choice Voucher Program (Section 8) and Farmer's Home Administration.

203.4.3 Income Documentation Procedures

Income must be verified through documentation from the source of the money. Most income, such as wages, comes with check stubs that indicate the amount and the dates paid. With benefits of various kinds an award letter showing the benefit amount should be used. Except to corroborate other documents, bank deposit records should be avoided as documentation as the source of the amounts listed may not be clear on the statement.

Earned Income: The most recent 13 weeks (3 months) of pay history should be used to determine salary, wage and other periodic earned income. Care should be taken by the intake worker to understand the period of payment; in other words, whether the pay is drawn weekly, biweekly (every two weeks), or semi-monthly (two pays per month). The pay period makes a difference in how annualized income is figured.

In instances where the applicant cannot produce the complete sequence of paycheck stubs, a statement from the employer will be necessary to properly verify income for the 13 week period. Likewise, if the pay has been intermittent or the applicant has not been employed for three months, the employer will have to verify the dates of employment to compute the income. (In instances where employment has not been steady, the intake worker should inquire about the receipt of unemployment compensation.)

Regular Benefits: Most benefits, such as Social Security, may be verified by the latest award notice that is mailed to the recipient annually. In no instance may the documents verifying used to determine benefit amounts be more than one year old from the date of income determination.

Social Security may be verified at the Social Security Administration website where the applicant (or anyone) can generate an award letter which will be sent to the beneficiary's home address.

The documentation of income is the applicant's responsibility. However, good case work practices include assisting the family in obtaining verifications of information where appropriate and possible.

203.4.4 Annual Income Computation Procedures

(1) **Benefits:** For benefit income received in the same amount on a regular basis, such as Social Security benefits, the annual amount may be computed by (a.) multiplying the documented benefit amount times the total periods in a year; (b.) summing the actual past years' worth of payments; or, (b.) by taking the most recent documented payments for three months and extrapolating an annual figure.

Example - The applicant verifies the three most recent monthly Social Security benefit payments. Those three payments are added up. The sum is divided by three to get the average monthly amount. Then the monthly amount is multiplied by twelve to obtain an annual figure for that source of income.

Example - The applicant receives \$450 per week in unemployment compensation benefits. The weekly benefit is multiplied by 4.3 to get a monthly amount. That total is multiplied by 12 months to obtain the annualized gross income figure.

(2) **Earnings:** With earnings, the process is the same, although it may be a little more complicated to arrive at the annual figure. Again, the applicant's documentation of the entire previous year's earnings may be summed for the annual earnings figure. Of course a full years' documentation may not be available. Either the documents may not exist, or more likely, the applicant's earnings do not go back a year. Or, the income has been intermittent. So these examples illustrate how the annualized income may be determined.

Example - Weekly Paychecks: In this example, the gross pay amount is documented for at least the most recent thirteen (13) weeks (three months). The sum of all earnings for the thirteen week period is totaled. The total is multiplied by 4 to get the annual income figure for this individual.

Example - Biweekly Paychecks: In this example, the documented earnings are received every two weeks. In this instance, the most recent 6 paychecks are summed. The total is then multiplied by 4 (quarters) to get the total annual income figure for the individual.

Example - Semi-monthly Paychecks: In the final example, the documented earnings are received twice per month. In this instance, the latest 6 paychecks are documented. The total is divided by 13 (weeks) and the product is multiplied by 52 (weeks) to obtain the annualized amount.

As an alternative, applicants may present a copy of the current year's submitted (signed) tax form 1040 from which the adjusted gross income line may be used to compute the annual income figure. The information forms must match the name(s) and social security number(s) of the household members. This method may only be used in the calendar quarter in which the tax form was submitted.

203.4.5 Self-employment Income

Self-employed applicants must present their most recent tax form 1040 form. The Adjusted Gross Income figure is the countable annual income for determining eligibility.

Self-employed applicants who claim that business income has changed dramatically since the taxes were computed, may be given a chance to verify the situation using the current tax year's quarterly tax filings. In that instance, the total number of filings for the year must be used. For example, if a self-employed applicant is applying in the fourth quarter of the year, three quarterly filings should be available for the current year. The annualized figure would be extrapolated from the documentation by multiplying the sum of the quarterly incomes by the number of filings and multiplying the product by 4 (quarters).

203.4.6 Income in Shelters, Group Homes

Note: The DNREC state plan does not currently allow for this policy. Subgrantees must check with current DNREC policy on weatherizing shelters and group homes prior to initiating such a project.

An application and eligibility determination is not required for the weatherization of eligible shelters and group facilities.

Note that the Subgrantee should determine the number of countable completions based on counting each 800 square feet of the shelter as a dwelling unit or each

floor level as one unit (see 10 CFR 440.22(f)). An individual file should be kept for the shelter job. For reporting purposes, each completion should be counted as “Data Unavailable” when reporting income categories and demographics.

203.4.7 Income in Multi-unit buildings

Note: The DNREC state plan does not currently allow for this policy. Subgrantees must check with current DNREC policy on weatherizing shelters and group homes prior to initiating such a project.

Regulations (10 CFR 440.22(b)) allow for the weatherization of multi-unit buildings but require that a percentage of the occupants be eligible for the weatherization services. For duplexes and four unit buildings 50% of the units must be occupied by eligible families. For multi-unit complexes with five or more units, 66% of them must have eligible families.

An application and eligibility determination are, therefore, not required for non-eligible or empty units.

For reporting purposes, each non-eligible or empty unit should be listed as “Data Unavailable” when reporting income categories and demographics. To ensure that the percentage requirement is met, a separate list must be maintained, indicating the eligible and non-eligible or empty units. Sub-grantees should also note that when weatherizing multi-unit buildings, the amount to be spent on the building is determined by the number of income eligible units. (Example: When weatherizing a 20 unit building, if 15 of the units are eligible, you are only allowed ~~\$7597,000-500~~ (15 x \$5,06,500) for the 20 units.)

Comment [CS1]: Am I missing something here? Why was he using \$5k instead of \$6.5k?

203.4.8 Government Renovations

Note: The DNREC state plan does not currently allow for this policy. Subgrantees must check with current DNREC policy on weatherizing shelters and group homes prior to initiating such a project.

A home that is weatherized while being renovated by a state or local government program must have a client file completed within 60 days of the completion of the work. The file must contain all proper verification documents to ensure that the client meets all eligibility criteria.

204 UNIT ELIGIBILITY

Strictly speaking, it is the residential unit which must be eligible to be weatherized. In addition to being occupied by a family which meets the requirements, other unit requirements must be met.

204.1 Proof of Ownership

Only the owner of the property may authorize weatherization work on the eligible unit. While we use the term “landlord”, do not take for granted that the individual with whom the tenant is dealing is the actual owner of the property. Ownership of the property must be verified in all cases, regardless of who is occupying it.

Acceptable proofs of ownership include:

- deed
- mortgage or mortgage payment book
- real estate tax bill or receipt
- school tax bill or receipt
- written statement from local tax assessor's office, county or tribal clerk, or deeds commissioner
- mobile home bill of sale (If the bill of sale is not available, a notarized statement from the client may be acceptable.)
- documentation of Land Grants, Life Tenancy or Life Lease.

The form of proof must be one or more of the documents listed. The document must state the owner's name and the address of unit that is to be weatherized.

204.2 Re-weatherization

Weatherization program funds may not be used to re-weatherize a unit except as the unit was previously weatherized prior to September 30, 1994 and that the unit meets certain other requirements. It is the responsibility of the subgrantee to determine whether a unit has already received weatherization services and the date on which those services occurred. If a list of previously weatherized units is not available the subgrantee must investigate the matter in interviewing the owner of the unit.

The DNREC policy is that re-weatherization should not occur as a routine practice since many households have never received services. Before a unit can be re-weatherized, the subgrantee must submit a written request to DNREC explaining the need for re-weatherization and obtain written approval from the state agency.

In determining whether to approve a re-weatherization of a particular unit, the DNREC will also consider factors such as:

- funds are available for re-weatherization
- an older, less effective method was used which if re-done would result in energy

savings

- a weatherization measure has failed over time which if re-done would result in energy savings
- other conditions in the unit
- the unit is owner occupied (re-weatherization of rental property is not recommended)
- and other factors as appropriate.

All dwellings previously weatherized under a federally funded program have already been counted and reported as a weatherized dwelling. Re-weatherized units may not be counted again.

204.3 Rental Units

Weatherization services are to be provided to owner-occupied and rental units alike. Applications from families who are renting should be ranked and verified in the same manner as used with families who own the home in which they live. The subgrantee may not refuse to weatherize an eligible rental property.

204.3.1 Landlord Agreement

In the instance that the qualifying unit is a rental, the subgrantee must obtain the consent of the landlord (owner) of the home prior to conducting any weatherization work.

The landlord must sign the Landlord Agreement which stipulates the following:

- I (the landlord) certify that I am sole owner of the above referenced unit.
- I certify that said unit is currently occupied by the above referenced tenant.
- I authorize all weatherization personnel access to the property for any legitimate purpose of the weatherization program.
- I authorize the weatherization agency staff and weatherization subcontractors to perform all weatherization program activities on the above referenced unit.
- I do hereby release and pledge to hold blameless the above named tenant, the weatherization agency and its weatherization subcontractors from any liability whatsoever in the performance of this authorization or eventually arising therefrom.
- I agree to all alterations of and installations in the property for the purpose energy efficiency improvements, or incidental repairs, as determined by the Weatherization Agency in the energy audit and subsequent job work order.

- I agree that the Weatherization Agency may receive statements from fuel suppliers for the purposes of evaluating weatherization needs and measures.
- I agree that the Weatherization Agency may conduct an energy audit and other inspections, including those conducted by the DNREC and the DOE, as required.
- I agree not to increase rent increase nor impose any other charges based on completed weatherization work; and that any other rent increases must be demonstrably related to matters other than the weatherization work performed.
- I agree to pay back the cost of weatherization to the Subgrantee should, within a two-year period from the final date of weatherization, the rent be increased, the unit sold, or the mobile home is moved from its location.

204.3.1 Landlord Contribution

Landlords are not required to contribute toward the cost of weatherization. However, they may do so voluntarily. Work on the unit agreed to by the landlord does not affect any aspect of the unit cost or the program. Landlord financial contributions made to the subgrantee for weatherization work performed are to be considered by the subgrantee to be program income and as such, used for weatherization work costs.

204.3.2 Proof of Tenancy

In the instance that the unit to be weatherized is a rental, proof of the applicant's tenancy must be obtained. The preferable documentation to prove tenancy is a lease signed by the owner/landlord. Other documents may be used such as a signed statement from the landlord, rent receipts signed by the landlord. Utility bills with the applicant's name and the unit address may be used but only with other documents establishing tenancy.

204.3.3 No Undue Enhancements

When determining the work plan on a rental unit, the subgrantee should see that the benefits of the weatherization assistance accrue primarily to the low-income tenants. No undue enhancement to the property should occur beyond the scope of energy conservation. In other words, the purpose of the measures taken should always be to save energy costs on the tenant's utilities, not necessarily to improve the value of the property. Such measures as furnace replacement, window replacement and door replacement should be used sparingly in rental units, unless clearly warranted in the Energy Audit.

204.3.4 Rent Increase

Owners may not increase rent as a result of unit's weatherization. Unless increases are demonstrably related to matters other than the weatherization work performed, the owner will have to re-pay the full cost of weatherization if rent is increased. Any dispute of the circumstances for a rent increase will be reviewed by the subgrantee. The determination may also be reviewed by DNREC, if requested by the parties involved.

204.4 Unit Deferral

Some weatherization activities must be deferred due to problems with the unit that are beyond the scope of weatherization. Deferrals may take place during any phase of the weatherization process. The Energy Auditor, the subgrantee or the weatherization subcontractor(s) may recommend the deferral of work on a unit at any point where a health and safety risk to the occupants or to the subcontractor's workers is identified. The decision to defer work is requested from and to be approved by subgrantee.

The reason for the deferral must be put in a written notification by the subgrantee to the owner, with a copy to any tenant, as applicable. The subgrantee should identify the reason(s) for the deferral and suggest solutions including alternative resources to help alleviate the problem. Postponement of work will continue until the issue(s) can be resolved.

Some of the circumstances under which a unit is to be deferred include, but may not be limited to, the following:

- Any existing condition that could endanger the health and/or safety of the work crew and cannot be safely remediated within the scope of the weatherization program funds.
- Building structure or the condition of its mechanical systems; including, electrical and plumbing that are in such a state of disrepair that failure is imminent.
- Extent and condition of lead-based paint in the house would potentially create further health and safety hazards.
- Extent and condition of asbestos in the house would potentially create further health and safety hazards.
- Elevated carbon monoxide levels where abatement is not possible using weatherization funds.
- Existing moisture problems that cannot be resolved.
- House with sewage or other sanitary problems that not only endangers the customers, but the workers who will perform the weatherization work.
- A contagious or otherwise dangerous health condition of the occupant.

- Occupant who is uncooperative, abusive, or threatening to crew, subcontractors, auditors, inspectors, or others who must work on or visit the house.

Deferrals should be referred to case work staff where subgrantees should make appropriate referrals to alternative funding resources to alleviate the condition causing the deferral. Subgrantees should establish lines of communication with other funding sources so that referrals can occur in an efficient manner.

The following is a list of potential funding sources to help remedy situations in a home:

- U.S. Department of Housing and Urban Development (HUD) - HOME Program
- HUD - Community Development Block Grant
- U.S. Department of Health and Human Services - Community Services Block Grant
- U.S. Department of Agriculture - Rural Economic Community Development
- State-funded housing and rehabilitation programs
- Low-income program funds provided by local utilities
- City-funded housing and rehabilitation programs
- Donations or financial participation from landlords
- Donations from local churches or community groups

Any client who has received a deferral by a local agency must be allowed to pursue an appeal. The appeal will follow the established procedure set forth in the policies See Section 205 APPEALS

The costs associated with deferred audits are an allowable charge under base program operations. Those agencies using subcontractors must be able to document on the deferral invoice that the charge was for a deferred home and is not attributable to any particular completion.

See ~~Section~~[SECTION 404304](#), Health and Safety for additional information on deferring a unit.

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205 APPEALS

The subgrantee must provide a written notice to an applicant stating that the application has been denied (or deferred). The denial notice must clearly state:

- the reason for the denial;
- citation of the applicable policy manual section and/or federal regulation on which the decision is based;

- that the applicant has a right to appeal the decision;
- that the applicant has fifteen (15) working days from the date of the notice to appeal; and,
- the procedure for sending an appeal to the Subgrantee.

Appeals received after the fifteen-day period should be returned with a notice stating that it will not be considered as it was submitted beyond the deadline.

The Subgrantee should use its normal internal procedure for reviewing appeals. Appealed decisions are to be reviewed by an agency staff person, at least one level higher than the person who made the decision on the case eligibility. That person's decision should be communicated to the appellant in writing no later than ten (10) days following the receipt of the appeal.

The appeal decision notice must clearly state:

- the acceptance or denial of the appeal; and, if denied:
- the appellant's right to a final appeal to the DNREC;
- the appellant has an additional ten (10) business days from the date of the second letter to appeal to the state; and,
- the procedure for further appeal to the DNREC, including the address of the DNREC for further appeal.

When the appeal is received at the DNREC, the state weatherization manager will review the case. The DNREC manager may request case file materials and talk personally to the subgrantee staff or the appellant. The appellant and the subgrantee will be notified of the state's decision within ten (10) days of receipt of the appeal. After the state decision is issued, no other administrative appeal steps will be available to the denied applicant.

Nothing in this process is to be construed as limiting an applicant's right to seeking additional judicial remedy.

206 CLIENT FILES

The subgrantee is responsible for maintaining a complete and separate file on each family whose application is moved from the waiting list to a determination of eligibility for services.

For eligible cases, receiving weatherization benefits, case files should include all forms, notes, correspondence and documentation regarding the eligibility of the unit, the client's eligibility for services, and case notes.

All paperwork must be labeled with the unique work order number assigned by the subgrantee.

206.1 Computerized Records

To the extent possible DNREC encourages computerized case files. So long as the required information is accessible to DNREC monitoring in a clear and complete format there is no need to duplicate information in a database with printed hard copy in a case file.

If, for example, a database has the capability of storing and retrieving documentation of the household's income there is no need to have an additional copy in the case.

Or, in another example, the Energy Audit software may store data regarding the unit's weatherization audit so printing out documents from that database is not necessary so long as the information is easily available to DNREC and identifiable with the correct household through a common key work order number.

However, any forms, such as the application, that require an original signature from the applicant, the owner of the unit, the subgrantee or other persons must be in hard copy in the case file.

DNREC will monitor subgrantee compliance with case file documentation requirements.

206.2 Case Eligibility Documentation

A typical case file will include:

- A completed application for the Weatherization Assistance Program
- Copies of *all* documents used to verify the income of the household
- Copies of all correspondence related to the case, including a copy of the notice of eligibility
- A copy of the head of household's picture identification and social security card
- Copies of all other adult household members' Social Security cards
- Copies of all documents used to verify ownership of the unit
- Copies of all documents used to verify tenancy of the unit
- Utility consumption data, as applicable
- Homeowner Consent Form/Rental Release Form

206.3 Weatherization Services Documentation

All information related to the weatherization services must also be documented in the case files. A typical file will include:

- Energy Audit on the unit with pre weatherization readings and prioritized measures
- Auditor or other diagrams
- Directions to the unit
- Job specifications and the work order sheet with subgrantee's authorization to proceed
- Contractor's supplemental bid sheet(s), as applicable
- Modifications to the work order
- Subcontractor's documentation such as ongoing pressure diagnostic readings
- Subcontractor invoices showing all material and labor charges
- A completed Health and Safety checklist with documentation
- Completed client education information
- Receipts from client verifying the issuance of required pamphlets such as the information on lead based paint
- A summary of completed work
- The total cost of the unit subtotals for weatherization cost categories
- The completed Final Inspection report including documentation of post weatherization readings

206.4 Denied Case Documentation

Denied cases are to be maintained also, but kept separate from eligible cases.

A typical denied case file will include:

- A completed application for the Weatherization Assistance Program
- Copies of *all* documents used to verify the total yearly income of the household
- Copies of all correspondence related to the case, including a copy of the notice of denial (or deferral)
- A copy of the head of household's picture identification and social security card
- A written determination of the family's ineligibility

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- Documentation used to determine ineligibility
- Written case notes as applicable
- Documentation related to a denied applicant's appeal, as applicable
- Notice to appellant regarding all appeal decisions
- Copy of further appeal to the DNREC, as applicable
- Copy of the DNREC decision on the appeal, as applicable

3. SECTION 300 WEATHERIZATION SERVICES

SECTION CONTENTS

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The Delaware Weatherization Assistance Program (WAP) is committed to providing weatherization services needed to improve the economic circumstances of the low income persons, reducing their energy burden, while at the same time improving the comfort, health and safety of the family. The program approaches the unit as a system, using advanced diagnostic tools and techniques to determine the measures that will deliver optimum efficiency for the most reasonable cost.

301 PRODUCTION WORKFLOW

The weatherization workflow begins with the subgrantee’s determination of eligibility based on the household’s complete, signed and approved application. The subgrantee case worker will have explained the weatherization process to the family. The family and/ or the owner will have signed necessary release forms. And, the unit will have been pulled from the waiting list strictly according to the priorities of the program.

See Section 200, CLIENT SERVICES.

301.1 Implementation of Weatherization Measures

The subgrantee has the responsibility for determining the weatherization services to be implemented with each eligible unit. The first step is to order an audit by a qualified Energy Auditor, assigned from the subgrantee’s pool of audit subcontractors. Once the written audit report is completed, the subgrantee is responsible for formulating the Work Order; on the basis of the audit results, the auditor’s recommended measures and the funds available. The Work Order measures are next assigned to appropriate companies from the subgrantee’s three subcontractor pools: Energy Auditor/Final Inspector; Weatherization, ~~HVAC~~; and ~~Water Heater~~Mechanical.

As the weatherization work progresses, it is monitored by the subgrantee to ensure the work is completed in conformance to program standards and within the agreed upon

schedule. Once the subcontractor has pronounced the work complete, the subgrantee schedules a Final Inspection of the work to be conducted by a qualified inspector (auditor) from the subcontractor pool.

After the work passes Final Inspection, the subgrantee approves and pays subcontractor invoices. (See Section 400, ADMINISTRATION)

301.2 Production Schedule

The Energy Audit, based on the evaluation of the relative cost-effectiveness of each of the measures, dictates the order in which they are to be conducted or installed.

The alleviation of health and safety issues always takes precedence over the weatherization energy efficiency measures.

It is up to the subgrantee's program staff to coordinate the weatherization activities in each unit to ensure the job is done properly and in the agreed upon time frame. The scheduling of several jobs at a time, as well as outside work schedules, may affect the availability of any given subcontractor. Likewise, the family's schedule or the owner's schedule may have an impact on the job timing and duration. Other factors such as time of year, the weather, and work site accessibility may all enter into the difficulties of coordinating the work. Even factors such as subgrantee contract and budgetary status may enter into the production schedule. It is up to the subgrantee program management to take all of the factors into account in order to maintain an ambitious schedule which will meet the overall production goals of the program.

Subcontractors will be contractually required to complete units within the time frame established for each unit by the subgrantee. Any anticipated delays in the completion time frame on the part of the subcontractor shall be communicated to the subgrantee in writing, prior to accepting work assignment. Subsequent changes in the schedule must also be requested in writing and addressed as an official modification of the Work Order.

The volume of work assigned to any one subcontractor will be determined through negotiations between the subgrantee and the subcontractor on an individual job, predicated on the contractor's capacity to complete the work in the time stipulated, and the quality of workmanship previously demonstrated.

The subcontractor may not commence with any work until written authorization is received from the subgrantee in the form of an executed, signed Work Order.

301.3 Assigning the Job

The competitive procurement process has resulted in several pools of companies and individuals under subcontract with the subgrantee for the assignment of the various aspects of weatherization. The subcontractor pools include:

- Energy Auditor/ Final Inspection
- Weatherization (Air Sealing, Insulation, Mobile Home)
- Mechanical (Heating Systems, Water Heater)

When the Work Order is complete, the subgrantee will compare the preponderance of measures called for; to the work offered by subcontractors in the applicable pool. The work is to be assigned to the most appropriate subcontractor based on the following factors:

- Comparative proposal scores on file on the preponderance of measures called for on the individual Work Order;
- Comparative cost quote levels of supplemental bids on the measures for the specific job, as applicable;
- Ongoing evaluation by the subgrantee of the contending subcontractor's work with other jobs utilizing similar weatherization measures; and,
- Availability of the specific subcontractor for the job in the time frame needed for the job.

301.4 Supplemental Job Bid Competition

The subgrantee may at its discretion re-bid the price of all or part of any job. The subgrantee may re-bid to obtain a better price based on the expense of a given measure or the size of a job. The supplemental bid(s) may only be conducted among the companies within the existing subcontractor pools. The supplemental bid process will include three written quotes from among the subcontractors in the appropriate pools.

The subgrantee must always conduct a supplemental bid process among the contractors in the mechanical systems pool when replacing a heating appliance.

The weatherization program (subgrantee and DNREC) may establish an acceptable maximum price for a given weatherization measure and re-bid among the pooled subcontractors based on that price. If the measures called for are delineated on the weatherization price list, a general supplemental bid process will be conducted to identify the subcontractor(s) willing to meet the mandated maximum prices.

The new, supplemental quotes are factored in the decision on the individual job assignment.

In the event the subcontractor does not fulfill its obligations under any awarded subcontract, the subgrantee may purchase equivalent services on the open market.

302 PROGRAM REQUIREMENTS

The subgrantee has responsibility to implement the Delaware Weatherization Assistance Program within certain regulatory requirements regarding the quality of work and the qualifications of those persons performing the weatherization measures. Those requirements are prescribed in state and federal regulations and are a part of the subgrantee's contractual agreement.

302.1 Workmanship

Weatherization work must meet the workmanship standards established by the program and detailed in the *Delaware Weatherization Standards and Field Guide (2005 and subsequent revisions)*. The *Field Guide* is a primary source for detailed protocols and technical definitions of the work that is required. Program standards and protocols in the *Field Guide* may be altered by subsequent Delaware Program Notices which take precedence.

Workmanship standards include the:

- use of qualified and trained personnel to conduct weatherization work;
- use of generally accepted weatherization protocols, methods, techniques and tools;
- installation of prescribed materials, parts and equipment; and,
- weatherization work conducted in a safe and healthy work environment.

In addition to the *Field Guide*, the Department of Energy (DOE) cites numerous sources for weatherization work standards in the federal regulations at 10 CFR 440, Appendix A: "Standards for Weatherization Services".

The subgrantee must contractually require its subcontractors to comply with the program workmanship standards. Jobs and job sites should be monitored to ensure the subcontractor is complying with the standards.

302.1.1 Weatherization Personnel

The weatherization work must be completed by actual employees of the subcontractor. The subcontractor may not further subcontract work without specific, express permission by the subgrantee. The subcontractor is to employ an adequate number of properly trained and supervised workers to accomplish the work.

Subcontractors completing shell work must have a qualified crew chief/supervisor

at the work site at all times.

Energy Auditors are required to have a current BPI certification. Auditors will also be required to attend additional training as required by DNREC. Only individual Energy Auditors who have been approved through the Delaware competitive proposal process may be used for program work.

In conducting weatherization work the subcontractors must comply with all state and local licensing requirements. Skilled workers such as electricians and plumbers must currently hold all required credentials.

Compliance with other federal regulations regarding employee qualifications is also a requirement. For example, under certain circumstances lead safe work must be completed under the supervision of an EPA Certified Renovator.

The Subgrantee must contractually ensure that its weatherization subcontractors comply with these requirements. The compliance should be verified and monitored by the subgrantee on a sample of individual jobs.—

302.1.2 Training

In the belief that training is the key to a vital program, the Delaware Weatherization Assistance Program is in process of devising an aggressive training program which will place specific training requirements on the subgrantee and its subcontractors.

The volume of work assigned to a subcontractor will, in part, depend on the level of expertise developed in its workforce. A company with better trained employees will be given more job assignments. Subcontractors whose work fails to meet the program standards because of the lack of required training will be at risk of less work volume, and even contract termination.

Subgrantees must ensure compliance with training though its subcontract with the companies providing its weatherization services. Subgantees are responsible for periodically reviewing the training compliance of individual company personnel.

No claim will be paid, nor should one be submitted for reimbursement, for any work performed by the subcontractor or the subcontractor's staff who have not fulfilled the training requirements of the weatherization program.—

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See ~~Section~~ SECTION 500, TRAINING.

302.1.3 Weatherization Tools

Weatherization work requires the expert use of a number of specialized tools. Proper attic insulation cannot be conducted without the skillful use of an

insulation blowing machine, for example. ~~Or, o~~Ongoing pressure diagnostics with use of the blower door and related tools are essential to effective air sealing. Underpinning the more sophisticated equipment are more basic tools such as those used in basic carpentry, plumbing and electrical work.

It is up to the subcontractor to provide the necessary tools for the job. The subgrantee must require this contractually and periodically monitor the use of proper tools at the job site.

Some typical weatherization tools include:

AUDITING TOOLS: blower door w/ accessories (Magnahelic gage or digital manometer, tubing, smoke bottle), pressure pan (or duct blaster set-up), gas leak detector, combustion analyzers, monoxer (CO detector), draft gage, tape measure, flashlight, pocket thermometer, non-contact voltage detector, circuit tester, volt/amp meter, vacuum cleaner, fire extinguisher, first aid kit, step ladder, calculator, clipboard, paperwork & audit form

PRESSURE DIAGNOSTIC TOOLS: blower door w/ fan, frame, shroud, controls, hoses, digital manometer, pressure pan/ duct blaster, probe (for zonal tests), hose kit, smoke bottle/ stick

INSULATION TOOLS: insulation blower machine, insulation foam sprayer

COMBUSTION APPLIANCE TOOLS: monoxer (carbon monoxide detection), gas leak detector, draft gauge, lighter (w/long handle), mirrors (clear-flame), soap bubbles, bleed jug and hose, copper tubing for analyzers, jumper wires, lag bolts or plugs

OTHER: tape measures, flashlights, multiple screwdrivers, large pry bar, small pry bar, hammer, cordless drill and various bits, drill bit for sidewall inspection, drill bit for heating system inspection, pen and paper, digital pocket thermometer, high temp silicone, duct tape, tinsnips (right, left, center), crimper snips, extension cord, trouble lights, coveralls, gloves, masks, respirators, personal protection equipment (PPE), wrenches – open ended, rags/hand cleaner, nut drivers – ¼”, 5/16” 3/8”, crescent wrench, self-tapping screws, small paneling nails, trash bags, extra batteries, recharging equipment, cleaning equipment, calibration equipment

See *Delaware Weatherization Standards and Field Guide (2005)* regarding the effective use of weatherization tools.

302.1.4 DOE Materials Standards

Weatherization subcontractors are required to install equipment, materials and parts which meet the standards set forth by the Department of Energy at 10 CFR 440, Appendix A: “Standards for Weatherization Services”. This section of the

federal regulations details standards for conformance in fourteen specific areas of weatherization, for the most part referring the contractor to industry standards for each measure.

For example, insulation installers must meet the guidelines set forth by the American Society for Testing and Materials (ASTM) in the areas of Thermal Insulating Materials for Building Elements. Similarly, standards for doors and windows are set by the American National Standards Institute. The American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) sets standards for work on heating systems. The standards for conformance for the following areas are addressed in the DOE regulation:

- Fire Safety Requirements for Insulating Materials According to Insulation Use
- Thermal Insulating Materials for Building Elements
- Doors and Storm Windows
- Caulks and Sealants
- Weatherstripping
- Heat Exchangers
- Boiler/Furnace Control Systems
- Water Heater Modifications
- Waste Heat Recovery Devices
- Boiler Repair and Modifications/Efficiency Improvements
- Heating and Cooling System Repairs and Tune-ups/Efficiency Improvements
- Replacement Furnaces, Boilers, and Wood Stoves
- Air Conditioners and Cooling Equipment
- Screens, Window Films, and Reflective Materials

The subgrantee must contractually require subcontractor compliance with weatherization program materials standards. Compliance is to be monitored on a sample basis during the work period and as part of inspecting the completed work.

302.1.5 Worker Health & Safety

Weatherization work crews have a right to work in an environment that does not jeopardize their health and safety. Subgrantees must require subcontractors to provide all standard precautions to ensure a hazard free workplace. Requirements will include proper protective gear, safe and well maintained machinery and tools,

materials data safety sheets (MSDS) for all hazardous items, worker safety training and so forth.

Subgrantee contracts should specifically cite compliance with federal regulations on worker health and safety. See OSHA regulations relating to labor at 29 CFR 1926, Safety and Health Regulations for Construction. See additional regulations relating to toxic substances at 29 CFR 1910, Occupation Safety and Health Standards.

In order to maintain a safe work environment the subgrantee must enforce the weatherization program's unit deferral policies which allow for work to be deferred until health and safety hazards are mitigated. Subgrantee program staff, energy auditors and weatherization workers should be able to spot hazards and call for the possible deferral of the work. See Section 204.4, Unit Deferral.

Worker health and safety will also be integrated with job specific training that is required for all weatherization workers.

See Section 304, HEALTH AND SAFETY

302.2 Cost Effectiveness

Subgrantees may only authorize weatherization funding for energy efficiency measures which are cost-effective, that is measures which will result in a Savings to Investment Ratio (SIR) of 1.0 or greater. The SIR is a figure that results from dividing the energy cost savings of a measure over its expected lifetime by the total cost of the measure.

As an example, if the cost of insulating an attic is \$1,000, the projected energy savings is \$150 per year and the insulation is expected to be effective for ten years, the SIR equation would be $(\$150 \times 10 \text{ years}) / \$1,000$ which equals 1.5. So, the SIR result is greater than a ratio of 1.0, indicating that the measure is cost effective.

Not only does the SIR prove the cost effectiveness of the individual measure, it can be used to rank measures for the order in which they are to be installed. For example, perhaps sealing a large bypass gap into the attic computes at a SIR rating of 2.5 (because it costs so little for the job compared to the effect on heat loss). The air sealing measure will be listed before the insulation work above, as comparative ratings indicate a higher cost effectiveness ratio. In this way, the auditor's plan for weatherization will rank measures by priority based on the comparative SIR ratings.

The cumulative SIR ratings can also be used as a measure of overall effectiveness of the weatherization program both in each unit and in the program itself.

In that there are measures which are routinely and normally used in the majority of units

that are known to be demonstrably cost-effective; the DOE regulations allow States to determine a Priority List of measures which may be used without having to determine the SIR each time.

~~See Section 303.5, Weatherization Priority List.~~

Subgrantee payment is not an allowable cost, for any measure that has not been shown to be cost effective, either by individual SIR calculations or by its inclusion on the Delaware priority lists. Such costs will be questioned in a weatherization monitoring or fiscal audit.

Allowable health and safety measures are in a separate cost category and do not have to meet the SIR criteria.

See SECTION 303.5, Weatherization Priority List.

302.3 Legal Compliance

The Subgrantee must contractually ensure that its weatherization subcontractors conduct all weatherization in compliance with legal and regulatory requirements, including:

- Weatherization employees must maintain all certifications and licenses required by the state, the locality, the Subgrantee or the DNREC.
- Weatherization work will be properly permitted and completed in conformance to applicable building and other codes.
- Companies must conform to local zoning codes in the performance of weatherization work.
- Subgrantee must ensure compliance with Historic Preservation requirements.

302.64 Historic Preservation

Prior to the authorization of federal weatherization funds, the subgrantee should determine whether the unit is listed under a historical preservation program. If so, the specific federal, state or local program requirements must be considered in the formulation of the weatherization Work Order. Weatherization measures may be altered or skipped altogether for requirements of historic preservation.

Before expending funds for the alteration of any structure with federal historic significance, the subgrantee is required to comply with the requirements of Section 106 of 16 U.S.C. 470 the National Historic Preservation Act (NHPA).

See DOE Weatherization Program Notice 10-12, and the current programmatic agreement between DNREC and the Delaware State Historic Preservation Office.

303 ENERGY AUDIT

The weatherization process begins with a comprehensive audit by a certified Energy Auditor using advanced diagnostic technique to identify measures needed in the following three areas.

- Health and safety measures necessary for weatherization that will ensure the safety and security of the occupants of the unit (as well as the weatherization personnel working in a home).
- Cost-effective energy waste reduction measures that will increase efficiency of the dwelling and reduce the family's energy burden.
- Energy education that will leave the family with information and tools that they need to protect and optimize the weatherization measures installed, giving clients the ability to actively participate in saving energy in their homes.

The Energy Auditor assesses the conditions in the unit as a whole, to produce a list of cost-effective weatherization measures which will improve the functionality of the home's heating system, align the unit's thermal boundaries with its pressure boundaries and optimize the exchange of air through the unit while reducing heat loss.

303.1 Separation of Audit Duties

The individual and company conducting the initial audit of a unit must be different than the individual and company performing the final inspection.

In no instance may the auditor be employed by, or in any way represent the company that has performed the weatherization on a given unit.

303.2 Auditor Qualifications

The subgrantee will subcontract with, or employ, individuals who have the necessary qualifications to conduct ~~and~~ comprehensive audit on each unit. All auditors must at least be certified by the Building Performance Institute (BPI) as a Building Analyst. Contracted Energy Auditors will be selected through a competitive proposal process.

Training Requirement: Energy Auditors will be required to ~~participate successfully~~ complete all required in-ongoing training developed under the Delaware program in order to improve the effectiveness of the energy audits and the resulting weatherization services. The subgrantee is responsible for tracking the compliance of its subcontractors with training requirements.

303.3 Energy Audit Steps

The Energy Auditor conducts a comprehensive assessment of the unit in the manner prescribed by the Delaware Weatherization Assistance Program, including forms, software, protocols and standard auditing equipment, as prescribed.

A standard audit will include the following steps:

- Visually inspect, classify and assess the unit, exterior & interior, to determine the unit classification and the condition of home for weatherization.
- Diagram and measure the interior and exterior areas of the unit; compute the volume of applicable spaces. Mark locations of appliances, potential air sealing spots, health & safety problems, exterior windows and doors, and other pertinent areas.
- Interview the occupant(s) to assess client utility usage, heating system problems that the client might identify, comfort issues that may lead to areas of concern, health and safety issues.
- Provide client energy education including an 'walkthrough' explanation of what measures to expect as the weatherization proceeds.
- Repair or install smoke detectors, as prescribed by the program.
- Repair or install carbon monoxide alarms, as prescribed by the program.
- Visually identify and test for health and safety issues that might interfere with the weatherization work or might be exacerbated by weatherization, including; structural deterioration, moisture damage, lead-based paint, and asbestos or other problems prescribed by the program health and safety protocols.
- Inspect, test and assess the safety and functionality of the heating source, as prescribed by the program protocols.
- Inspect, test and assess the safety and functionality of the water heater, as prescribed by the program protocols.
- Inspect, test and assess other appliances, if prescribed by the program protocols.
- Establish current and desired pressure and thermal boundaries.
- Use visual inspection and advanced pressure-diagnostic techniques (including zonal pressure diagnostics) to identify areas of significant air infiltration and heat loss.
- Evaluate the duct system visually and using pressure diagnostics.
- Inspect, evaluate insulation in all locations and determine insulation needs in conformance with program protocols and standards.
- Record all pre-weatherization testing readings, using results to prioritize and

justify recommended measures.

- Identify areas of wasteful baseload usage: measure and adjust hot water temperature according to program guidelines, replace incandescent with compact fluorescent lights, evaluate shower head flow. (Refrigerator testing is not currently a Delaware measure.)
- Produce a comprehensive Energy Audit report in the form prescribed by the weatherization program: listing the detailed results of all inspection and testing activities, recommending proven cost-effective weatherization measures in the order of their priority, and detailing client energy education or other steps already taken by the auditor.

See also the *Delaware Weatherization Standards and Field Guide (2005)*

303.4 Unit Identification

The type of unit being audited as well as the unit occupants can make a difference in the auditor's recommended measures. Unit types and occupant types are also to be collected for statistical reporting purposes.

303.4.1 Unit Classification

The Energy Auditor must identify the type of unit under the Delaware protocols. The following DOE defined unit types are to be identified:

- Owner-occupied, single-family, site-built
- Single-family, rental, site-built
- Multi-family rental
- Owner-occupied mobile home
- Renter-occupied mobile home
- Shelter, group home
- Other (specify)

303.4.2 Unit Occupancy Types

The occupancy classification of the client is also identified by the subgrantee for eligibility and reporting purposes. DOE regulations identify the following unit occupancy types.

- Elderly household
- Disabled household
- Native American
- Children (household with children under 6 years old)
- High residential energy user
- Household with a high energy burden

- Other (specify)

303.5 Weatherization Priority List

The Energy Auditor determines the work, as well as the order of the work, prioritized in descending order of cost-effectiveness as determined using the SIR calculation. See Section 302.2, Cost Effectiveness.

Because certain weatherization measures are generally known to be cost effective, the Department of Energy (DOE) regulations allow states to produce a Priority List of measures based on its ongoing experience with common types of units. In instances where the recommended measures are on the approved Delaware Priority List, the Energy Auditor may use the list to determine the standard measures and the order in which the measures are taken.

The measures with higher priority are to be installed before or instead of measures lower on the list. Funds for an individual unit are budgeted for the highest priorities down to lower ones, until funds are depleted, within the boundaries of the average cost per unit.

Measures with higher priority may only be skipped if they present insurmountable problems in terms of health, safety or building durability. The Energy Auditor must note any variation from the prescribed order of priority. The subgrantee must review and approve such variations when formulating the final Work Order for the unit.

Any recommended energy efficiency measure that is not on the Delaware Priority List requires a SIR calculation by the Energy Auditor to justify inclusion in the Work Order for installation.

The Delaware Weatherization Program has two Priority Lists approved by the DOE for use in current energy audits: The Single Family Homes Priority List (below) and the Mobile Home Priority List (See section 309.6).

303.6 Single Family Homes Priority List

The following measures may be incorporated in the standard energy audit recommendations for single family dwellings without a separate SIR calculation. Measures must be prioritized as listed.

PRIORITY	SINGLE FAMILY HOMES			
1.	Air seal until target air leakage reductions are reached using program protocols (blower door guided pressure diagnostics)			
2.	Seal ducts using duct sealing techniques, diagnostic protocols and tools prescribed by the program			
Insulation	Component	R-0 No Insulation	R-11 Existing	R-19 Existing

3.	Ducts (unconditioned spaces)	Add R-11 Wrap	N/A	N/A
4.	Open attic ceilings	Add R-30, blown	Add R-19, blown	N/A
5.	Closed floor cavities (Unconditioned space)	Fill cavity (dense pack)	N/A	N/A
6.	Open Knee Wall cavities (Unconditioned space)	Add R-13, batt	N/A	N/A
7.	Closed wall cavities (unconditioned space)	Fill cavity (dense pack)	N/A	N/A
8.	Open floor ceilings (unconditioned basement)	Add R-19, batt	N/A	N/A
9.	Floor cavities (conditioned basements)	N/A	N/A	N/A
10.	Sill box areas (conditioned basements)	Add R-19, batt	N/A	N/A
11.	DHW Tank	Add R-11, Wrap Add R-11, Wrap		N/A
12.	DHW Pipe insulation	Add pipe insulation Add pipe insulation		
13.	Mechanical Retrofits - Repair or replace as per efficiency and health and safety protocols			

303.7 Work Order

Once the Energy Audit is produced, it is the subgrantee's responsibility to determine what measures are going to be implemented in a given unit. The subgrantee's technical expert and administrator, ~~analyzing-analyze~~ the audit information, ~~and~~ the available unit budget, ~~and~~ recommended measures on the Work Order.

The subgrantee is responsible to see that the measures that are actually ordered are justified by the results of the audit. The ordered measures must conform to weatherization program protocols, standards and guidelines. The measures must be completed within the proper sequence according to priority. The expenditures for the ordered measures must be allowable within program guidelines. And, the measures must be accomplished within the available budget, including the limitations of the average cost per unit.

Any work ordered by the subgrantee which does not meet the program criteria may result in questioned costs and possible repayment of funds.

Considering these factors, the subgrantee converts the audit to a Work Order which is the form used to authorize the work. The subgrantee then assigns the Work Order(s) to the appropriate weatherization subcontractor(s) for completion.

303.7.1 Unique Work Order Number

At the beginning of the process, it is important for purposes of accountability that the subgrantee assigns a unique Work Order Number to each job by unit. This number is to be used by the auditor, the subgrantee and all subcontractors as a uniform identification of the unit in all reports, correspondence, invoices and other documentation.

304 HEALTH AND SAFETY MEASURES

While weatherization measures effectively reduce energy usage and costs, the nature and effect of the work require that care be taken to avoid unintended consequences. For example, air sealing may tighten a house to the point that indoor air pollutants become a greater problem. Or, faulty combustion appliances may spill deadly carbon monoxide that previously was exhausted in the exchange of air through a leakier, now tightened house.

Weatherization work, like any repair work on a house, disturbs the existing materials. If a window requiring caulk happens to be coated with lead based paint, care must be taken not to create the serious health issues resulting from spreading dust particles on the floor where a baby may be crawling the next day. If a workman is replacing ducts around pipes that are wrapped with asbestos, serious lung problems could result from the disturbance of the asbestos particles.

Although the Weatherization Assistance Program is not capable of providing solutions for all health and safety issues, identification of potential hazards is essential to providing safe services. Therefore, each dwelling must be individually assessed by the Energy Auditor to determine the existence of potential hazards to workers and clients.

In cases where work activities would constitute a health and safety hazard, action is required to limit or avoid particular measure(s) which may exacerbate a health or safety problem. In some cases, weatherization may have to be deferred while hazards are remedied.

See the Delaware Health and Safety Plan for additional information.

304.1 Responsibilities

The subgrantee has the responsibility to see that Health & Safety of the workers and the occupants is paramount throughout the implementation of weatherization services.

A complete health and safety evaluation by the Energy Auditor is required for each unit prior to the beginning of weatherization work. The evaluation is to be completed in conformance to the Delaware Health and Safety Plan, utilizing forms and protocols developed for the weatherization program

Health and safety concerns of the workers during the implementation of the weatherization must also be addressed. See Section 302.1.5, Worker Health & Safety.

Health and safety tests in the Final Inspection must be conducted as called for in program

protocols. See Section 310, Final Inspection.

The subgrantee has the responsibility to determine when weatherization work is to be deferred because of health and safety issues, as well as when the deferral is to be lifted. If there is a question on these decisions, the subgrantee may consult with the DNREC weatherization expert. See Section 204.4 Unit Deferral.

304.2 Health and Safety Funds

The weatherization subgrantee may budget up to 10% of its DOE funding allocation under the Health and Safety line item. Funds may be used for the identification of health and safety issues by the Energy Auditor. In terms of the remediation of a hazard, DOE regulations limit the use of funds to the cost of eliminating health and safety hazards which is necessary before, or because of, installation of weatherization materials.

See Section 403.4, Health and Safety Cost Category

Under some circumstances, fixing hazards may also be paid for from weatherization funds to the extent that they qualify as Incidental Repairs which are necessary for the success of a weatherization measure.

See Section 306.5, Incidental Repairs.

304.3 H&S Visual Inspection

The H&S inspection typically begins with a detailed visual inspection in several key areas of the unit:

Attic Inspection	Wall Inspection	Basement/ Crawlspace Inspection
Recessed and canned lighting Chimney/ flue shielding Wiring, knob and tube Adequate ventilation Water leaks Moisture problems Other	Wiring Water leaks Moisture problems Lead based paint Asbestos siding Other	Vapor barrier Wiring Water leaks Plumbing leaks Moisture problems Other

304.4 Combustion Appliances and Gasses

Combustion appliances pose the most serious potential hazards found in home because gas lines may leak or appliances may backdraft their flue gases. Testing should be conducted according to program training and protocols, as well as industry safety testing standards. They will typically include:

- Electrical inspection of the furnace including proper grounding, polarity, wiring connections, fuse type and size, element amperage [electric furnace], disconnect requirements and conduit requirements
- Testing of all gas lines in the home for leaks from the source to the gas appliances or line termination (fittings, connections, shut-off valves, gas valves, sediment traps and end caps)
- Testing for CO spillage and a reading of the draft of gas furnaces and water heaters under worst case conditions
- Visual check for flame interference
- Test of the setting and operation of the high limit control switch
- An evaluation of the adequacy of combustion air in the zone from which combustion appliances can draw air
- Check for air leaks in air ducts
- Check for a properly installed temperature and pressure relief valve on the water heater
- Measurement and adjustment, if needed, of the water temperature;
- Inspection of the furnace filter;

The subgrantee may not continue with weatherization work, particularly air sealing the structure, until the combustion appliances are functioning properly and gases have been appropriately vented.

Deferral: The Energy Auditor must follow local code with respect to the discovery of malfunctioning combustion appliances. Not only may the dangerous conditions call for deferral of weatherization services, local code may require that the appliance be “red tagged”; that is, permanently shut off until it is fixed. In such instances, the Energy Auditor should immediately notify the officials with the authority to do so.

The family and/or owner are also to be notified so that they can have the situation rectified.

The Energy Auditor must also notify the subgrantee immediately of any malfunctioning combustion appliance. The subgrantee will determine the extent to which the weatherization program may assist in the repair or replacement of the combustion appliance.

Qualifications: Energy Auditors receive extensive training in the evaluation of combustion appliances and air quality hazards.

If needed, a qualified HVAC subcontractor from the pool should be consulted on these

decisions. In some instances, decisions about the status, the repair or the replacement of combustion appliances may require special licensing or qualifications that the Energy Auditor may not possess. These cases should be handled by the appropriate subcontractor, as assigned by the subgrantee.

Funding: If replacement of the appliance is recommended the subgrantee will review the reasons and determine whether the weatherization funds can be used. To cover the replacement as a health and safety measure, a verifiable condition must exist that allows combustion gases to enter the living environment. For example, a breach in the heat exchanger that allows the combustion gases to mix with the air in the ductwork.

304.4.1 Unvented space heaters

Unvented space heaters are a dangerous. Weatherization air sealing and other work in homes where unvented space heaters are primarily used must be deferred until it is removed and alternative heating is installed.

At the determination of the subgrantee, weatherization program funding may be used for a vented replacement appliance and considered a Health and Safety line item expenditure.

304.5 Environmental Hazards

Discovery and mitigation of potential environmental hazards in the unit are insurance against danger to the occupants as well as the weatherization workers. The auditor, as well as the weatherization workers should note unsafe and unsanitary conditions in or about the unit such as; mold and mildew, drainage problems, plumbing leaks, lead-based paint, asbestos, structural damage and wood rot.

Funding: In most instances the cost of addressing these hazards is *not* covered under weatherization funding. The subgrantee should investigate alternative resources for work on these hazards. Other funding sources may include: the homeowner's own resources (including home equity loans), state and local health departments, the EPA, HUD healthy homes and lead paint remediation programs, community development agencies, USDA Rural Development programs, and so forth.

304.5.1 Lead Paint Hazard

Lead-based paint was banned for residential use in 1978 and so, any house built prior to that year may be assumed to contain lead-based paint. The older the house, the more likely lead-based paint is present. Given the age and condition of much of the housing stock occupied by the low-income, it is one of the more likely hazards encountered by weatherization.

The lead in the paint dust and chips is dangerous to young children, causing physical, developmental and behavioral problems which are intractable and life-

long. Lead-based paint, which is easily disturbed by weatherization measures, presents a danger both to the young occupants of a house, as well as the children of workers who can readily carry residue home on their work gear.

Environmental Protection Agency (EPA) Regulations: The EPA has promulgated the Renovation, Repair and Painting (RRP) regulations which require all contractors to use certain work practices in every target, pre-1978 home. Unless the home has been proven lead free by a certified lead inspection, all work is to be conducted by an EPA Certified Renovation Firm, under the supervision of the firm's Certified Renovator (CR). The CR, certified under the EPA approved training course, has the responsibility to train non-certified workers, conduct lead swab testing in appropriate work areas and conduct clearance of the completed unit. The CR must also oversee the work to ensure the use of lead safe work practices including proper dust barriers, dust minimizing work methods, safe dust cleanup practices, clearance and record keeping.

State of Delaware: For state regulations covering lead paint, see Title 16 Health and Social Services, Section 4459 Lead Based Paint Hazards.

Energy Auditor: The weatherization program requires that the Energy Auditor include the identification of the any areas where the weatherization work may disturb lead based paint. The auditor will routinely conduct lead swab tests in likely weatherization work areas, such as window or door frames. The outcomes of the swab test including the specific building component and location tested is to be noted in the audit report.

The Energy Auditor's testing does *not* relieve weatherization contractors of their separate testing responsibilities under the EPA regulations as work is performed.

Required Notification: As with all of their work, the weatherization contractor is required to provide the families in target housing with a copy of the EPA booklet: "Renovate Right: Important Lead Hazard Information for Families, Child Care Providers and Schools". A signed receipt from the family indicating receipt of the pamphlet must be obtained by the subgrantee prior to the start of the weatherization work and the receipt placed in the client file for review.

Deferral: Where weatherization work is likely to disturb a minimal area, as defined by EPA regulations, of lead based paint and it is determined that lead safe work practices cannot mitigate the hazard, the presence of such paint is a reason for deferral of the work.

In no case should work be performed that would disturb lead based painted surfaces in the unit if an occupant has been diagnosed with an elevated blood lead level (EBLL), unless arrangements are made for that person to remove to another location while the work is being completed. In that instance, the completed unit must pass a final lead clearance test prior to the unit passing final weatherization

inspection.

Training: Training in Lead Safe Work Practices (LSWP) will be required of weatherization contractors in Delaware. The subgrantee must include these training requirements in their subcontracts and maintain a record of the LSWP training for review.

EPA Training: Comprehensive training and certification is available from the EPA on the RRP requirements. The training is designed by EPA for companies to become a Certified Renovator Firm and for individuals to become a Certified Renovator (CR). Again, these certifications are required for *all* of the contractors' work, including weatherization.

Funding: Weatherization funds may not be used for lead-based paint risk assessments, lead inspections, remediation and abatement. Funds may not be used for X-ray Florescence testing equipment. Funds may be used for lead swab test kits.

Some costs for the repair or replacement of building components that are integral to the weatherization work, and not primarily performed for the purpose of lead abatement, may be covered under the weatherization grant as an Incidental Repair.

304.5.2 Mold and Moisture

Water, excessive moisture and high indoor humidity can encourage the growth of biological hazards in the unit. Moisture problems can also cause serious structural damage. In assessing a unit the auditor will typically check for the following:

- Water stains, mold, mildew, throughout the unit
- Evidence of excessive condensation on windows
- Standing water in basements, or stains indicating periodic flooding
- Basements or crawls with dirt floors
- Unvented clothes dryers
- Bathrooms or kitchens that are unvented

Deferral: Hazards that are discovered should be noted by the auditor. If the condition of the unit presents a health threat to the workers, presents an obstacle to the weatherization or will be worsened by the weatherization, the work on the unit should be deferred until the hazard is mitigated or remediated.

The family and/or owner must be notified in writing of the reason so that they can have the situation rectified. Occupants are to be given a copy of the EPA brochure, "A Brief Guide to Mold, Moisture, and Your Home" as part of the client education

process.

Funding: In general, weatherization funds may not be used to remediate existing moisture related conditions.

~~The Delaware Health and Safety plan allows for weatherization Health and Safety funds or Incidental Repair funds to be used in cases of “infirmity” or “financial hardship” so long as the expenditures are limited and qualify under for expenditure within those line items.~~

Comment [CS2]: Phil: I deleted this paragraph as I didn't think we wanted to deal with that exception. What do you think?

304.5.3 Asbestos

Many homes contain asbestos which was widely used into the late 1970s because of its fireproof quality and excellent insulation properties. Unfortunately, in many products such as pipe wrap, the material is also friable, meaning it destabilizes into microscopic particles which, when inhaled, are very harmful. Serious health problems are caused by asbestos, conditions ranging from pulmonary fibrosis to mesothelioma, a form of lung cancer that occurs in the chest and abdominal cavities.

Energy Auditor: The auditor is likely to come across asbestos in such components as asbestos siding, ceiling tiles and insulation wrap on pipes coming from a steam or hot water furnace. Asbestos may also be a component in vermiculite insulation in an attic or wall space.

As with other potentially hazardous materials, if the asbestos is in stable condition and will not be disturbed by the work, weatherization can continue in areas away from the asbestos components. In some instances, certain weatherization measures may have to be bypassed or modified to accommodate the presence of the material. Any presence of asbestos in or about the home is to be noted in the Energy Audit.

Under no circumstances may asbestos be removed, covered, encapsulated, or disturbed during weatherization activities.

If friable asbestos (i.e. material that appears to be asbestos, and crumbles or produces dust when touched) is identified in a home, and would be exposed to the direct flow of air at an opening during blower door testing, the blower door depressurization testing should not be performed. If the use of positive pressurization testing would put the asbestos only in the path of air exiting the building, then positive pressurization testing can be substituted for depressurization.

If vermiculite insulation is identified in an attic, attic zone testing should not be performed with an attic-to-house hatch or other connection opened.

Deferral: In some cases the presence of asbestos may mean the unit is deferred. If the condition of the asbestos is such that it presents a health threat to the workers

or if the weatherization work will worsen the situation for the occupants, the work on the unit should be deferred.

The family and/or owner must be notified of the conditions that are the reason for the deferral.

To properly identify where asbestos should be addressed, the homeowner should be urged to have an inspection performed by a Delaware-licensed asbestos inspector.

In Delaware, homeowners in a single-family, owner-occupied home may do the asbestos removal work themselves provided they package and dispose of the waste properly. However, homeowners should be urged to use a licensed asbestos abatement contractor for most removal projects. In any case, this determination should be left to the homeowner and not entered into by the subgrantee or its contractors.

State of Delaware: For state regulations regarding treatment of asbestos see Title 16 Health and Safety, Building and Plumbing Chapter 78, Asbestos.

Funding: Weatherization funds may *not* be used under any circumstances to abate or otherwise treat asbestos or components containing the material.

304.5.4 Unsafe Structures

Given the age of the housing stock that the weatherization program deals with there is likely to be a situation where the unit presents dangerous structural problems.

Deferral: Unsafe conditions that are discovered should be noted by the Energy Auditor. If the deteriorated condition of the unit is such that it presents a health threat to the workers or the weatherization work will worsen the situation for the occupants, the work on the unit should be deferred.

The family and/or owner must be notified by the subgrantee of the conditions that are the reason for the deferral.

Funding: Weatherization funds may *not* be used to repair structural hazards. Where the structural integrity of the unit is in question the owner should be referred to a housing rehabilitation program.

Minor repairs that are weatherization related may qualify for weatherization funding as Incidental Repairs.

304.5.5 Unsanitary Conditions

Unfortunately, auditors and workers may encounter additional hazardous obstacles such as excessive trash or garbage, sewage runoff and pooling, pest and vermin infestation and other such conditions may prevent effective work.

Deferral: Unsanitary conditions such as these should be noted by the Energy Auditor. If the condition of the unit is such that it presents a health threat to the workers or the weatherization work will worsen the situation for the occupants, the work on the unit should be deferred.

The family and/or owner must be notified by the subgrantee of the conditions that are the reason for the deferral.

Funding: Weatherization funds may *not* be used to remediate unsanitary conditions.

304.5.6 Potential Fire Hazards

As a part of the health and safety visual inspection process the Energy Auditor will note any potential fire hazards which will then require remediation prior to the commencement of weatherization work. In some instances, a supplemental inspection should be conducted by a professional heating technician or a certified electrician.

The Energy Auditor must ensure that the unit has appropriately placed, functioning smoke detectors and carbon monoxide alarms.

The identification of fire hazards will also include:

- Identification of combustible trash or other materials in or about the house, particularly in the vicinity of combustion appliances.
- Detection of oil/gas leaks
- Chimney creosote build-up
- Frayed electrical wiring/aluminum wiring, knob and tube wiring,
- Non-IC rated canned lighting
- Overloaded or misused electrical wiring, open junctions
- Dead batteries in the smoke alarm(s)

Deferral: Fire safety issues such as these should be noted by the Energy Auditor. If the condition of the unit is such that it presents a safety threat to the workers or the weatherization work will worsen the situation for the occupants, the work on the unit should be deferred.

The family and/or owner must be notified by the subgrantee of the conditions that are the reason for the deferral.

Funding: Weatherization funds may *not* be used to remediate fire safety conditions.

Smoke detectors and CO alarms are allowable Health and Safety line item costs and must be repaired or installed according to program guidelines.

See 304.5.7, Electrical Issues, following

304.6 Occupant Health Problems

In interviewing the client, the Energy Auditor should explore and record any health issue which the client feels weatherization could negatively impact with regard to the occupants of the unit.

Deferral: Based on the information provided by the client, inappropriate weatherization operations may be deferred if, in the judgment of the subgrantee, a particular measure may exacerbate a pre-existing health problem.

Funding: When appropriate, the subgrantee case worker should assist the affected occupant in finding alternative living arrangements but weatherization funds may not be used in the cost of such arrangements.

305 CLIENT EDUCATION

Each of the various agents in the program has a part to play informing and educating the family on its role in energy conservation and in maintaining the improvements brought about by weatherization.

305.1 Subgrantee

The subgrantee provides the case work which initiates client interaction and education. Some important areas of responsibility in the beginning are:

- Provide an initial overview of the weatherization program, eligibility, rules, and the process.
- Provide written educational information such as "A Brief Guide to Mold, Moisture, and Your Home" as part of the client education process.
- Provide the EPA pamphlet "Renovate Right: Important Lead Hazard Information for Families, Child Care Providers and Schools" to all families in units built before 1978. (Obtain a signed receipt from the family.)
- Explain in layman's terms the various weatherization services and how they will

benefit the occupants of the home through improved comfort, safety, and cost savings.

- Coordinate weatherization job scheduling between the subcontractor(s) and the family.
- Be available to answer the family's questions as the weatherization work progresses.
- Officially notify the occupants and/or owners of the unit with any reason for deferral of the work. Explain health & safety or other issues which are the obstacle.
- Be prepared with the knowledge of resources available outside of the weatherization funding to help families ameliorate problems causing a deferral.

305.2 Energy Auditor

The Energy Auditor can provide more in-depth information about the energy conservation measures which the family can take. Some important areas for the auditor to interact on include:

- Interview the client regarding any energy problems that they have noticed; temperature discomfort, a non-functioning heating appliance, leakiness & drafts in the unit, high utility costs, and other indicators of weatherization needs.
- Provide a simple explanation of the testing to be done in the unit, in terms of energy efficiency results.
- Discuss and explain audit results including recommendations which the auditor may have for the occupants.
- Explain the change to CFL bulbs.
- Explain the importance of installing and maintaining smoke and CO detectors.
- Provide basic tips on energy conservation: room temperature set back periods, furnace filter change out (demonstration), water heater temperature set back, keeping doors and windows shut, and so forth.

305.3 Subcontractor

The subcontractor has an instructive role to play, particularly when new equipment or materials have been installed. The subcontractor role includes:

- Explain the proper care and maintenance of any measures that the company has installed.
- Explain and leave any manuals or other written materials for products the company has installed.

- Demonstrate to the family the operation of heating appliances or other newly installed equipment and parts.

305.4 Final Inspector

The Final Inspector has an important role to be sure that the family has an understanding of what weatherization was completed or installed. The inspector's responsibilities include:

- Interview the client as to the family's satisfaction with weatherization work, the improved comfort level, and decreased energy costs (if known).
- Answer any follow-up questions from the family regarding the weatherization work.
- Assess the family's knowledge of maintaining the weatherization work and re-instruct the client on the weatherization energy conservation techniques wherever needed.

306 BUILDING SHELL WEATHERIZATION

Building Shell Weatherization measures are designed to ensure the optimum volume of air is exchanged throughout the weatherized unit. Using air sealing techniques guided by advanced (zonal) pressure diagnostics methods the expert uses equipment such as the blower door to direct the progress of air sealing.

Air sealing is accomplished by such traditional weatherization measures as weatherstripping, caulking, foam board and fenestration repair. (Actual window and door replacement is done on a very limited basis.) Insulation levels are raised to optimum R-values using the techniques and materials appropriate to the locations in the unit structure where called for.

The steps in the weatherization may vary considerably from unit to unit. Individual jobs should strictly follow the directions in the unit's approved Work Order form.

For detailed technical weatherization information the subcontractor should consult the booklet: *Delaware Weatherization Standards and Field Guide (2005)*.

Subcontractors will also be provided with training on the program technical protocols.

306.1 Preliminary Steps

Before any weatherization work on the unit commences, the following steps will have been taken:

1. The subgrantee has determined and assures the household's eligibility and approved the signed application.
2. The subgrantee worker has explained the weatherization process to the family. The family and/or the owner have signed necessary release forms.
3. A full energy audit has been conducted producing the subgrantee's written Work Order(s), formulated according to the results of the energy audit.
4. All Health and Safety issues have been addressed prior to any weatherization work.
5. The Work Order is assigned to the appropriate subcontractor(s) which details (a.) the ordered weatherization measures in order of priority, (b.) the time frames for the completion of the work, and (c.) a signature of the subgrantee authorizing the work to proceed.

306.2 Air Sealing

Traditional air sealing methods are one of the most effective ways to reduce energy usage. Air leakage can account for 25-40% of the heat loss in a typical unit. The energy audit will identify areas where air sealing is needed but the weatherization should continue with ongoing use of pressure diagnostics to guide the work to an optimal level of airflow as defined by the program's Building Tightness Limits. (Airflow is expressed in cubic feet per minute to maintain a pressure differential between the interior and exterior at -50 Pascals.)

Air sealing is the first priority on the Delaware Priority List. Air sealing measures may include:

- Sealing large holes, bypasses, chases leading to outside of the conditioned space.
- Sealing ducts using techniques, diagnostic protocols and tools prescribed by the program (duct pan, blaster tools).
- Sealing plumbing, electrical, and HVAC penetrations through the ceiling, flooring and exterior walls, using proper materials for high-temperature surfaces.
- Installing weatherstrip and thresholds.
- Caulking around windows and doors
- Re-glazing or replacing window glass.
- Repair of doors and windows
- Adding sufficient ventilation if house is sealed too tightly.

Air sealing should only be completed after the Health and Safety evaluations are

completed and any issues are addressed, particularly with regard to possible indoor air quality hazards such as carbon monoxide.

Minor air sealing, including additional weatherstripping and caulking may have additional benefit but should only be implemented when the unit budget permits.

Care should also be taken not to tighten the house beyond recommended building tightness limits.

See Section *Delaware Weatherization Standards and Field Guide (2005)*

306.3 Insulation

Installed correctly, at proper depth, evenly, with no voids, gaps, misalignment, or compression issues, insulation provides a thermal barrier which effectively prevents loss of valuable heat from the unit.

Insulation comes in several different types which are used according to the need and location within the unit. The three most common insulation materials are fiberglass, cellulose and foam (sprayed and rigid). Fiberglass may be used in a batt form which can be laid in the attic, attached to an open wall or attached under a floor. Cellulose insulation is blown in using an insulation blowing machine, may be used over an attic or in dense packing the space between wall studs.

Insulation measures are ranked as steps three through ten on the Delaware Priority List. To ensure the most cost effective measures are completed first, the order in which various insulation measures are installed must strictly follow the list.

Minor insulation measures may also be effective when the budget permits. This would include use of pipe insulation around hot water delivery pipes.

See *Delaware Weatherization Standards and Field Guide (2005)*

306.4 Compact Fluorescent Lights (CFL)

The changing of incandescent light bulbs to energy saving CFL bulbs is one of the more effective baseload measures that can be taken. The energy auditor determines where CFL bulbs are to be used and installs the new lights.

306.5 Incidental Repairs

Weatherization funds may be used for Incidental Repairs when such repairs are necessary to ensure that the weatherization measure is safe and effective. It is anticipated that the

need for such repairs will be infrequent. The need for the repair must be fully documented by the subgrantee in the unit case file.

The cost for incidental repairs on a given unit may not exceed \$400. Since, the cost of the repair is included in the cost of the measure; it is included in the calculation of the savings to investment ratio for the related measure and is a thus part of the average cost per home.

An example of such repair would include framing or repairing windows and doors which could not otherwise be caulked or weather-stripped. Another example would be the application of protective materials, such as paint, used to seal weatherization materials installed under the program.

While repair to a roof to protect installed insulation may be an allowable repair, expanding this definition to include roof replacement or for other non-energy related repairs is not a permissible use of DOE funds. If the roof needs replacing then the unit should either be referred to a rehabilitation program or the subgrantee must use other funds to cover the costs for this type of work.

See 10 CFR Part 440.3 Definitions
See *Delaware Weatherization Standards and Field Guide (2005)*

307 HEATING SYSTEM

The subgrantee is responsible for the inclusion of the heating system evaluation and work in its array of weatherization services. Generally, the initial evaluation of the heating system will be a part of the Energy Auditor's responsibilities. Work called for on the Work Order must be conducted by qualified contractors who are properly licensed for the area in which they operate. Contractors are selected from the pool chosen in the competitive proposal process.

Assessment and work on the heating systems are conducted both for the safe operation of the unit and for the efficiency of its operation. It is important for the Energy Auditor to ensure that the heating appliance is in safe running order prior to the commencement of weatherization work. The operational energy efficiency of the furnace is also important but is lower on the priority list of weatherization steps.

Although, typical forced air, gas fired furnaces are the most common heat source encountered by the weatherization program, these policies apply to all types of heating appliances and sources.

For the technical aspects of the work on heating appliances see *Delaware Weatherization Standards and Field Guide (2005)*.

307.1 Energy Auditor Responsibility

The Energy Auditor has the initial responsibility for determining the status of the heating system in these basic areas:

- The condition and operability of the appliance (e.g. gas lines, burners, valves, power supply, other electrical, heat exchanger, fan, thermostat, blower operation, combustion air analysis)
- The condition of combustion gas venting systems (e.g. chimney, flue)
- The condition of the air distribution system (e.g. ducts, pipes, supply and return)
- Safety factors (e.g. CO testing, heat exchanger, clearance from combustibles, gas leak, oil leak, water leak, other appliance disrepair or deterioration)

307.2 Health and Safety

Work which is needed on the heating system which affects the safety of its operation must be completed prior to instituting other weatherization work.

Moreover, where the ongoing weatherization measures may affect the operation of the heating appliance, the heating appliance safety tests must be conducted each day, prior to leaving an occupied job site.

307.3 Heating Appliance Replacement

In many instances, the furnace or other heating appliance may require some repairs including a standard 'clean and tune' to optimize its heating efficiency. These activities are considered standard energy efficiency measures and are an allowed cost of the job.

Energy Efficiency: Because of the cost factor in the equation, the replacement of a furnace or boiler is seldom found to be cost-effective. Therefore heating appliances are replaced infrequently as an energy savings measure. In any instance where the replacement meets the required savings-to-investment ratio (SIR), the measure should be treated as a weatherization efficiency measure and the measure would be included as a part of the average cost per unit calculation.

Health and Safety: A new heating appliance may more often be installed as a matter of the health and safety of the occupants. This is done when a previous appliance is unsafe, non-existent, inoperable or un-repairable.

Replacement of the heating source for the purpose of health and safety must be fully justified by the subgrantee to be an allowable cost. The expenditure for a replacement in this case is charged to the Health and Safety cost category. Thus the expenditure is not considered in the average cost per unit calculation but does come under the cap on H&S expenditures.

307.3.1 Subgrantee Responsibility

The Energy Auditor's recommendations and justifications are to be considered

when the subgrantee formulates the Work Order. If the unit is to be replaced, the subgrantee has the responsibility to see that the correct size unit is used. The subgrantee may work with the DNREC technical expert, as well as the HVAC contractor, to determine the proper appliance to order.

The cost of an incorrectly sized appliance may be questioned by DNREC monitors and program auditors.

307.3.2 Procurement

The replacement of a heating appliance calls for a supplemental bid from among the HVAC companies with which the subgrantee has a contract.

307.3.4 Utility Switching

The subgrantee may not generally change the type of utility used when replacing a heating appliance. If the subgrantee feels that the switching of utility types is justified with a specific unit, a written request to do so must be approved by the DNREC.

308 WATER HEATER

The Delaware Priority List calls for water heater tank wrap and pipe insulation only in later steps on the list. Generally, water heater work is not a significant energy efficiency measure. However, a faulty appliance can be dangerous and thus may qualify as a health and safety measure.

308.1 Energy Auditor Responsibility

Certain tests must be conducted by the Energy Auditor to ensure that the water heater is operating in a safe manner. These include:

- Visible inspection for rust or corrosion
- Inspect gas line sediment trap
- Check setting to ensure water temperature is safe
- Check to see that the temperature pressure relief valve is properly installed with a safety discharge pipe
- Test for gas leaks, if applicable
- Check for water leaks
- Test for backdraft, carbon monoxide spillage (gas)
- Check electrical connections
- Assess need for insulation

308.2 Water Heater Repair and Replacement

Typical water heater repairs will include replacement of the burner element, gas or water plumbing repair, valve replacement, flue repair, addition of a safety discharge pipe, and so forth.

Weatherization measures may include an insulation jacket and pipe insulation for a water heater when applicable to the situation.

A water heater may be replaced as a health and safety measure where it presents a hazard which cannot be repaired.

For the technical aspects of the work on water heating appliances see *Delaware Weatherization Standards and Field Guide (2005)*.

308.3.1 Subgrantee Responsibility

The Energy Auditor's recommendations and justifications are to be considered when the subgrantee formulates the Work Order. If the unit is to be replaced, the subgrantee has the responsibility to see that the correct tank size unit is used. The subgrantee may work with the DNREC technical expert, as well as the Water Heater contractor, to determine the proper tank to order.

The cost an incorrectly sized water heater may be questioned by DNREC monitors and program auditors.

308.3.2 Procurement

The replacement of a heating appliance calls for a supplemental bid from among the Water Heater contractors with which the subgrantee has a contract.

307.3.4 Utility Switching

The subgrantee may not generally change the type of utility used when replacing a water heating appliance. If the subgrantee feels that the switching of utility types is justified with a specific unit, a written request to do so must be approved by the DNREC.

309 MOBILE HOME

Mobile home refers to a single-wide structure that is transportable as a single unit, is built on a permanent chassis, and is designed to be used as a dwelling without a permanent foundation. (The mobile home may or may not actually be placed on a permanent foundation.)

Mobile homes are common in some areas of Delaware and the subgrantee will find that weatherizing such units presents unique circumstances. Due to their elongated design and

frequently loose construction, mobile homes are usually inefficient, relatively high energy users. Thus, mobile homes present many opportunities for air sealing, the installation and improvement of insulation, and improvements in the efficiency of mechanical systems.

309.1 MH Doors and Windows

Like all air sealing measures, caulking and weatherstripping around doors and windows can be an effective weatherization measure. Thus, air sealing work is first on the Delaware priority list for mobile homes.

If called for to ensure the effectiveness of the air sealing, the repair of doors and windows may be completed within the policy on Incidental Repairs.

Replacement Limitations: The replacement of doors and windows is not cost effective unless the existing component is deteriorated to the point of being the source of a major heat loss. The Energy Auditor must justify any recommendation for the replacement of doors and windows with a qualifying computation of the savings to investment ratio. This justification must be a part of the written audit report. The subgrantee must carefully analyze the justification prior to including the replacements in the Work Order.

Failure to fully justify a replacement of doors and windows could result in a questioned cost.

309.2 MH Insulation

Improving the insulation a mobile home can be quite effective in forming a thermal barrier to hold in heat. Insulation under the floor, in the “belly” of the unit is a standard measure on the priority list, one which most units need.

309.3 Reflective Roof

Reflective roof coatings provide both insulating and air sealing qualities as applied to mobile homes. While this is an effective measure, it is not currently a part of the approved Delaware priority list. Consequently, use of these coatings is limited to jobs where the auditor has shown it to be cost effective, with a SIR rating greater than 1.0.

309.4 MH Deferral

The weatherization worker’s health and safety are important, especially when the work scope requires the worker to be under the mobile home. Any dangerous or unhealthy conditions in, about or under the mobile home - trash, broken glass, animal feces, sewage, etc. – must be addressed before any work begins. If working conditions in a specific area cannot be made acceptable, work should be deferred until the situation is ameliorated.

Weatherization measures may not be applied to dilapidated mobile homes where extensive repairs are necessary.

309.5 MH Energy Audit

The Energy Auditor will typically address the following areas in the evaluation of the needs in a mobile home.

- Health and safety issues
- Client use issues
- Structure soundness
- Air infiltration
- Existing insulation and needs (belly, wall, roof)
- Window, door repair
- Water heating
- Heating appliance, ventilation systems
- Indoor air quality tests and installation of smoke and CO detectors where applicable.

The Delaware Mobile Home Audit form is to be used by the auditor to document the needs of the unit.

309.6 MH Priority List

As with the site built homes, the weatherization measures used in mobile homes must be cost-effective and the order of the work is prioritized based on the relative savings to investment ratio of each measure.

Because certain weatherization measures are demonstrably known to be cost effective, the Department of Energy (DOE) regulations allow states to produce a mobile home priority list of measures pre-determined to be cost effective. The Energy Auditor may use the list to determine the standard measures to be implemented, as well as the order in which the measures are taken.

The mobile home measures with higher priority are to be installed before or instead of measures lower on the list. Funds for an individual unit are budgeted for the highest priorities down to lower ones, until funds run out.

Measures are only skipped if they present insurmountable problems in terms of health, safety or unit durability. The Energy Auditor must justify any variation from the order of priority in the written audit. The subgrantee technical expert must review and approve such variations when formulating the final Work Order for the unit.

When work is recommended that is not a part of the approved Delaware Mobile Home Priority List, the Energy Auditor must still prove the cost-effectiveness of the measure

using the Delaware approved audit procedures or the DOE Manufactured Home Energy Audit (MHEA) protocol.

The following measures may be incorporated into the standard energy audit recommendations for mobile homes in the priority order given.

PRIORITY	MOBILE HOMES		
1-	Air seal until target air leakage reductions are reached using program protocols (blower door guided pressure diagnostics) Seal ducts using duct sealing techniques, diagnostic protocols and tools prescribed by the program (duct pan, blaster tools)		
INSULATION RETROFITS	COMPONENT	NO INSULATION	MINIMAL INSULATION
2-	Floor system (loose fill fiberglass)	Fill cavity (dense pack)	Fill cavity (dense pack)
3-	Wall system (loose fill fiberglass)	Fill cavity (dense pack)	N/A Fill cavity (dense pack)
4-	Roof system (loose fill fiberglass)	Fill cavity (dense pack)	Fill cavity (dense pack)
5-	DHW tank	Add R-11 Wrap Add R-11 Wrap	
6	DHW pipe insulation	Add pipe insulation	
WINDOWS & DOORS			
7	Single pane glass primary slider or jalousie units	Add interior storm	
8	Deteriorated primary door units	Replace with insulated replacement doors	
9-	Mechanical Retrofits - Repair or replace as per efficiency and health and safety protocols		

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See *Delaware Weatherization Standards and Field Guide (2005)*

310 FINAL INSPECTION

Once the weatherization work is reported by the subcontractor(s) as complete, the subgrantee will arrange for a Final Inspection. The Final Inspection is to be conducted by an approved individual employed by a subcontractor from the pool of Auditor/ Final Inspection companies chosen in the competitive proposal process.

One hundred percent (100%) of the weatherized units must pass the Final Inspection.

310.1 Final Inspector Responsibility

The Final Inspection will be conducted using protocols and forms, including software,

prescribed by the Delaware Weatherization Assistance Program. Final inspection will include a visual examination of parts and materials used, as well as the workmanship of the installations. The Inspector will also conduct technical testing to assess the effectiveness and safety of the work.

The Final Inspector will assess the range of weatherization work completed on the unit, including:

- The Energy Audit called for effective weatherization measures, appropriately prioritized.
- Health and safety problems detected by the Auditor, or others were remedied or mitigated prior to the weatherization steps, as appropriate.
- All energy efficiency measures called for in the original Work Order, or as modified with the subgrantee's approval, were conducted, and done in the order of priority assigned to each.
- Air sealing and other energy efficiency measures, such as window or door repair or replacement, were completed correctly using standard program protocols with approved materials and parts.
- The inspection of the insulation work and review of the certificate of insulation show that insulation was properly installed within the manufacturer standards and at the levels, locations and types called for by weatherization program guidelines.
- Based on the inspector's pressure differential analysis the proper alignment of the unit's thermal and pressure boundaries has been achieved.
- Based on blower door guided pressure testing, air sealing has been effectively completed, optimizing the level of air exchange in the unit according to Delaware weatherization program building tightness limit calculations.
- Based on the testing under 'worst case' configuration of the house the combustion appliances are operating safely in the weatherized unit.
- Based on Combustion Air Zone (CAZ) testing methods adequate combustion air is available for all combustion appliances.
- Based on testing with a gas detector, there are no gas line leaks.
- Based on the inspector's own testing, and/or the inspector's review of the test out results from the installer on any furnace or water heater replacements in the unit, such appliances were properly installed and test within acceptable standards of local code (or the United Mechanical Code).
- Based on overall testing, energy efficiency levels were improved.

- Based on a client interview the occupants have no complaints about the work completed and the occupants understand the actions needed to maintain the efficiency of the unit.

Training: The Final Inspector, as well as the Energy Auditor must have a firm understanding of the tools, theories and methods used to pass a weatherized unit. Having qualified as a subcontractor all inspectors will already have certification from BPI. However, the DNREC is seeking improvement in the Delaware WAP that will require additional training on the part of the subcontractors.

310.2 Subgrantee 'Final' Responsibilities

With the receipt of the Final Inspection, it is an ideal time for the subgrantee to review the entire case for its quality, compliance and accuracy. The subgrantee is responsible for the quality of every aspect of the weatherization work completed on each unit, including:

- processing the application & accurately determining eligibility;
- arranging for an effective energy audit of the unit;
- devising an effective work order within program priorities and fiscal bounds;
- overseeing the actual weatherization work; and,
- obtaining a final inspection that ensures the work is complete and correct.

The subgrantee may not claim for the unit or report the unit as completed until it has passed the Final Inspection. Before submitting the unit for claim the subgrantee must reconcile the work completed by matching the following information:

- the weatherization measures called for in the Work Order (based on the audit and including subsequently approved modifications), with
- the weatherization measures invoiced by each subcontractor, and with
- the weatherization measures reviewed and passed in the Final Inspection.

Likewise the subgrantee must match each cost which the subcontractor invoices for each measure to the agreed upon price, as applicable; from the subcontractor's approved proposal, from a weatherization program price list or as a specific price negotiated between the subgrantee and the subcontractor.

The subgrantee may not claim the unit until any discrepancies in the measures or their costs have been reconciled.

The subgrantee must contractually make the subcontractor responsible for all damages resulting from improper installation of weatherization materials and/or mechanical systems.

The subcontractor must be contractually required to conduct additional work at its own expense on any job that does not pass the Final Inspection due to inadequate work practices or the use of substandard materials.

310.3 Subcontractor Responsibility

The subcontractor must be contractually required to provide a warranty against defects in materials, manufacture, design, or installation of work performed under contract for the period of one (1) year from the date the unit passes the Final Inspection.

The subcontractor is responsible for all damages resulting from improper installation of weatherization materials and/or mechanical systems.

310.3.1 Reworks

At any point when the work does not pass the Final Inspection, or discrepancies between what was ordered and what was delivered cannot be reconciled, the payments to subcontractor(s) are to be withheld. The subgrantee should immediately notify the subcontractor(s) as to the reason for the withholding of payment.

The subcontractor(s) may be given a reasonable amount of time to return to the unit to rework the rejected weatherization measure(s). Once the subcontractor has submitted work to the subgrantee as “complete”, the cost of any subsequent rework needed to pass inspection is to be the responsibility of the subcontractor.

If the subcontractor refuses to rework a rejected measure, the subgrantee should re-order the specific work by another subcontractor from the appropriate pool. The original company’s invoice for that measure should be rejected. Other acceptable work would be paid for, but the company should then be disqualified from subsequent work in the program.

Rework Dispute: In the instance that a technical dispute over passing a rework cannot be resolved, the subgrantee should call for a third-party inspection by the DNREC technical expert. In that case the opinion of DNREC will be binding on the resolution of the dispute.

An additional Final Inspection of a unit required from a rework will be charged the subcontractor by the subgrantee as a Re-inspection Fee of \$50 to \$150, depending on the extent of the re-inspection. The fee will be deducted from the subcontractor’s invoice.

4. SECTION 400 ADMINISTRATION

SECTION CONTENTS

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407	FISCAL AUDIT

DNREC administers the Weatherization Assistance Program in each Delaware County through its contracts with local subgrantee agencies that have the proven capacity to provide effective services to low income households, remaining accountable to the many regulatory aspects of the program.

401 SUBGRANTEE AGENCY

Weatherization funds are sub-granted by DNREC to local agencies that have demonstrated, and continue to demonstrate fiscal accountability and administrative efficiency.

401.1 Requests for Proposal

DNREC will periodically request proposals from agencies qualified to administer the program in each of the three counties of the state. The procurement of subgrantees will be conducted in an open and competitive proposal process. Priority will be extended to historically community-based, non-profit organizations demonstrating a proven record of responsible service delivery.

401.2 Contract

The Weatherization Assistance Program is conducted under a contract between DNREC and the subgrantee of weatherization funds. The amount of the contract will be determined by DNREC based on the amount of weatherization funding available and the target population in the subgrantee's service area(s).

The standard period of the contract is normally for one-year period or until otherwise terminated as stipulated in the contract. Contract periods of more or less than one year are at the discretion of DNREC.

401.3 Plan and Budget

The subgrantee will be required to submit a plan and budget for the use of each year's funding, in a form prescribed by DNREC. The plan may include the following:

- A budget for each funding source detailing the use of funds by line item category.
- A projection of the number of units to be weatherized over period for each budget.
- A narrative explanation of the budgeted line items, as requested.
- A list of proposed subcontractors.
- A plan to address health and safety.
- A training and technical assistance budget and plan, listing proposed training events for the budget period.
- Other information as requested by DNREC.

See Section 100, PLAN AND BUDGET

401.4 Subgrantee Subcontracting

The subgrantee may not subcontract any part of the weatherization program without the express written permission of DNREC. A list of proposed subcontractors is to be submitted with the subgrantee's budgets, prior to the beginning of the contract year.

While recognizing the local agency's responsibility for choosing its own business relationships, DNREC reserves the right to review and approve the process used to select subcontractors as well as contracts between subgrantees and subcontractors. Subcontractors must be selected on the basis of a competitive proposal process as detailed in the program policies. Because of the highly technical nature of the program, the qualifications of the selected subcontractors must be given high priority in the selection process.

When any aspect of the program, such as the actual weatherization services is subcontracted, the subgrantee is responsible for all program activities of the subcontractor. Subgrantees must monitor the ongoing performance of subcontractors to ensure compliance with program assurances, regulations, policies and workmanship standards.

See Section 800, PROCUREMENT.

401.5 Conflicts of Interest

No employee, officer, or agent of the DNREC or the subgrantee shall participate in the election, award, or administration of a weatherization contract or subcontract if a real or apparent conflict of interest would be involved.

No employee, officer, agent, or subcontractor of the DNREC or of the subgrantee who may be in a position to participate in the decision-making process may derive an inappropriate personal or financial interest or benefit from any activity funded through a contract or subcontract, either for him or for those with whom he has family or business ties.

The officers, employees, and agents of the DNREC and of the subgrantee shall neither solicit nor accept gratuities, favors, or anything of monetary value from subgrantees or contractors, or parties to contracts or subcontracts.

If any organization, agency or company responding to a procurement request offers such gratuities, favors, or anything of monetary value to any officers, employees, and agents of the DNREC and of the subgrantee, said entity and its employees will be disqualified from participation in current and future weatherization contracts.

401.6 Discrimination Prohibition

The subgrantee and subcontractor may not discriminate against any applicants, staff, personnel, suppliers, clients or others connected to the weatherization program on the basis of race, color, creed, religion, sex, age, national origin, or disability. Neither shall discrimination be based on present or past military status. Nor shall discrimination be based on sexual orientation.

401.7 Debarment & Suspension

The subgrantee must certify that within the last five (5) years, and afterward annually, that neither the organization nor its principals are debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in a weatherization contract with DNREC, the State of Delaware or any federal department or agency

The subgrantee must contractually require the same certification by its subcontractors.

401.8 Drug-free Workplace

The subgrantee must make a good faith effort to provide and maintain a drug-free workplace. The subgrantee is required to give written notice to the DNREC within ten (10) days after receiving actual notice that an employee has been convicted of a criminal drug violation occurring in the workplace.

401.9 Criminal Background Investigation

Subcontractor must agree to provide criminal background checks, as required.

401.10 Ownership of Intellectual Property

All copyright and patent rights to all papers, reports, forms, materials, creations, or inventions created or developed in the performance of the Delaware Weatherization Assistance Program is the sole property of the State of Delaware.

401.11 Religious Activities

The rendering of weatherization services is non-sectarian in nature. The subgrantee must ensure that religious activities are not a part of any activities funded under the grant.

401.12 Political Activity

The subgrantee must ensure that the funding provided by DNREC through the weatherization contract is not be used to further any type of political or voter activity.

The subgrantee must comply with applicable provisions of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7326) which limit the political activities of employees whose principal employment activities are funded in whole or in part with weatherization funds.

401.13 Legislative Contact

The subgrantee may not use weatherization funds to lobby, or to directly or indirectly influence action on any legislation or appropriation matters before federal or state legislative bodies.

The subgrantee may provide educational or other information regarding the weatherization program, as appropriate.

401.14 Whistleblower Protection

The subgrantee may not discharge, demote, or otherwise discriminate against an employee as a reprisal for disclosing “whistleblower” information; such as mismanagement, abuse, fraud, legal violations, non-competitive procurement, and so forth.

402 FUNDS MANAGEMENT

The proper administration of funds begins with the quality of the subgrantee's own internal fiscal controls and accounting procedures. The subgrantee must maintain written fiscal procedures which are periodically reviewed and approved by its governing board. The disbursal of weatherization funds must be properly documented and tracked in a systematic, transparent method.

402.1 Financial Records

All Accounting records related to budgets, claims, and purchases must be maintained in accordance with this policy and generally accepted accounting [principles for fund accounting. The subgrantee's financial records shall include, but are not limited to:

- Accounting books, ledgers, charts,
- Time sheets, payroll forms, wage records,

- Accounting reports, bank statements,
- Fiscal reviews, audits,
- Tax records, tax withholding records,
- Source documents, bills, claims, canceled checks,
- Job descriptions, pay rates, pay schedules, and
- Other fiscal forms and reports, as required by DNREC.

Such records shall be sufficient to fully document the subgrantee's financial activities, including the subgrantee's claims for reimbursement under its weatherization contract with the DNREC. All fiscal accounting records must be made available to DNREC, the State of Delaware or other appropriate agencies, upon request.

402.2 Production Records

The subgrantee must maintain all of the required documentation supporting production for each Work Order in accordance with this policy. Records are to be filed by the unique Work Order Number and cross-referenced with the client name, the date the unit passed Final Inspection and the address of the weatherized unit.

It is incumbent upon the subgrantee to require weatherization subcontractors to maintain and submit documentation required by the program.

402.3 Program Income

Program Income is an amount of money received by the subgrantee for activities which are supported directly by a weatherization program grant. This would include payments received by the subgrantee for work conducted outside the program utilizing weatherization program supported resources.

The Delaware Weatherization Program requires subgrantees to use program income to pay subsequent expenditures that would have been otherwise claimed from the funding source which benefited by the receipt of the funds. For example, if the DOE funding benefited by the program income, the funds would be used for subsequent work under the DOE grant.

Program Income must be expended at least by the end of the contract period following the period in which it was earned. The receipt of program income and the subsequent expenditures in the appropriate program must be documented by the subgrantee and reported to DNREC.

Landlord/owner contributions to the work on a unit are not considered program income under DOE regulations. However, such contributions must be applied to the cost of the specific job for which they are made. The subgrantee's claim for that unit should reflect a

credit for the amount paid by the landlord.

Interest earned on any advance funds is also considered program income per 10CFR600 regulations.—

402.4 Segregation of Funds

The Delaware Weatherization Assistance Program is supported by several different funding sources. All funds received from separate sources, even though they may each for the same purpose of weatherization, must still be maintained in separate accounts.

In no instance may weatherization funds be co-mingled with funds for any other program sources.

This policy does not preclude the coordinated use of funds from various sources, as allowed by the rules and regulations covering each of those funds.

402.5 Supplanted Funds

Weatherization funds may not be used to supplant other state or local funds ~~which that~~ may be used instead, for the same purpose.

402.6 Leveraged Funds

To the extent practicable, federal weatherization funds should be used to leverage funds that would not be made available in the absence of federal or state funds for carrying out weatherization activities.

The cost of leveraging non-federal funds for the weatherization program is allowable up to an established limit as approved. The leveraging activities and limits are set in state leveraging plan submitted to DOE. The Delaware Weatherization Assistance Program does not currently have an approved plan in place.

402.7 Capital Expenditure

The subgrantee may not use weatherization grant funds for the purchase or improvement of land. Weatherization funds may not be used for the purchase, construction, or improvements of any building or other facility.

As defined by the program policies, funds may be used for residential weatherization or other energy-related home repairs.

402.8 Davis-Bacon

The American Recovery and Reinvestment Act (ARRA) of 2009 is currently a major funding source for the Delaware Weatherization Assistance Program. ARRA requires

compliance with the Davis-Bacon Act in setting the wages for certain types of jobs related to weatherization services paid for by the ARRA grant. The Delaware program has elected to extend these wage requirements to all weatherization work ~~covered by the Davis-Bacon law~~, regardless of funding source.

Under Davis-Bacon, U.S. Department of Labor (DOL) prevailing wages and fringe benefits are to be used when setting rates for laborers and mechanics employed directly on-site, in any weatherization projects ~~with a total cost of more than \$2,000~~. Weatherization subcontractors will be required to pay no less than these locally prevailing wages and fringe benefits for the applicable weatherization job classification on all jobs. The law also requires that companies pay laborers and mechanics on not less than a weekly basis, and that time and pay records be kept that document compliance with these requirements.

See ~~Section~~ SECTION 9001000, APPENDIX D-1 for current Davis Bacon prevailing wage & fringe rates for weatherization work in each of Delaware's three counties.

See ~~Section~~ SECTION 700, REPORTS regarding Davis Bacon Reporting Requirements

See DOE Weatherization Program Notice 09-9 Guidance on Implementation of the Davis-Bacon Act.

402.9 Equipment

“Equipment” is defined by federal and state regulation as an item of non-expendable, tangible personal property, having a useful life of more than one year and an acquisition cost which equals or exceeds a unit cost of \$5,000.

A “unit” generally includes an individual item but may also be an aggregation of items needed for the unit to actually function. The primary example of an aggregated unit is a computer system which requires a central processing unit, a keyboard, a monitor and a printer to be useable.

Equipment purchased by the subgrantee with funds awarded in the contract is property of the Weatherization Assistance Program. It may not be used for any purpose other than the defined program activities without written permission and instruction from the DNREC.

Equipment may not be purchased, transferred or disposed of by the subgrantee without prior written permission and instruction from the DNREC.

In the event that a subgrantee's contract with the DNREC is not renewed, or terminates for any reason, equipment purchased with program funds must be returned to the DNREC as property of the Weatherization Assistance Program.

The subgrantee must maintain records of the procurement of equipment, equipment inventory records, and records of the disposition of equipment in a manner set forth in written instructions by the DNREC.

See SECTION 800, PROCUREMENT.

402.9.1 Weatherization Equipment, Tools & Materials

Specialized equipment, supplies, tools and weatherization materials purchased by the subgrantee with the funds awarded in the contract, regardless of the unit cost or the useful life of the items, are to be considered weatherization program property. Such property shall only be disposed of in a manner prescribed in written instructions by the DNREC.

Such items include but are not limited to blower doors, duct pans, manometers, CO detectors, smoke detectors, refrigerators, insulation materials, laptop computers, specialized software, and so forth.

In the event that a subgrantee's contract with the DNREC is not renewed, or terminates for any reason, the specialized Weatherization equipment, tools or leftover materials purchased with program funds must be returned to the DNREC as property of the Weatherization Assistance Program.

This policy does not refer to items purchased by the weatherization subcontractor for use in the program unless specific weatherization funds are granted by or through the subgrantee for that purpose.

402.10 Inventory

The subgrantee is required to track the purchase, use and disposition of all inventory purchased with weatherization funds. The list should be reviewed by the subgrantee annually and be available for monitoring by the DNREC in its administrative review of the subgrantee.

402.10.1 Inventory Schedule

The subgrantee must have an inventory of all equipment and supplies purchased to operate the program. In limited circumstances, the subgrantee may purchase and keep a supply of weatherization parts or materials. (Because Delaware subgrantees subcontract most weatherization services, this inventory will probably be limited to smoke detectors and other items to be installed by the auditor.) Subgrantees may also have an inventory of other equipment purchased for use in the program.

The subgrantee must maintain an inventory schedule for all items, to include:

- item name, brand, brief description, model no., serial no.
- purchase date of the item
- acquisition cost and source of funds (including specific funding award number)
- physical location of the item
- condition of the item, and
- current status of the item(s).

Inventory purchases must be fully documented on the schedule, including:

- a justification for the procurement process used
- documentation of the procurement of the item(s)
- documentation of prior approval, when required, and
- purchase order, invoice, receipt, other source document(s) pertaining to the purchase.

A physical inventory of parts, materials, supplies and equipment is required annually. Any discrepancy between the book inventory and the physical count in subgrantee's inventory which exceeds \$100.00 must be reported to DNREC along with a written description of how the lost or damaged inventory item(s) will be replaced by the subgrantee.

See Section 800, PROCUREMENT

402.10.2 Disposition of Inventory

The Subgrantee must keep complete records of the use and disposal of items in its inventory.

Use of weatherization parts and materials from the subgrantee's inventory should be recorded on individual weatherization job in which they are used, by Work Order Number.

Because equipment purchased with program funds is considered the property of the program, the subgrantee must notify the DNREC prior to disposing of equipment purchased with weatherization program funds. The subgrantee will be instructed as to how such equipment is to be disposed of. Equipment must be sold at fair market value. DNREC will assist the subgrantee in establishing the value.

In certain situations equipment may be depreciated over time by the subgrantee.

Upon request, the subgrantee shall submit all relevant depreciation schedules with its independent audit report.

Grantee may not purchase or maintain inventory which exceeds an amount necessary for the performance of the program activities under the contract agreement.

403 ALLOWABLE EXPENDITURES

Comment [CS3]: Phil: I had two key questions on this: 1) are these all updated with your edits from your contract revisions? 2) there is huge and somewhat inconsistent overlap with section 103.11, should we do something about that?

Weatherization program funds may only be expended for approved activities to accomplish the purposes of the program and are to be charged according to cost categories defined in this section. Funds available to the subgrantee are limited to the total contract amount. The subgrantee is solely responsible for any expenditure in excess of the total value of the contract.

All budgeted funds are to be expended within the applicable budget period. Because the various funding sources are on different fiscal years, the budget periods may vary accordingly. DOE funds are granted on a federal fiscal year from April through March. The LIHEAP funds are available on the fiscal year from October through September. State funds may align differently, yet. The budget form for each has the appropriate dates.

Weatherization program cost categories are as follows:

- 403.1 Administration
- 403.2 Insurance
- 403.3 Fiscal Audit
- 403.4 Health and Safety
- 403.5 Program Operations
 - (5.a.) Subgrantee Costs
 - (5.b.) Subcontractor
 - (5.c.) Subgrantee Equipment
 - (5.d.) Subgrantee Vehicle

403.1 Administrative Cost Category

The actual amount *claimed* by the subgrantee for administrative costs over the period of the contract is limited to 5% of the actual amount *expended*. Any expenditure exceeding this limit is the responsibility of the subgrantee and may not be reimbursed from program funds.

Administrative costs are costs associated with those functions of a general nature not clearly specific to one program but applied to a range of the subgrantee's programs; salary and fringe costs for individuals such as directors, fiscal staff, legal staff, and so forth.

Personnel functions such as agency planning, budgeting, accounting, and activities that establish and direct the subgrantee's policies, goals, and objectives overall, are usually considered administrative costs.

See Section 103.11.1, Administrative Costs Category for additional examples.

403.1.1 Cost Allocations

Overall agency costs that cover a range of programs must be assigned using a reasonable formula to figure how much to charge each program. Most agencies split overall agency administrative costs among programs based on a cost allocation plan, using time studies of the employees involved.

Specific costs may be allocated to the weatherization program if they are treated consistently with other costs incurred for the same purpose in like circumstances, and if they:

- are incurred specifically for the purposes and benefit of the sub-grant;
- can be distributed in reasonable proportion to the benefits received by the program; and,
- are necessary to the overall operation of the organization, although a direct relationship to any particular cost objective cannot be shown.

More rarely, an agency applies an indirect cost rate that has been approved by the agency's cognizant, federal funding source. To use this method, the approved indirect cost rate must be properly documented by the subgrantee.

The subgrantee must be able to demonstrate a valid basis for administrative charges to the weatherization programs, both for fiscal monitoring by the DNREC and in the cross-agency audit (A 133).

403.2 Insurance Cost Category

Subgrantees must carry liability insurance and must require the same of their subcontractors. Liability insurance required by the DOE and DNREC may be charged to the weatherization grant at the actual, direct cost. Liability insurance is neither a part of the administrative costs nor the program operations costs.

Upon request, the subgrantee must provide DNREC with Certificates of Insurance that document the required coverage, the limits of liability and coverage dates of the subgrantee's policies. All documents and coverage must be current.

The subgrantee is required to immediately notify DNREC if required insurance is canceled, or modified in amount. In the event of cancellation of the subgrantee's coverage, DNREC will make no further disbursements to the subgrantee until certification is provided by a company that the coverage has been restored. In the event such verification is not received by DNREC within ten (10) days of the notice of

cancellation, the subgrantee agrees to return to DNREC the balance of all monies paid to the subgrantee by DNREC under its contractual agreement.

403.2.1 Indemnification

The subgrantee is required contractually to hold DNREC and the State of Delaware harmless from and against any and all claims for injury, loss of life, or damage to or loss of use of property caused or alleged to be caused, by acts or omissions of the subgrantee, its agents, employees, assigns, and invitees on or about the premises and which arise out of the subgrantee's performance, or failure to perform as specified in the subgrantee's contract.

403.2.2 Liability Insurance

The subgrantee agrees to provide comprehensive general liability insurance coverage in the minimum amount of one million dollars for bodily injury and property damage.

The subgrantee shall also secure insurance in amounts sufficient to reimburse the subgrantee for damage to any property that has been purchased with grant funds.

If the subgrantee is a department or division of the State of Delaware, or of a county, municipal, or local government, the foregoing insurance coverage shall not be required; however, the Subgrantee may elect to provide such coverage.

403.2.3 Workers' Compensation

The Subgrantee must provide Workers' Compensation as required by law.

403.2.4 Unemployment Compensation

Subgrantee must provide Unemployment Compensation as required by law.

403.2.5 Misappropriation Bond

The Subgrantee shall provide a bond or insurance coverage for all persons who will be handling funds or property received or disbursed as a result of its contractual agreement with the DNREC, in an amount equal to one-half of the total annual funding provided to the subgrantee through DNREC, or \$250,000 whichever is less, to be effective for the period of the Subgrantee's contract plus three (3) years for purposes of discovery.

The Subgrantee's coverage must provide protection against losses resulting from criminal acts and wrongful and negligent performance of the person's duties and it must specify the DNREC as an obligee or additional insured.

403.2.6 Pollution Occurrence Insurance

Regular liability insurance policies do not generally provide coverage for many health and safety circumstances which the weatherization program encounters. For example, liability may not extend to such hazards as lead based paint or asbestos. DOE has mandated that additional insurance is required of the Subgrantee if their current policy does not specifically cover liability for these work-related hazards. Subgrantees are required to review their existing policies to ensure that they have adequate coverage.

Subgrantees must also ensure subcontractors who perform Weatherization services are adequately insured as well, including pollution insurance coverage.

403.3 Fiscal Audit Cost Category

The actual cost of the audit may be charged to the weatherization grant. The fiscal audit is not considered a part of administrative costs or program operations costs. In the event that more than one program is being audited the cost to the weatherization program is to be allocated on a reasonable basis.

403.4 Health and Safety Cost Category

Up to ten percent (10%) of the funds may be allocated from the subgrantee's funding for qualifying Health and Safety. Health and Safety line item expenditures are not a part of that limit nor are they counted as administrative.

To be eligible for this line item, expenditures must be activities that eliminate hazards that may be aggravated or even caused by the installation of weatherization measures.

403.4.1 Funded Activities

Some specific Health and Safety (H&S) activities which may be reimbursed from weatherization funds include:

- Auditor staff time for the identification of a range of H&S issues.
- Testing equipment used by the auditor for H&S, including lead testing swabs.
- Supplies distributed by the Delaware program to increase home health & safety (smoke detector and carbon monoxide alarm, including batteries).
- Repair and replacement of the heating appliance, in certain circumstances.
- Repair and replacement of the water heating appliance, in certain circumstances.
- Replacement of combustion appliance gas lines, in certain circumstances.

- Incidental Repairs that are energy related and necessary for weatherization.

403.4.2 Activities Not Funded

In non-covered H&S situations, subgrantee case workers should be knowledgeable of other funding sources for certain types of work. Some examples of work that is *not* covered under the weatherization grant include:

- Lead-based paint risk assessments, lead inspections, testing equipment such as the X-ray Florescence devices (only lead test swabs are covered), lead remediation or abatement.
- Asbestos abatement.
- Mold and mildew remediation, in most instances.
- Electrical repairs; except Incidental Repairs needed for weatherization; and, except as needed for the proper functioning of the heating appliances.
- Plumbing repairs; except Incidental Repairs needed for weatherization; and, except as needed for the proper functioning of the heating and water heating appliances.
- Unit remodeling, major repair, painting.
- Other house repairs, except as they are incidental to the effectiveness of the weatherization.

See Section 304, Health and Safety for additional information on allowable activities.

403.5 Program Operations Cost Category

Program Operation costs are identifiable with the subgrantee's weatherization operations. Such costs include the subgrantee's direct costs as well as all of the subgrantee's costs associated with the weatherization subcontractors.

The subgrantee budget and claim will further identify minor objects under the Program Operations line item, as follows:

- 403.5 Program Operations
 - (5.1) Subgrantee
 - (5.2) Subcontractor
 - (5.3) Subgrantee Equipment
 - (5.4) Subgrantee Vehicle

Average Cost Per Unit: The subgrantee's weatherization Program Operations costs are limited by regulation to an average cost per unit set annually by the Department of Energy (DOE). The subgrantee is responsible for any funds expended which exceed the allowable average cost per unit over the contract period.

Within this overall average, DOE regulations stipulate that the cost of a renewable energy system (e.g. solar heating) installed in a unit also not exceed an average cost per unit, in an amount also set annually by DOE. Such measures are not currently a part of Delaware's weatherization program.

403.5.1 Subgrantee Cost Subcategory

Subgrantee costs directly associated with the weatherization program are considered Program Operations expenditures. Where employees work on multiple activities, their costs are to be allocated based on a reasonable method and adequate documentation of their activities across programs.

Staff: The Subgrantee's expenditures for staff and labor working directly in the operation of the weatherization program may be claimed. These include all costs of program staff, program coordinators, and program support staff.

Program Support: Subgrantee program support costs include the direct costs to the program for rent and utilities, program advertising, supplies consumed by the program, as well as office equipment, furnishings, and computer equipment used in the program. Program support charges must be made using the actual, net cost to the program.

Supplies may include office supplies. They also include weatherization parts and materials such smoke detectors, CO alarms, CFL bulbs and any other items to be used as program measures that the subgrantee directly purchases.

Weatherization Materials Handling: The subgrantee may charge its actual cost of warehousing and handling materials, if applicable. Handling includes agency staff time and transportation. In most instances in the Delaware program, material is handled by the subcontractor and charged as a subcontractor cost.

Manufacturing of Weatherization Materials: This is the direct cost of manufactured weatherization items subject to a unit cost of \$1,000 dollars per item or prior approval from state. The Delaware program generally does not have this cost.

403.5.2 Subcontract Cost Subcategory

The total cost of the subcontractor's work on a weatherized unit is considered a Program Operations cost and is to be assigned in total by the subgrantee to that line item. This includes all subcontractor invoices for labor and overhead, as well as the bill for materials and parts used in the job. Subcontractors should bill only for a completed unit and for one unit per invoice form.

403.5.3 Equipment Cost Subcategory

Equipment purchase by a subgrantee is another allowable Program Operations expenditure.

“Equipment” is defined by federal regulation as an item of non-expendable, tangible personal property, having a useful life of more than one year and an acquisition cost which equals or exceeds a unit cost of \$5,000. Purchases less than this amount are considered supplies. All such purchases are to be made in accordance with program procurement standards.

See Section 800, PROCUREMENT

403.5.4 Vehicle Cost Subcategory

The cost of vehicle for weatherization program use, if paid outright should be amortized over its expected life. The annualized share should then be charged to each unit completed in the period as a part of the average cost per unit.

Vehicles may be leased and charged according to the periodic lease payments. The subgrantee must compare the cost of each method to determine the best course to follow.

Vehicle purchases and leases require prior approval by DNREC and DOE.

Subgrantees must follow the proper competitive procurement method to obtain a vehicle. See Section 800. PROCUREMENT.

404 TRAINING AND TECHNICAL ASSISTANCE (T &TA) EXPENDITURES

A separate award is made to subgrantees with weatherization funds allocated specifically for training and technical assistance. T&TA funds are budgeted separately for activities to be used according to current program training priorities, for subgrantees to continue to improve their knowledge and skills, as well as those of their subcontractors.

All training must be approved by DNREC, in advance. Approval from DNREC may be sought by the subgrantee with the submission of a training plan at the start of a contract year. Or, the subgrantee may submit specific requests anytime over the course of the year. Training that is required as part of the Training Plan regimen designed by DNREC may be considered already *approved*. Whether technical or administrative, training must be demonstrably relevant to the weatherization program to be approved for payment with T&TA funds.

DNREC and subgrantees may require weatherization contractors to cover their own training expenses, in some cases. In any event, T&TA funds may *not* be used to pay subcontractor staff or other contractor costs incurred during the training time.

See Section 500, TRAINING.

404.1 Training Presentation Cost Category

Training presentation costs are actual costs for *approved* weatherization training.

Training may be directly conducted by the subgrantee or subcontracted with a qualified individual trainer or training organization.

Training may be directed to the subgrantee staff or to the agency’s weatherization subcontractors.

Specific expenditures under this line item may include: presenter fees (including presenter travel costs), training materials, facility rental, presentation supplies, equipment rental and other directly related costs.

T&TA funds are *not* to be used for general public informational presentations.

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404.2 Training Travel Cost Category

Travel is an allowable expenditure under this line item for *approved* training. Travel costs may be charged according to the subgrantee’s travel policies but only up to the maximum rates allowed by the State of Delaware. Specific expenditures may include: mileage, car rental, airfare, lodging and *per diem* (federal rate used).

To qualify for reimbursement for lodging or *per diem* expenses, the traveler must be in travel status according state policy. Travel status is indicated by the fact that the person is spending the night more than fifty miles from his/her station.

404.3 Training Registration Cost Category

Conference, workshop or similar fees required for attendance at an *approved* weatherization training event may be expended under this line item. Food served at such events is allowable, as it is a part of the registration fee.

404.4 Documentation

The subgrantee has responsibility for to fully document T&TA expenditures. Documentation will include travel vouchers, invoices, programs, brochures and agenda, and so forth.

The subgrantee should request clarification from DNREC on the appropriateness of any questionable training expenditure.

See Section 500, TRAINING

405 SUBGRANTEE CLAIMS

Following the execution of the subgrantee’s contract, weatherization funds are encumbered by DNREC for the contract amount, on a state Purchase Order (P.O.). Once the subgrantee begins paying bills, valid claims for reimbursement may be made against the outstanding P.O. up to the encumbered amount.

NOTE: In order to claim, the subgrantee must have submitted a copy of the agency’s current Delaware Business License and IRS Form W-9, Request for Taxpayer Identification Number and Certification, to the DNREC Financial Services section.

405.1 Claim Form

The claim should be submitted on subgrantee agency’s customary invoice form or another form, as provided by DNREC.

The claim must list charges by the weatherization line items detailed in this section. Line items include:

- -1 Administration
- -2 Insurance
- -3 Fiscal Audit
- -4 Health and Safety
- -5 Program Operations
 - (5.a.) Subgrantee Costs
 - (5.b.) Subcontractor
 - (5.c.) Subgrantee Equipment
 - (5.d.) Subgrantee Vehicle

Additional information required on the claim form includes:

- Agency name, address, phone number, other contact information
- Address for remittance, if different
- Subgrantee’s assigned invoice number
- DNREC Purchase Order number assigned to the subgrantee’s contract

- Invoice total
- The weatherization funding source on which the claim is made
- Authorized agency signature and date
- Other information requested by DNREC

~~All invoices for subcontractor costs must have only one unit per invoice. Included on the invoice must be the In addition, the claim must include a report which lists the completed units being claimed under .5 Program Operations. Each unit must be identified by funding source, Work Order No., unit address, audit date, work completion date, and final inspection date. Subcontractor claims for that unit must also be included as backup documentation.~~

~~Each unit listed will show the total cost charged under .5 Program Operations. The total cost of the units being claimed must equal the total amount claimed under .5 Program Operations.~~

~~Unless requested by DNREC, source documents, including subcontractor invoices, are not to be submitted with the subgrantee's claim. Such documentation must, of course be available for review and audit.~~

The subgrantee will claim for reimbursement against each of its weatherization budgets separately. The cost of an individual weatherized unit may not be split between budgets. Claimed amounts will be assigned by the subgrantee to the appropriate line item in the budget, according to the rules set forth in this section.

DNREC will review all subgrantee claims. In the instance that the state agency believes budgets or line items should be charged differently, the subgrantee will be consulted. In the instance that the claim is changed the subgrantee will need to submit an amended claim form and make appropriate changes in its fiscal records.

405.2 Subcontractor Claims

~~A subcontractor may submit claims for inspected and approved repairs to or replacement of heating and water heating appliances, prior to the Final Inspection, as agreed to by the subgrantee.~~

Subcontractors are required to maintain strict accountability for the costs billed to the program. Subcontractor books, records, documents and other evidence must be set up in a way that follows generally accepted accounting principles, using procedures and practices which sufficiently and properly reflect all costs attributed to each service provided.

All labor and materials must be clearly identifiable in each unit weatherized. All claimed costs must be linked directly to weatherization activities performed on a specific job and identifiable by the Work Order Number, case name, and address. The Work Order Number is assigned by the Subgrantee and must appear on all documents related to the unit.

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The subcontractor is required to retain records for no less than three (3) years after the close of the contract period. Records must be made available, upon request, to the subgrantee agency, DNREC, DOE or to any other duly authorized state or federal entity, for the purpose of a fiscal review or an audit, as required.

405.2.1 Subcontractor Invoice

In order to substantiate the subgrantee’s claim each subcontractor invoice must include:

- Subcontractor name, address, phone and contact information
- Work Order Number assigned to the unit by the subgrantee
- Physical address of the unit
- All dates that the company worked on the unit
- Names and roles of all employees that worked on the unit
- A copy of the original approved Work Order and any Work Order modification approved by the subgrantee.
- Breakdown by weatherization measure of costs for labor on the unit
- Breakdown by weatherization measure of costs for materials, parts or other costs on the unit
- Invoice total
- Original receipts for all materials purchased and being billed by the company, as required by the subgrantee
- Other information or documentation required by the subgrantee or DNREC
- Signature of authorized company employee

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Subcontractors shall submit invoices within five (5) days of completion of their work.

The subgrantee will make payment within thirty (30) days upon the subcontractor’s submission of an acceptable invoice and other required documents; but, only after the completed unit has passed the Final Inspection.

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405.3 Administrative Claims

Ongoing administrative expenditures may be submitted for reimbursement as they occur, with the stipulation to the subgrantee that, in the end those claims may not total more than 5% of the actual funds spent on the total of all expenditure categories.

405.4 Completed Unit Claims

Claims for expenditures directly tied to a specific unit may only be submitted after the full completion of that unit, through the Final Inspection. ~~Unit claims may be batched on the monthly claim so long as each unit is clearly listed by Work Order Number and dollar amount, as part of the claim.~~

405.4.1 Incomplete Work

No claim may be submitted for weatherization work which is outside of the measures set forth by the subgrantee Work Order, without a prior, written modification of that order.

No claim may be submitted for weatherization work performed by the subgrantee's subcontractor or the subcontractor's staff who have not fulfilled the weatherization training required for such work.

No claim may be submitted for weatherization work until such time as subgrantee has performed the Final Inspection and has issued a written determination that the work has been performed in a satisfactory manner.

No claim may be submitted for additional weatherization work conducted after a unit has passed the Final Inspection.

405.5 Tracking Expenditures

The subgrantee must have accounting systems in place to ensure expenditures stay within budget. It is the responsibility of the subgrantee to track its expenditures over the period of the contract so that funding allocations are not over-expended. It is the responsibility of the subgrantee not to exceed line item limitations, including the average cost per unit, over the period of the contract.

Expenditures must be tracked for each weatherization funding source.

Accounting systems will be evaluated as a part of the DNREC administrative monitoring process, as well as in the subgrantee agency's fiscal audit.

405.6 Budget Modifications

The subgrantee may modify its original weatherization budget(s) at any time during the contract year, with the approval of DNREC. A rule of thumb is that a particular line item should be officially modified if the projected expenditures exceed a 10% deviation from the amount budgeted. Projecting expenditures each month will ensure that the subgrantee is on track to spend the expected amount and not exceed limited line items.

Budget modifications are required at any time the subgrantee projects exceeding the limits on capped line items, exceeding the average cost per unit, or exceeding the overall agency budget amount.

Projected surpluses in non-Program Operations cost categories should be re-allocated to Program Operations in order to increase production.

Budget modifications are to be submitted to DNREC for approval.

405.7 Payment Time Frame

~~Claims should be submitted by the subgrantee once per month.~~ Claims payment will be made by DNREC to the subgrantee within thirty days (30) of the receipt of a valid claim.

For additional information, ~~including the occasional need to submit more frequent claims,~~ the subgrantee may call DNREC Financial Services at 302-739-9903.

405.8 Payment ~~Made in Arrears~~ Process

Subgrantee claims shall be made on a reimbursement basis, except that an advance payment may be made to the subgrantee by the DNREC at the beginning of the contract period for expenditures.

405.9 Withholding of Funds

DNREC may withhold full or partial payment of claims under several circumstances. The subgrantee will be notified prior to funds being withheld and given an opportunity to ameliorate the underlying issue, during which time the claim will be held.

405.9.1 Claims Errors

DNREC may withhold payment to a subgrantee if a claim submitted by the subgrantee is inaccurate, incomplete or unsubstantiated; or if the subgrantee has not otherwise complied with the claim preparation instructions issued by DNREC.

405.9.2 Fiscal Monitoring and Audit Issues

DNREC may withhold payment to a subgrantee in instances of incorrect, inappropriate or unsubstantiated costs that have been discovered through DNREC fiscal monitoring. Payment may be withheld for expenditures that have been disallowed in an audit of subgrantee weatherization funds.

405.9.3 Line Item Over-expenditure

DNREC may also recover funds through a reduction in a claim in the instance that

total expenditures in a line item that is limited by the program, has been exceeded. This would include the following situations:

- Subgrantee has exceeded the 5% limit on Administration expenditures
- Subgrantee has exceeded the 10% limit on Health & Safety expenditures
- Subgrantee has exceeded the average cost per unit

405.10 Final Claims

No later than sixty (60) days following the conclusion of the annual contract period, the subgrantee will submit its final claim under the contract, in a manner and format specified by DNREC.

The final claim will include all remaining expenditures under the contract for the period. This means that all units weatherized in the period must be *completed* within the contract period, including having passed final inspection, in order to be claimed.

The total final claim must be offset either by the subgrantee or by DNREC with credits for:

1. Any amount received by the subgrantee in excess of the total contract.
2. Any amount received by the subgrantee which exceeds a budgetary limit on a specific line item.
3. Any amount which will cause the agency to exceed the allowable average cost per unit over the period of the contract.
4. Any outstanding balance on advance funding received by the subgrantee on the contract.
5. Subgrantee settlement of disallowed costs found in an audit.
6. Any other amounts as determined between the subgrantee and DNREC.

Where line items limits have been exceeded, including the average cost per unit, and costs can be legitimately transferred to other line items or other budgets, the subgrantee may make appropriate cost transfers prior to submitting the final claim. Such transfers must be in compliance with the rules of all programs involved and must be approved by DNREC.

405.11 Advance Funding

A funding advance may be available to the subgrantee under certain budgets or programs, such as ARRA. Advance funds are available on a one-time basis and are not guaranteed in future funding rounds, or from any other funding sources.

Advance funding may be requested of DNREC by the subgrantee for any contract. If justified, DNREC policy limits such requests to ~~25%~~ ^{1/12th} of the funding total.

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Advance weatherization funds may only be used to pay subcontractor invoices and are *not* to be used for subgrantee administration. Advance funds from one funding source may not be used to pay expenditures in another funding source.

402.11.1 — Advance Repayment

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~~The funding advance will normally be returned by the subgrantee over the twelve month period of the contract by documenting one twelfth (1/12th) of the total advance against the claim, once per month.~~

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~~Should 1/12th of the total advance exceed the amount of the total claim for the month, the entire claim will be offset, and the difference must be deducted by the subgrantee in the subsequent month(s).~~ Any funding advance balance at the end of the contract must be deducted from the subgrantee's final claim. In the instance that the funding advance balance exceeds the final claim, the subgrantee shall reimburse the DNREC by direct payment for the remaining balance of the advance.

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The advance of funds will be subject to DNREC administrative monitoring. A demand for total repayment will be issued by DNREC if the advance funds are not used properly by the subgrantee.

Advances must be held in separate interest-bearing accounts, with interest treated under relevant regulations in 10CFR600.-

406 FUNDS RE-ALLOCATION

DNREC will monitor production reports submitted by the subgrantee during the contract to see that the number of weatherization completions and subgrantee expenditures meet quarterly goals. If the subgrantee's production falls substantially below the projected schedule of production, DNREC may require a written corrective action plan for bringing production in line.

If production continues to fall short of program goals, DNREC may, at its sole discretion, suspend, de-obligate and re-distribute all or any portion of the funds allocated to the subgrantee.

In case of a reduction in the subgrantee's contracted amount, the decrease will not exceed the total of already properly expended funds. The portion of funds de-obligated will approximately be proportional to the projected production shortfall for the remainder of the contract.

407 FISCAL AUDIT

Following the expiration, or termination of the contract, the subgrantee must have a fiscal audit of weatherization funds conducted by an independent or certified public accountant. The auditor

must be selected by the appropriate competitive process. The same auditing company may not be used to audit weatherization funds for more than three (3) consecutive contract years.

The audit may be a part of an agency-wide audit or an individual audit of weatherization funds. It is to be performed in accordance with all directives provided by DNREC or the State of Delaware, as well as the applicable provisions of the OMB Circular A-133, entitled "Audits of States, Local Governments, and Non-Profit Organizations".

The complete, actual audit report is to be submitted to DNREC by the subgrantee within thirty (30) days of the receipt of the completed audit, or the receipt of a notice from the auditor that the audit cannot be completed. The reason(s) for an incomplete audit must be stated clearly by the auditor and the subgrantee.

DNREC will review the audit for material problems with the accounting systems of the agency, questioned costs and disallowed costs. The subgrantee will be required to submit a written plan for corrective action of findings, within a time frame set by DNREC. Follow-up on the corrective action will be monitored in DNREC's administrative review of the subgrantee.

Disallowed costs will be addressed in a demand for repayment to DNREC. The demand will detail the specific amounts to be returned by the subgrantee. If the funds are not refunded within sixty (60) days of the notification letter the next available subgrantee claim(s) will be offset by the amount of the disallowance.

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5. SECTION 500 TRAINING (RESERVED)

In the belief that training is the key to a vital program, the Delaware Weatherization Assistance Program is in process of devising an aggressive training program that will place specific training requirements on the subgrantee and its subcontractors. All weatherization workers must have successfully completed the required training for each role—there are NO EXCEPTIONS.

Subgrantees must ensure compliance with training though its subcontract with the companies providing its weatherization services. Subgrantees are responsible for periodically reviewing the training compliance of individual company personnel.

No claim will be paid, nor should one be submitted for reimbursement, for any work performed by the subcontractor or the subcontractor's staff who have not fulfilled the training requirements of the weatherization program.

Training certification records must be kept by the subcontractors, the subgrantees, and DNREC. Monitors will cross-check that all workers on-site have successfully completed all required training.

Roles and relevant training requirements:

- Weatherization Installer: installer class, lead safety certification
- Weatherization Installer in Mobile Homes: installer class, mobile home installer class, lead safety certification
- Crew Chief: installer class, crew chief class, lead safety certification
- Crew Chief in Mobile Homes: installer class, mobile home installer class, crew chief class, lead safety certification
- Mechanical: mechanical class, lead safety certification
- Auditor/Inspector: BPI building analyst certification, auditor class, mobile home auditor class, and lead safety certification.

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6. SECTION 600 QUALITY ASSURANCE

DNREC has renewed its commitment to a comprehensive program of quality assurance. Quality programming is the responsibility of both the state agency and the subgrantee.

601 STATE MONITORING PROGRAM

Numerous changes have been put in place to increase oversight throughout the program, to identify and address problems on a continuous basis and to improve weatherization services. Extensive monitoring will include the following:

- An annual state administrative review, including a fiscal review of the local programs
- State desk reviews of subgrantee quarterly production and expenditure reports in comparison to state and subgrantee production goals
- State review of 100% of claims, comparing measures and amounts
- State technical review of 5% of weatherization jobs as they are in-process
- State review of 20% of all completed cases, including case file eligibility reviews and technical reviews
- State review of the subgrantee's annual independent audit of weatherization funds
- Subgrantee on-site, technical visit reviews of the subcontractor's work
- Subgrantee review of invoices, case files, job quality, wage records and training records

The targeted percentage of reviews will be assessed annually and reflected in the state's Annual DOE Plan.

The DNREC monitoring regimen will result in written report to the subgrantee with recommendations and requirements for mandatory, timely corrective action.

601.1 Annual Administrative Review (AAR)

DNREC monitors will conduct an annual, comprehensive, administrative monitoring of the subgrantee's local weatherization program, the Annual Administrative Review (AAR). The AAR and resultant state report will assess the subgrantee's program in every aspect outlined in the program manual.

The state quality assurance staff and technical expert will continuously monitor the subgrantee programs with Case File Reviews (eligibility and technical), on-site technical visits, ongoing claims desk reviews, and ongoing production report reviews. Prevalent issues identified in these ongoing reviews will be incorporated, along with comprehensive information from the AAR monitoring form, to produce the AAR Report to the subgrantee.

Areas reviewed in the AAR will include

POLICY SECTION/ TOPICS	MONITORING
100 PLAN AND BUDGET Federal, State and Local Administrative Roles – Planning & Budgeting	<i>Evaluate the subgrantee's organization and staffing which should reflect adequate staffing in the areas of agency administration, program supervision, case work service delivery, fiscal management and reporting, quality management, subcontracting and training.</i>
200 CLIENT SERVICES Application Process – Eligibility Determination	<i>Evaluate the subgrantee in the areas of application processing and eligibility determination based primarily on the issues identified in individual Case File Reviews.</i>
300 WEATHERIZATION SERVICES Program Requirements – Energy Audit – Health and Safety - Weatherization Services – Final Inspection	<i>Evaluate the subgrantee's delivery of weatherization services. Some of the areas are based on the DNREC ongoing Case File Review process, both with regard to eligibility and technical aspects of the program. Also, considered is DNREC review of 100% of the invoices.</i>
400 ADMINISTRATION Funds Management – Cost Categories – Claims – Closeout and Audit – Administrative Rules	<i>Evaluate the subgrantee's accounting systems, review expenditures, claims and documentation, compliance with expenditure limits, production results and overall funds utilization. Examine independent audits. Evaluate compliance with various administrative rules.</i>
500 TRAINING Training Requirements	<i>Evaluate the subgrantee's compliance with DNREC training requirements both for direct staff, as well as the compliance of individuals working for the subcontractor(s).</i>
600 QUALITY ASSURANCE State and Subgrantee Monitoring	<i>Evaluate the subgrantee's implementation of previous corrective actions. Evaluate the subgrantee's process for ensuring its subcontractors comply with program requirements.</i>
700 REPORTS State, Subgrantee and Subcontractor Reporting Requirements – ARRA Reporting – Davis Bacon Reporting	<i>Evaluate the subgrantee's compliance with reporting requirements including accuracy and timeliness of reports. Evaluate the status of the subgrantee's production rates. Evaluate subgrantee/ subcontractor compliance with Davis-Bacon requirements and other ARRA related reporting.</i>
800 PROCUREMENT Competitive Procurement Definitions and Thresholds – Request For Weatherization	<i>Review subgrantee policies in the area of procurement. Review selected purchases to check if the rules have been followed. Review inventory schedules for required</i>

Proposal Process	<i>information.</i>
<u>900</u> <u>Special Provisions for Transition</u>	<u>Evaluate subgrantee delivery of required transition inspections and unit reworks.</u>
900-1000 APPENDIX Documents and Forms	<i>Review documents and forms from the subgrantee to ensure that the current versions are on hand. Ensure that all brochures, manuals, memoranda, technical information is current.</i>

The sources of information for the AAR may include interviews with the day-to-day program manager, upper level agency management and the fiscal officer. The monitor will also need to review subgrantee policy documents and fiscal records, as well as reports at the state level, to garner a comprehensive view of the subgrantee's weatherization program.

The AAR, along with the various reviews that play into it, will largely determine whether DNREC continues to contract with a particular subgrantee in future program years.

601.2 Weatherization Case File Review

The Case File Review process will be conducted continuously throughout the year on a random sample of cases selected by the DNREC monitor from among subgrantee files. The process will involve a check of case documents regarding claims, eligibility, and technical services.

Specific issues will be discussed with subgrantee's program staff and management as they are discovered. Significant issues, such as those affecting health and safety, should also be addressed immediately, in writing. Specific case errors, such as those affecting eligibility for services will also be addressed immediately, in writing. Issues addressed in writing will require a response from the subgrantee with written details as to the corrective actions applied to the case.

Otherwise, DNREC will maintain monitoring forms and observations from Case File Reviews in the subgrantee's state files. Issues and trends noted over the course of case file monitoring will then be addressed in the annual monitoring report along with recommendations or requirements addressing them.

There are three aspects to DNREC's review of each weatherization case. They include:

601.2.1 Claims Review

DNREC's goal is to review 100% of the claims documentation for the units claimed by the subgrantee. This review will specifically compare (1.) the measures called for on the Work Order with (2.) measures billed on the subcontractor's invoices, and with (3.) the measures that pass Final Inspection.

The monitor will also compare the invoiced charges with the program maximum prices or other amounts negotiated by the subgrantee for the specific job. Claims desk reviews will

be conducted by DNREC as claims are submitted each month throughout the year.

601.2.2 Case File Review - Eligibility

DNREC's goal is to review of 20% individual case files for accuracy. The unit eligibility determination, forms and backup documentation will be reviewed. The subgrantee's adherence to the waiting list will be reviewed. Files will also be reviewed for completeness of appropriate forms including a record of client education.

A typical case file will include:

- A completed application for the Weatherization Assistance Program (or a copy of the approved LIHEAP application)
- Copies of *all* documents used to verify the income of the household (or LIHEAP)
- Copies of all correspondence related to the case, including a copy of the notice of eligibility
- Case worker notes, as applicable.
- A copy of the head of household's picture identification and social security card
- Copies of all other adult household members' Social Security cards
- Copies of all documents used to verify ownership of the unit
- Copies of all documents used to verify tenancy of the unit
- Utility consumption data, as applicable
- Homeowner Consent Form/Rental Release Form
- Other documents, forms, notices, as applicable to the individual case.

601.2.3 Case File Review - Technical

DNREC also plans to review 20% of the case files for documentation on weatherization measures conducted by the subgrantee's contractors. The monitor will review the energy auditor's documents for justification and prioritization of the recommended measures, including recorded test results and program standards.

The measures called for by the subgrantee on the Work Order will be reviewed based on the auditor's recommendations, the program protocols and priorities, as well as the availability of funds.

The review will proceed to look at the subgrantee's records of the measures actually conducted in the unit. The report from the Final Inspector will be used to assess that all work was completed.

If the monitor feels it is called for, the technical review of the case file will be

complemented by an on-site visit by the DNREC technical representatives to the unit to conduct an inspection of the work completed.

A typical technical file will include:

- Energy Audit on the unit on the prescribed audit form, with the auditor's diagrams and notes, pre-weatherization test readings and a list of prioritized measures
- Directions to the unit
- Homeowner Consent Form/Rental Release Form
- The Work Order duly approved by the subgrantee
- A record of any measures negotiated for the specific unit, including the supplemental quotes from contractors, as required
- Modifications to the Work Order, approved by the subgrantee
- A completed Health and Safety checklist with documentation
- A record of completed client education information
- Receipts from client verifying the issuance of required pamphlets such as the information on lead based paint, as required
- Subcontractor's documentation of work conducted and completed; such as ongoing pressure diagnostic test readings, the completed Work Order form
- Subcontractor invoice(s) for work completed, on the form and with the details required (See Section ~~XXX~~405.2) for all material and labor charges
- The total cost of the unit subtotals for weatherization cost categories
- The completed Final Inspection report including documentation of post weatherization readings

601.2.4 Case File Review - Denied

DNREC will monitor a random sample of denied applications in order to determine that applicants were given their right to appeal the denial.

A typical denied case file will include:

- A completed application for the Weatherization Assistance Program (or a copy of the LIHEAP application)
- Copies of *all* documents used to verify the total yearly income of the household, if applicable
- Copies of all correspondence related to the case, including a copy of the notice of denial (or unit deferral)

- A copy of the head of household's picture identification and social security card
- A written determination of the family's ineligibility
- Documentation used to determine ineligibility
- Written case notes as applicable
- Documentation related to a denied applicant's appeal, as applicable
- Notice to appellant regarding all appeal decisions
- Copy of further appeal to the DNREC, as applicable
- Copy of the DNREC decision on the appeal, as applicable

601.3 Weatherization Training and Technical Visits

In addition to the Case File Review – Technical, DNREC quality assurance monitors will assess the technical implementation of the program by observing the weatherization job, on-site in a training and technical assistance visit.

DNREC's goal is to conduct on-site technical visits with five percent (5%) of the subgrantee units. On-site visits will be conducted by DNREC quality monitoring staff observing any aspect of the work in progress, such as an energy audit, air sealing, insulation installation, combustion appliance work, and final inspection.

Technical visits will not be as formal as other monitoring. The observations may be discussed with the subgrantee's weatherization technicians or managers at the work site or in subsequent meetings, depending on the significance of any issues. Health and safety issues will be addressed immediately.

Observations from DNREC technical visits will be recorded in the subgrantee's quality assurance file. Prevalent issues and trends as noted over time will be addressed in the AAR Report. At that time, DNREC will address technical areas where the subgrantee or their subcontractor is out of compliance or requires additional training.

601.4 Desk Review of Monthly Reports

DNREC staff will monitor the periodic reports from the subgrantee to ensure that the agency is on target to meet goals for production and funds utilization. The subgrantee has committed to a projected number of units based on the allocations from various sources of weatherization funds. DNREC will review agency claims and production reports to see that the subgrantee remains on track to use its funds and reach the target number of units.

Any shortfalls projected in production and expenditure rates will be addressed with the subgrantee on an ongoing basis. Significant under-production will require corrective action on the part of the subgrantee and will be reflected in the annual administrative review. Persistent problems in meeting production goals may affect the continued contractual arrangements with

DNREC.

601.5 Annual Administrative Review (AAR) Report

DNREC’s AAR monitoring will result in an AAR Report issued to the subgrantee within thirty (30) days of the exit interview date. The annual monitoring report will be based on issues, problems or tendencies from:

- the administrative review
- the claims reviews
- the case file reviews (eligibility and technical)
- the technical visit reports
- the review of production reports
- the review of expenditure reports
- outstanding issues from previous monitoring
- other issues noted by DNREC.

The report, addressed to the Executive Director of the agency, will include the state's recommendations and requirements for the subgrantee and its subcontractors. The structure of the written report will provide a clear, specific and concise list of areas for the subgrantee to address (following the outline in section 601.1, above). All of the major areas reviewed will be listed with a statement of issue, followed by the state's recommendations or requirements. If no issue is found in a major section, that also will also be stated. The report will also highlight areas where the subgrantee excels.

The monitor will address each of the major areas of the report using one of three determinations:

(1.) NO ISSUE	ISSUE: No problems were discovered in this area of review.
	RESPONSE: No subgrantee response is required.
(2.) RECOMMENDATION	ISSUE: A matter was identified in this area which is not a matter of regulatory compliance but is based on the state monitor’s knowledge of sound program practices. Includes suggestions for program procedures; suggestions for protocols in the weatherization work; or, other recommendations by the state for the improvement of the local program.
	RESPONSE: Subgrantee action on state recommendations is optional but a response to the item is required.

(3.) REQUIREMENT	ISSUE: A problem was identified which is a matter of compliance with the legal, regulatory or contractual obligations of the subgrantee. A problem was identified which is a matter of acceptable weatherization workmanship. The report must cite a source for the requirements, which may include the subgrantee's contract, the state plan, federal or state laws, regulations or program policies.
	RESPONSE: Subgrantees must implement a required corrective action in response. The response must be detailed and a time frame provided for compliance is required. Subsequent monitoring will ensure the requirement has been implemented.

An exit interview will be conducted at the conclusion of the AAR. The interview will be conducted by DNREC with subgrantee staff such as the weatherization program manager, along with any additional agency personnel designated by the subgrantee. Ideally, the agency executive director, and a fiscal representative will be present for pertinent parts of the exit interview. The monitor will briefly go over the findings, discussing recommendations and requirements. The monitor will emphasize any corrective actions that must be addressed quickly to prevent compounding significant errors in program implementation.

601.6 Subgrantee Response to the AAR Report

The subgrantee shall provide the appropriate response to the AAR Report within thirty (30) calendar days of the date of the report issuance cover letter. A written response is required for every recommendation or requirement listed in the report. In many instances, corrective action may be taken immediately, or may have already been taken following the exit interview. The response must detail all actions taken by the subgrantee, even those already taken.

In some instances, the report may require a longer term action on the part of the subgrantee. The subgrantee's response should detail the specific steps to be implemented and give time frames for the amelioration of each issue. Where longer terms are required, particularly solutions that are going to take more than the required thirty-day response time, it is up to the subgrantee to periodically report progress on the issue to the DNREC.

Communication with DNREC regarding monitoring issues is important as outstanding issues will have a negative affect when the administrative review is used to determine future contracting.

DNREC monitors will also follow up on outstanding issues in subsequent monitoring.

602 SUBGRANTEE MONITORING

There are numerous subgrantee responsibilities detailed in this manual which will require the agency to set up a review program of its own to monitor the performance and compliance of its subcontractors. The subgrantee is responsible for the performance of its staff and its

subcontractors. Some areas which must be addressed include the following.

The subgrantee must implement a process of careful review of all subcontractor bills and back-up documentation. The process must include a comparison of: (1.) the measures ordered on the Work Order with (2.) the measures paid by invoice with (3.) the measures passed in the Final Inspection.

The subgrantee must have an ongoing case review procedure in which a percentage of case files are reviewed by a supervisor for completeness and accuracy.

The subgrantee must schedule an ongoing monitoring of the quality of the weatherization work. This monitoring should be conducted by a weatherization technician who routinely visits the worksites and observes technical work along with paperwork to ensure the job is being done right. Subcontractors should be issued written reports on significant issues in their work or workplace.

The subgrantee must maintain a log of all of the training of its subcontractors, as well as its own staff. Training must be tracked for each individual employed by the subcontractor. The subgrantee must compare the individual training record with the types of training required by the weatherization program. Subcontractors should be issued written reports on the requirements for training.

The subgrantee is responsible for monitoring the subcontractor's compliance with Davis-Bacon.

The subgrantee must put in place any other procedures that are necessary to monitor the compliance by the subgrantee's staff and its subcontractors to its agreement with the DNREC as well as the policies contained herein.

603 MONITORING FOLLOW UP

DNREC recognizes that continuous quality improvement can be achieved by close review of the monitoring results and their effect on the overall program design and operation. Monitoring results will be used by state administrators to identify ways that the weatherization plan can be improved each year. This will be done in a formal annual meeting with state and local program staff to review monitoring results and assess changes that may result in the program from those results.

Similarly, monitoring results will be shared with weatherization training entities in Delaware to ensure that gaps in the training can be filled and that training can be scheduled which meets the most pressing needs of the program.

7. SECTION 700 REPORTS

701 REPORTING REQUIREMENTS

DNREC, the subgrantee and the weatherization subcontractors each have the responsibility to report information which accurately reflects their performance in the weatherization program. Much of the required data come those elements which are submitted to the Department of Energy (DOE) by DNREC. Additional data are required with the institution of the ARRA funds in the program, including compliance to the Davis-Bacon prevailing wage laws. Finally, DNREC requires information to properly monitor and manage the program's overall operation.

701.1 Unit Completion

A unit may be reported as "complete" only in the report period in which it passes the Final Inspection.

DNREC has determined that the basic production and expenditure reports are to be completed for each funding source: ARRA, DOE, LIHEAP, RGGI. In most instances, a unit will be completed using only one source. For units in which DOE funds are used along with other funds (LIHEAP or state funds), the unit is to be reported as a DOE completion.

DOE Definition: A DOE weatherized unit is a dwelling on which a DOE-approved energy audit or priority list has been applied and weatherization work has been completed. DOE funds used on this unit may include, but are not limited to auditing, testing, measure installation, inspection, or use of DOE equipment and/or vehicles, or if DOE provides the training and/or administrative funds. Therefore, a dwelling unit that meets the definition of a DOE weatherized unit and has DOE funds used directly on it must be counted as a DOE completed unit.

Units must be counted in the contract period in which they are completed.

701.2 Reporting Confidentiality

Subgrantees should guard against unnecessarily revealing information about individual weatherization clients. Most reports are set up to obtain aggregate, numerical data for which individual information is not needed. In instances, such as the list of units claimed, the report is set up to utilize the Work Order Number as the key to individual cases and again, no names are needed.

Subgrantees and subcontractors are prohibited from using client records for any purpose other than that directly related to eligibility, services and reporting for the Delaware Weatherization Assistance Program.

702 SUBGRANTEE REPORTING

The subgrantee is required to submit periodic reports detailing the agency's implementation of the Weatherization program. Most reports are submitted to DNREC updating the agency's progress in weatherizing units, assisting clients, expending program funds and providing economic stimulus.

702.1 Unit Totals

The subgrantee monthly production report is submitted to DNREC with data for the number of units the agency has in progress and the units which have been completed. The report starts with unit totals, for the month and the year-to-date (YTD), in the following areas.

- UNITS-STARTED –the total number of units which have had a complete energy audit in the report month, but have gone no further.
- UNITS-WX IN PROGRESS –the total number of units that, in addition to the energy audit, have had *any* weatherization installation services in the report month.
- UNITS-COMPLETED –the total number of units that passed the Final Inspection in the report month. (See Section 701.2, Unit Completion)
- UNITS-RE-WEATHERIZED – enter the total number of units that were re-weatherized in the report month. (See Section 204.2, Re-weatherization)

702.2 Unit Details

In addition to the total units, the subgrantee reports monthly and YTD totals on certain characteristics of the unit. These details are reported only for units *completed*.

Unit Classification: identifies the classification unit in the terms defined by DOE. The total should equal the total units completed.

- Owner-occupied, single-family, site-built
- Single-family, rental, site-built
- Multi-family rental
- Owner-occupied mobile home
- Renter-occupied mobile home
- Shelter, group home
- Other (specify)

Unit by Heat Source Type: identifies the unit in terms of the source of its main energy source, as defined by DOE. The total should equal the total units completed.

- Units by Heating Source
- Coal
- Electric
- Kerosene
- LP Gas
- Natural Gas
- Oil
- Wood

Unit by Occupancy : identifies the unit in terms of the occupants, as defined by DOE. The report uses the characteristic of the head of the household for categorization. The total should equal the total units completed.

- Elderly-Occupied
- Disabled-Occupied
- Native American-Occupied
- Children (0 - 18)-Occupied
- High Energy User-Occupied
- High Energy Burden-Occupied

702.3 Individuals Served

The subgrantee will also report monthly and YTD on the number of *individuals* served in the *completed* units. These numbers should be available from the weatherization or LIHEAP case file. Again, the categories are those reported to DOE by the state. The total will equal all individuals in the completed units and so will exceed the total completed units.

- Elderly 60+
- Persons with Disabilities
- Native American
- Children 0 – 18

702.4 ARRA Jobs Reports

As a sub-recipient of American Recovery and Reinvestment Act (ARRA) stimulus funds, the subgrantee must report monthly on the stimulus jobs resulting from the funds. The report is made to DNREC as the state recipient of the funds.

The jobs that are counted include those in the subgrantee's own operation as well as jobs at the subcontractor's level. Thus the subgrantee will have to collect the same information from its subcontractor.

The subgrantee will report on the jobs *created* and the jobs *retained* as a direct result of

ARRA funding. ARRA jobs are to be listed by job title with a brief statement describing each job's function. Each qualifying job is counted each month, based on the standard "full-time equivalent" (FTE) calculation methodology.

704.2.1 FTE Calculations

To compute the number of FTEs for ARRA *created* positions, the agency will calculate the cumulative total hours worked by employees in the ARRA funded positions, in the initial report period for the position. The number of hours is then divided by total hours in a full-time schedule for the period. The result will be the number of FTEs worked in ARRA positions created in the period.

For example, a crew member is hired by a subcontractor to install air sealing measures. The crew member spends 20 hours in week #1 working on a house funded by ARRA. In week #2 he spends 30 hours on ARRA jobs. In week #3 and #4 he spends 15 hours each. The hours spent by the individual in ARRA units is then $20+30+15+15$, which totals 80 hours. If the total work time available for the position is 40 hours per week, that number is multiplied by the four weeks in the report period, which equals 160 hours. To compute the number of FTEs for that crew member, the total ARRA time spent, 80 hours, is divided by the total time possible, 160 hours. That equals .5. So, the crew member's ARRA created position is reported at .5 FTEs for the month.

Likewise, to compute the number of FTEs for ARRA *retained* positions, the agency will calculate the cumulative total hours worked by employees in the ongoing ARRA funded positions, during the report period. The number of hours is then divided by cumulative total hours in a full-time schedule for the period. The result will be the FTEs worked in retained positions for the period. Retained positions are reported monthly using the same calculation methodology given in the previous example.

Weatherization jobs which may typically be reported include (but are not necessarily limited to): crew members, crew chiefs, record keeper, auditor, inspector, monitor, subgrantee program and administrative staff.

702.5 Subgrantee CCR Federal Report

As what is termed a "first-tier" recipient of ARRA funds, the subgrantee agency must also register and report directly on its ARRA activities at the federal website at the Central Contractor Registration (<http://www.ccr.gov>). The subgrantee will need to register at this website as soon as ARRA funds are contracted by DNREC. A Dun and Bradstreet Data

Universal Numbering System (DUNS) Number (<http://www.dnb.com>) is required for registration.

702.6 Subgrantee Davis-Bacon Reporting

The Subgrantee has primary responsibility to ensure that its subcontractors comply with the Davis-Bacon regulations. Compliance must be contractually stipulated. Moreover, subgrantees must require the submission of a weekly Certified Payroll from each subcontractor which is to be reviewed by the subgrantee each week and then submitted to DNREC.

An original of the Certified Payroll submitted each week will include, for each covered employee, the following items.

- Name, address, and Social Security number of each covered employee
- Each employee's work classification
- Hourly rates of pay, including rates of contributions or costs anticipated for fringe benefits or their cash equivalents
- Daily and weekly numbers of hours worked
- Deductions made
- Actual wages paid
- If applicable, detailed information regarding various fringe benefit plans and programs, including records that show that the plan or program has been communicated in writing to the laborers and mechanics affected
- If applicable, detailed information regarding approved apprenticeship or trainee programs

The subgrantee must review the report to determine that it contains the required information and, particularly that the correct wage and fringe is being used for the classification. The record will be reviewed for the following.

- Is the correct wage determination being used?
- Has the contractor paid the correct rate for the job classification?
- Has the contractor paid fringe benefits appropriately?
- Is the certification signed?
- Check the math – does the number of hours of DB work correlate to the gross wages paid?
- Are deductions appropriate?

Once the report is approved it is to be sent by the subgrantee to DNREC for review and retention. The original is to be retained by DNREC for a period of three (3) years.

The Davis-Bacon weekly Certified Payroll report is due to DNREC by the Wednesday following the report week.

See Section 402.8, Davis-Bacon regarding who is covered and other requirements.

702.7 Subgrantee Training Report

The subgrantee is responsible for tracking the training of all personnel used in the weatherization program. This information includes both required and optional training. Training of the subgrantee's own employees as well as those of its subcontractors must be tracked on an individual basis and made available to DNREC program monitors upon request.

The utilization of appropriately trained employees is a requirement for payment for work under the program. The inability to document the training of individuals used in weatherization may result in a disallowed or questioned cost.

702.8 Subgrantee Expenditure Reports

The subgrantee is required to track and report to the state on its expenditures each month. The report will be made on the form required by DNREC by budget line item for each of the weatherization funding sources.

It is the responsibility of the subgrantee to track its expenditures over the period of the contract so that funding allocations are not over-expended. It is the responsibility of the subgrantee not to exceed line item limitations, including the average cost per unit, over the period of the contract.

See Section 405, SUBGRANTEE CLAIMS

702.9 Subgrantee Audit Reporting

For subgrantees covered under the single agency audit requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the expenditure of ARRA funds must be detailed on the form Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF-SAC), which are a part of the A-133 audit process.

703 SUBCONTRACTOR REPORTING

The subgrantee must put in place procedures and forms that ensure that their subcontractors provide statistical and financial information regarding the weatherization work performed. Such overall reporting includes but is not necessarily limited to documentation of the weatherization work performed, material costs, overhead costs, employee time records, and employee pay records.

703.1 Subcontractor Production

The subgrantee must also require the subcontractor to report data needed to complete the unit production information detailed in Section 702, above.

Subcontractors must keep detailed records of the measures that have been performed on each unit. All work records must be identified by the Work Order Number assigned by the subgrantee. All labor and materials must be clearly delineated for each unit weatherized.

The subcontractor is required to retain production records for no less than three (3) years after the close of its contract period. Records must be made available, upon request, to the subgrantee agency, DNREC, DOE or to any other duly authorized state or federal entity, for the purpose of a fiscal review or an audit, as required.

Invoice, claim and other financial information on the work performed must also be cross referenced to the individual unit by Work Order Number.

See Section 405.2, Subcontractor Claims for additional information.

703.2 Subcontractor ARRA Reporting

The subgrantee must require all information from the subcontractor needed to report on jobs (created and retained) due to the ARRA funding. This information will be needed to complete the subgrantee's ARRA report for DNREC.

703.3 Subcontractor Davis-Bacon Reporting

In order to report properly, the subgrantee must have a process to ensure that the subcontractor submits the Davis-Bacon Certified Payroll report each week for the work performed by covered personnel on weatherization jobs.

703.4 Subcontractor Training Reporting

In order to report properly, the subgrantee must require that its subcontractors document employee participation in certain training programs. The training must be reported for each individual who works on weatherization under the subgrantee's subcontracts.

704 STATE REPORTS

704.1 State DOE Reports

Most of the information collected from each subgrantee is aggregated in reports completed by DNREC and reported to DOE.

704.1.1 Grantee Quarterly Program Report

The state submits a quarterly report to DOE that lists the statewide totals for all metrics reported by the subgrantees on units and individuals, as detailed in Section 702, Subgrantee Reports, above.

704.1.2 Training, Technical Assistance, Monitoring, and Leveraging

This report is made annually to DOE as a part of DNREC's Weatherization Program State Plan. It describes the state's progress in the following three areas.

- A. Training and Technical Assistance Activities: lists and describes the training and technical assistance activities attended and conducted during the previous program year.
- B. Monitoring Activities: lists the subgrantees which were monitored during the year. Describes significant findings and corrective actions.
- C. Leveraging Activities: lists and describes the projects executed and the amount and source of funding successfully leveraged during the report year.

704.1.3 Quarterly Financial Status Report

As with all federal grants, DNREC reports quarterly weatherization budget expenditures on Standard Form 269A, Financial Status Report, as prescribed by OMB Circulars A-102 and A-110.

704.1.4 State DOE Report on ARRA

DOE requires a report that mirrors the ARRA 1512 jobs reports and the DOE standard quarterly report be submitted to the state's compliance officer, on a monthly basis. The report, to be submitted using the DOE Performance and Accountability for Grants in Energy (PAGE) system includes descriptions and counts of jobs created and retained. It also includes some key DOE metrics specific to ARRA production and expenditures.

See Weatherization Program Notices 10-13 & 10-13a for detailed reporting requirements including data fields.

704.2 State ARRA Reports

As the recipient of Recovery Act funds, the state is responsible for reporting on funded programs in order to track the effect of the stimulus funds. DNREC's ARRA reports are based on reports from subgrantees and subcontractors, along with the state's own activities.

704.2.1 State Davis-Bacon Reports

Under Section 1601 of the ARRA, DNREC has the responsibility to report to DOE semiannually, with information regarding statewide compliance with Davis Bacon. The report includes the dollar value of all weatherization subawards (contracts) funded by ARRA.

DNREC has the primary responsibility to investigate complaints regarding weatherization employers not complying with Davis-Bacon wages or other requirements. The report also includes information about investigations. The report will detail the number of complaints received, the outcomes of any investigations and the amount of any back pay owed to laborers and mechanics, based on those outcomes.

Reports are due to DOE 10 days prior to that agency's semiannual reporting dates. The schedule for these reports is:

- Apr 1, 2010 – Sep 30, 2010; DOE report date Oct 29, 2010
- Oct 1, 2010 - Mar 31, 2011; DOE report date Apr 29, 2011

704.2.2 State CCR Report

As a recipient of ARRA funds the state agency must register and report directly on its ARRA activities at the federal website, the Central Contractor Registration (<http://www.ccr.gov>). A Dun and Bradstreet Data Universal Numbering System (DUNS) Number (<http://www.dnb.com>) is required for registration.

See also Section 702.5, Subgrantee CCR Federal Report

704.2.3 1512 Reports

The state is the "prime recipient" of ARRA weatherization funds and has the primary reporting responsibilities under section 1512 of the Recovery Act. Under the Act, DNREC must report the statewide information on the jobs *created* and *retained* both by the state agency itself, and by all of its subgrantees (and subcontractors). ARRA jobs are to be listed by job title with a brief statement describing each job's function. Each qualifying job is counted each month based on the standard "full-time equivalent" (FTE) calculation methodology.

See Section 702.4, ARRA Jobs Reports for the FTE calculation methodology.

To complete the ARRA reports, the state agency will need the following information regarding each of its WAP subgrantees (sub recipients).

- Subgrantee's Data Universal Numbering System (DUNS) number
- Subgrantee's ARRA contract number
- Date that the State allocated funds to subgrantee under the ARRA contract
- Subgrantee's 2-digit code Congressional District number
- Total awarded amount in the subgrantee's ARRA contract
- Total ARRA awarded funds disbursed (expended) by the subgrantee during the timeframe of the report

Federal ARRA reports are due no later than ten calendar days after each calendar quarter in which the recipient receives ARRA funding. The federal ARRA reports are submitted by the state online.

[See relevant Delaware Office of Management and Budget \(OMB\) guidance on ARRA 1512 reporting.](#)

8. SECTION 800 PROCUREMENT

The Subgrantee is required to purchase all goods and services for use in the Weatherization Assistance Program in an open and free competition ensuring that the best product or service is received for the most reasonable cost.

801 GENERAL PROCUREMENT REQUIREMENTS

Subgrantee procurement procedures must meet all applicable requirements of the DNREC, the State of Delaware and the Department of Energy.

801.1 DNREC Approvals

Subgrantee procurement policies and procedures must be available for review during the DNREC administrative monitoring and for the agency audit, as applicable.

801.2 Specifications

One key to effective procurement is to describe in clear and concise terms the specifications for the desired item or service to be procured. Some suggested points to make clear in a bid, no matter what process is applied:

- Complete description of the item or service
- Special requirements regarding color, design, removable parts
- Quantity, minimum and/or maximum number of units, package sizes, as applicable
- Minimum quality requirements
- Special delivery requirements
- Applicable warranty requirements
- Cost breakdown requirements for the bid (e.g., labor/materials, single item/bulk).

801.3 Advertisement

Quotes, bids and requests for proposals should be advertised at dollar levels of \$1,000 or more; or, lower if required by the subgrantee's own policies. Advertising ensures a more competitive process and will result in a more reasonable cost. Ads should be placed in a newspaper with the widest area circulation and far enough in advance to ensure the respondents have time to reply appropriately. Ads may also be posted in other local media and on internet sites related to the proposed service or item to be purchased.

Some of the information essential for a good ad includes the following.

- Subgrantee agency name, address, where response should be sent
- Contact information to obtain additional information
- Purpose of the solicitation with a brief description of the item or service
- Directions on responding
- Notice of any meetings or means for help
- Deadlines for responses
- Statement encouraging responses by small, minority-owned, women owned businesses
- Statement of limitations on the response, i.e. response will or will not be accepted in certain formats (e.g. mail, email, fax)
- Statement that late responses will not be accepted, if applicable

801.4 Minority and Women Business Enterprises

Subgrantees are encouraged to solicit competitive responses from small businesses, minority-owned businesses and women-owned businesses. This requirement should not be interpreted to mean preferential treatment is given to such entities in the award process. However, efforts should be made to identify such businesses in the area and ensure that they are notified of the availability of opportunities to bid on purchases.

801.5 Procurement Documentation

All procurement transactions, from start to finish, must be fully documented. Records of individual procurement transactions shall be maintained by the subgrantee in sufficient detail to record the history of the procurement. Documentation must be made available to the DNREC for administrative monitoring and be available for the agency audit.

Procurement records shall include, but are not limited to, the following:

- The rationale for the method of procurement (small purchases, price quotes, bids, requests for proposal)
- Evidence of procurement process (newspaper advertisements, responses, bidder meeting records, proposal documentation, evaluation forms, etc.)
- Evaluation records, tabulation of bids
- Basis for vendor/contractor selection or rejection
- Basis for purchase/ contract price
- For those procurements where competitive bidding is not required, the price or

quote sheets

- Appropriate agency sign-offs
- Appropriate reasons if the low bidder was not selected.

See individual procurement process sections below for additional requirements.

801.6 Evaluation

The method to evaluate a response, of course, depends of the procurement type, the complexity of the purchase and the dollar level of the purchase. The evaluation, like the procurement process should be designed to ensure the best product for the most reasonable cost. In some cases the evaluation will simply be a determination of the lowest quoted cost. With more complex purchases, such as weatherization subcontracts, the subgrantee will need to have an evaluation which not only scores the proposal based on price but that takes into account other qualitative factors such as the company's experience, resources, and staffing.

801.7 Protest Resolution

The subgrantee should have a process in place for the resolution of protests from companies regarding the awarding of a purchase or service. Generally, this would include a review of the various responses by a higher level of authority within the agency followed by a formal letter to the protestor with the results of the review.

801.8 Debarment and Suspension

The subcontractor must certify that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from entering into this Agreement by any Federal or State department or agency.

802 PROCUREMENT TYPES

There are several types of procurement procedures. Which to use depends on the amount of funds to be expended and the complexity of the item or service to be purchased.

802.1 Small Purchases

Small purchases utilize relatively direct and informal procurement methods for securing services, supplies, or other items that do not cost more than \$5,000 in the aggregate. *All*

items are to be purchased on a competitive basis but the formality of the purchase process may vary according to dollar levels used by the subgrantee in its approved, written procurement policies.

Purchases under \$100 in the aggregate can be made at the subgrantee's discretion, observing subgrantee internal controls governing purchase orders, receipts and payment of invoices.

For purchases from \$100 to \$1,000, the Subgrantee must have a process which produces the records to be maintained for audit purposes, including:

- A description of purchased item
- A record of a minimum of three telephone quotes or written cost quotes (may include catalog listings) for the item (quote matching the item description)
- Written justification when not accepting lowest quoted cost
- Approval of the purchase signed by the authorized administrative or financial Subgrantee agency official, and
- Purchase record, receipt, etc.

For purchases over \$1,000, but under \$5,000 the Subgrantee records available for review and audit must include:

- A written description of the item with detailed specifications, as applicable
- A record of a minimum of three written cost quotes (may include catalog listings) for the item;
- Written justification and supervisory approval when not accepting lowest quoted cost;
- Approval of the purchase signed by the authorized administrative or financial Subgrantee agency official; and,
- Purchase record, receipt, etc.

802.2 Invitation to Bid

All purchases with a cost greater than \$5,000 require a more formal process. Such items for which cost is the sole factor, and no other comparative factors are involved, should be purchased through an Invitation to Bid (ITB) process.

The ITB process requires that the contract be awarded to the lowest responsive and responsible bidder. If any or all bids are rejected, sound documentation for such must be written and placed with other bid materials.

The bid packet must be documented along with the process and subsequent purchase records. The following must be available for review and audit:

- Written, prior approval of the purchase from the DNREC;
- The Subgrantee's approved ITB procedure used for the purchase (on file);
- A written description of the item or service to be purchased, with detailed specifications, as applicable
- Date, time location, and minutes of the bid opening;
- Methodology for bid lowest price bid selection
- A record of a minimum of three written requests for quotes for the purchase;
- A record of a quotes received for the purchase;
- Detailed record of the reason for the rejection of any bidder;
- Approval of the purchase signed by the authorized administrative or financial Subgrantee agency official;
- Purchase record, receipt, etc.; and,
- Contracts or other agreements which result form and govern the purchase, as applicable (on file).

Cost plus percentage of cost purchasing is not allowed as weatherization program expenditures cannot be made on this basis. Bids must be based on a firm fixed price.

All bids received by the Subgrantee must be kept sealed and secure by agency purchasing personnel until the specified date and time of the bid opening.

802.3 Requests for Proposal

Purchases of items with a cost greater than \$5,000 for which price is not the sole determining factor should be let in a process usually referred to as a Request for Proposals (RFP). While cost is still a strongly determinant factor, the RFP can allow for several other factors on which to evaluate the proposal. This allows the Subgrantee more latitude in its criteria for choosing its purchases particularly its subcontractor(s).

Documentation of the process and subsequent purchase records available for review and audit must include:

- Written, prior approval from the DNREC of the item or service to be purchased;
- The Subgrantee's approved RFP procedure to be used for the purchase (on file);
- A written description of the item or service to be purchased, with detailed specifications, as applicable
- A record of a minimum of three written requests for proposals for the purchase;

- A record of all proposals received for the purchase;
- Approval of the purchase signed by the authorized administrative or financial Subgrantee agency official; and,
- Purchase record, receipt, etc.
- Contracts or other agreements which result form and govern the purchase, as applicable (on file).

A Request for Proposal process must be used to determine the pool of weatherization subcontractors to be selected by the subgrantee.

802.4 Equipment Procurement

Subgrantees must use either an ITB or RFP process to purchase equipment.

See Section 402.9, Equipment for definitions and other information regarding equipment.

803 WEATHERIZATION SUBCONTRACTOR PROCUREMENT

The subgrantee's implementation of weatherization services is subcontracted to companies and individuals with the demonstrated capacity and expertise to perform the various weatherization measures called for in the program. As a number of factors besides cost are used to select a subcontractor, an RFP process is appropriate for selecting weatherization subcontractors. The process must call for proposals that demonstrate the company's experience, qualifications, and resources; as well as cost quotes that reflect a company capable and willing to provide effective workmanship.

As an important part of the continual improvement of the Delaware weatherization program, the company must be willing to undergo weatherization training as prescribed.

The program is committed to subcontractors who develop a comprehensive approach to providing the array of weatherization measures in a whole-house approach.

DNREC must review and approve the subgrantee's policies and procedures for choosing its weatherization subcontractors.

803.1 Subgrantee Selection Procedures

The selection of weatherization subcontractors will take into consideration many factors, such as the bidding company's:

- bid price(s) for labor and materials in specific areas of weatherization;
- knowledge and experience in providing weatherization measures;

- the extent to which the contractor agrees to provide whole house building shell work or provide comprehensive mechanical systems work;
- organizational, financial and personnel resources to be devoted to weatherization;
- specific weatherization program training background (and willingness to continue in training);
- licensing and certification applicable to weatherization work;
- willingness to comply with the federal, state and local weatherization program rules;
- willingness to comply with work standards and protocols set by the program; and,
- Willingness to comply with applicable state and local construction codes.

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803.2 Subgrantee Procurement Procedures

The Subgrantee weatherization program manager will have direct responsibility to oversee the steps in the procurement of subcontractors. The typical procurement process must include the following steps.

- Assemble the request for proposal packet
- Organize request for proposal steps
- Determine the RFP dates
- Advertise the availability of the RFP
- Distribute the RFP packets to prospective bidders
- Conduct a proposal conference and/or receive and disseminate an FAQ
- Form a proposal evaluation committee
- Record the receipt of proposals
- Evaluate the proposals
- Notify proposers of the evaluation results
- Award contracts based on evaluations
- Maintain records of all of the proposals

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803.3 Subcontractor Pool Competition

The Delaware Weatherization Program classifies subcontractors into three subcontractor pools.

1. Energy Auditor/Final Inspector Pool

- 2. Building Shell Weatherization Pool
- 3. Weatherization Mechanical Services Pool

The subgrantee's Request for Proposals must be addressed specifically to companies within each of these categories of Weatherization services.

803.1.1 Energy Auditors/ Final Inspector Pool

The weatherization process begins with a comprehensive Energy Audit to identify the ways in which the housing unit and its systems are wasting energy, looking for problems that range from straightforward energy leaks to complex heating and ventilation system malfunctions. Using advanced diagnostic techniques a trained energy auditor identifies actions needed in three basic areas on each unit.

- 1. Health and safety measures that will ensure the safety and security of the occupants of the unit (and of the weatherization personnel working in a home).
- 2. General heat waste reduction measures that will increase energy efficiency of the dwelling and reduce the family's energy burden.
- 3. Energy education to provide information and tools to the family that they need to protect the weatherization materials installed. Education also offers clients the ability to actively participate in saving energy in their homes.

Once the weatherization work is completed a Final Inspection is conducted to ensure the quality and completion of the work called for in the audit.

803.1.2 Building Shell Weatherization Pool

Weatherization measures in the building are designed to result in the optimum volume of air exchanged throughout the weatherized unit using prescribed air sealing techniques and guided by pressure diagnostic methods. Such measures include traditional weatherization measures such as weather stripping, caulking, and fenestration. (Actual window and door replacement is done on a very limited basis.) Also, insulation levels are raised to optimum R-values using the techniques and materials appropriate to the locations in the individual residential unit structure.

803.1.3 Weatherization Mechanical Services Pool

Weatherization works with the home's mechanical heating systems, furnaces and water heaters along with connected electrical, gas and duct systems to ensure their efficient and safe function. In most instances, such equipment will be cleaned and tuned; with other repairs made as needed to optimize performance in the unit. In some circumstances, new units will be called for.

See Section 300, WEATHERIZATION SERVICES for additional requirements for each

pool.

804 BIDDER ASSURANCES

The company submitting bids to provide weatherization services must agree to comply with the following assurances which are fundamental to the program. These assurance correspond to policies covered in the Delaware Weatherization Program Manual and should also become a part of any weatherization subcontract that results from the proposal process.

- Bidder acknowledges and agrees that the bid includes the costs of furnishing all labor, materials, tools and special equipment required for weatherization work.
- Bidder assures that weatherization services will be conducted using equipment and materials as approved by the Subgrantee and the DNREC.
- Bidder assures that all weatherization measures will be conducted using standard weatherization industry work practices approved by the Subgrantee and the DNREC.
- Bidder assures that its weatherization employees will participate in technical training, appropriate to the work it is providing, as required by the Subgrantee and the DNREC.
- Bidder agrees to maintain all required certifications and licenses required by the state, the locality, the Subgrantee or the DNREC.
- Bidder assures that it will comply with weatherization measures in the work order, including all drawings, plans and specifications determined by the Subgrantee based on the Energy Audit and the work priorities set forth in the state weatherization policies.
- Bidder assures that all weatherization work will be properly permitted and completed in conformance to applicable building and other codes.
- Bidder assures that the company will conform to local zoning codes.
- Bidder assures that it will cooperate in Subgrantee compliance with Historic Preservation requirements.
- Bidder agrees to provide proof of insurance and bonding in types and amounts required by the Subgrantee and DNREC.
- Bidder agrees to maintain Workman's Compensation and Unemployment Compensation insurance as required by law.
- Bidder agrees to furnish the Subgrantee Agency with evidence of adequate liability insurance coverage in the form of a Certificate of Insurance that co-insures Subgrantee under this policy at the level of insurance required by the contract.

- Bidder assures that when working on homes funded under the ARRA, compliance will be maintained with the requirements of the Davis-Bacon Act.
- Bidder assures that no claims for reimbursement will be submitted for work outside of the measures set forth by the Subgrantee's work order, without prior, written modification of the order.
- Bidder assures that no claims for reimbursement will be submitted for reimbursement of any costs incurred for any work performed, until such time as Subgrantee has performed an inspection and has determined in writing that any such work has been performed in a satisfactory manner.
- Bidder assures that all funds received for weatherization will be documented and accounted for and using generally accepted accounting methods.
- Bidder assures that the company will make available all records of weatherization work including testing results as required by the Subgrantee and the DNREC.
- Bidder assures that no gifts, money, other financial remuneration, or gratuities from persons in the company have been provided to the Subgrantee, the Subgrantee's employees, officers, or other persons associated with the Subgrantee.
- Bidder assures that the company does not discriminate against any applicants, personnel, clients on the basis of race, color, creed, religion, sex, age, national origin, disability or status as a Vietnam era veteran. This is in compliance with Title VII of the Employment Act, Americans with Disabilities Act, and the Veterans.
- Bidder assures that it is not debarred or suspended from doing business under any federal or State of Delaware grants.
- Bidder agrees to provide criminal background checks, as required.
- Bidder agrees to provide a drug free workplace, as required.

805 CONTRACTUAL REQUIREMENTS

There are a number of significant requirements that must be a part of a selected company's contract and should be included in the subgrantee's Request for Proposal. These areas are also addressed throughout this policy manual which should be made available to prospective bidders.

805.1 Fiscal Accountability

Subcontractors are required to maintain strict accountability for the costs billed to the program. Subcontractor books, records, documents and other evidence must be set up in a

way that follows generally accepted accounting principles, using procedures and practices which sufficiently and properly reflect all costs attributed to each service provided.

Subcontractors will be required to submit invoices in the form required by the subgrantee and the Weatherization program. The RFP should detail the subcontractor's fiscal responsibilities.

See Section 405.2, Subcontractor Claims

805.2 Workmanship Standards

The subcontractor will be required to meet the workmanship standards of the weatherization program. Such standards include the:

- use of qualified and trained personnel to conduct weatherization work;
- use of generally accepted weatherization protocols, methods, techniques and tools;
- installation of prescribed materials, parts and equipment; and,
- weatherization work conducted in a safe and healthy work environment.

See Section 302.1, Workmanship for detailed information.

805.3 Records and Reporting

Subcontractors will be required to keep a file detailing the weatherization work completed on each unit, the employees conducting the work and the costs billed for each unit. The subgrantee's RFP should detail subcontractor reporting responsibilities.

See Section 703, SUBCONTRACTOR REPORTING

805.4 Davis-Bacon Compliance

Compliance with the Davis-Bacon Act has become a significant part of the subcontractor's responsibility under the Delaware Weatherization Assistance Program policy. The Delaware weatherization program has elected to extend the Davis-Bacon requirements to work on *all* of the units weatherized over this period, regardless of funding source. The construction of any weatherization proposal must take into consideration Davis Bacon requirements covering prevailing wages for certain employees and weekly reporting of wages to the subgrantee.

See Section 402.8, Davis-Bacon; Section 900, APPENDIX D-1, and Section 703.3, Subcontractor Davis-Bacon Reporting.

805.5 Conflicts of Interest

No employee, officer, or agent of the DNREC or the Subgrantee shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved.

No employee, officer, agent, or subcontractor of the DNREC or the Subgrantee who may be in a position to participate in the decision-making process may derive an inappropriate personal or financial interest or benefit from any activity funded through subcontract, either for him or for those with whom he has family or business ties.

The officers, employees, and agents of the DNREC and of the Subgrantee shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to subcontracts.

If any company responding to this request offers such gratuities, favors, or anything of monetary value to any officers, employees, and agents of the DNREC and of the Subgrantee, said company and its employees will be disqualified from participation in current and future proposal requests.

805.6 Discrimination Prohibition

The subcontractor will be required to agree it may not discriminate against any applicants, staff, personnel, clients or others connected to the weatherization services on the basis of race, color, creed, religion, sex, age, national origin, disability or status as a Vietnam era veteran.

805.7 Debarment & Suspension

In order to do work with the Weatherization Assistance Program, the subcontractor will attest that it is not be debarred or suspended from doing business under any federal or State of Delaware grants.

805.8 Drug-free Workplace

The subgrantee must make a good faith effort to provide and maintain a drug-free workplace. The subgrantee is required to give written notice to the DNREC within ten (10) days after receiving actual notice that an employee has been convicted of a criminal drug violation occurring in the workplace.

805.9 Criminal Background Investigation

Subcontractor must agree to provide criminal background checks, as required.

805.10 Insurance and Bonding

Proof of insurance and bonding in types and amounts required by the Contractor and DNREC will be required of the subcontractor.

Subcontractors will be required to maintain Workman's Compensation and Unemployment Compensation insurance, as required by law.

The subcontractor will be required to furnish the Contractor with evidence of adequate liability insurance coverage in the form of a Certificate of Insurance that co-insures Contractor at the level of insurance required by the subcontract.

805.11 Warranty of Work

The subcontractor shall be required to extend any policy guarantee usually offered to the general public, FEDERAL, STATE, COUNTY, or MUNICIPAL governments, on labor, workmanship or material in this contract against defective material, workmanship, and performance. Other guarantees in the Special Provisions of the RFWP also apply.

805.12 Authority of Subgrantee

On all questions concerning the interpretation of specifications, the acceptability and quality of material furnished and/or work performed, the classification of material, the execution of the work, and the determination of payment due or to become due, the decision of the Subgrantee agency shall be final and binding.

805.13 Laws to be Observed

The weatherization subcontractor is presumed to know and shall strictly comply with all National, State, or County laws, and City or Town ordinances and regulations in any manner affecting the conduct of the work. The subcontractor shall indemnify and save harmless the State of Delaware, the Agency, the Subgrantee and all Officers, Agency and Servants thereof against any claim or liability arising from or based upon the violation of any such laws, ordinances, regulations, orders, or decrees whether by its or by its employees.

805.14 Permits and Licenses

All necessary permits, licenses, insurance policies, etc. required by local, State or Federal laws, shall be provided by the Subcontractor at its own expense.

805.15 Patented Devices, Material and Processes

The Subcontractor shall provide for the use of any patented design, device, material, or process to be used or furnished under the contract by suitable legal agreement with the patentee or owner, and shall file a copy of this agreement upon the Subgrantee's request .

The Subcontractor shall hold and save harmless the State of Delaware, the Agency, the Subgrantee, the Director, their Officers or Agents from any and all claims because of the use

of such patented design, device, material, or process in connection with the work agreed to be performed under this contract.

805.16 Most-Favored Customer

The Subcontractor shall not offer to others prices lower than those provided in the contract, or if lower prices are offered they must also apply to the subject contract.

805.17 State of Delaware Business License

Prior to receiving an award, the successful Subcontractor shall either furnish the Subgrantee with proof of State of Delaware Business Licensure or initiate the process of application for the license. The license will be required prior to the commencement of a weatherization contract.

805.18 Hold Harmless:

The Subcontractor agrees that it shall indemnify and hold the Subgrantee, the Agency and the State of Delaware and all its agencies harmless from and against any and all claims for injury, loss of life, or damage to or loss of use of property caused or alleged to be caused, by acts or omissions of the Subcontractor, its employees, and invitees on or about the premises and which arise out of the subcontractor's performance, or failure to perform as specified in the Agreement.

805.19 Ownership of Intellectual Property

All copyright and patent rights to all papers, reports, forms, materials, creations, or inventions created or developed in the performance of this contract shall become the sole property of the State of Delaware weatherization program. On request, the Subcontractor shall promptly provide an acknowledgment or assignment in a tangible form satisfactory to the State to evidence the State's sole ownership of specifically identified intellectual property created or developed in the performance of the contract.

805.20 Non-Performance

In the event the Subcontractor does not fulfill its obligations under the terms and conditions of this contract, the ordering agency may purchase equivalent services on the open market. Any difference in cost between the contract prices and the price of open market product shall be the responsibility of the Subcontractor. Under no circumstances shall monies be due the Subcontractor in the event open market products can be obtained below contract cost. Any monies charged to the Subcontractor may be deducted from an open invoice.

805.21 Force Majeure

Neither the Subcontractor nor the ordering agency shall be held liable for non-performance under the terms and conditions of this contract due, but not limited to, government

restriction, strike, flood, fire, or unforeseen catastrophe beyond either party's control. Each party shall notify the other in writing of any situation that may prevent performance under the terms and conditions of this contract.

805.22 Reports

Subcontractor shall keep accurate records of expenditures under the contract. Reports shall be provided by the subcontractor in the form and frequency required by the weatherization program and stated in the contract.

805.23 Personnel

The Contractor represents that they have, or will secure at their own expense, all personnel required to perform the services required under this contract.

All of the services required hereunder shall be performed by or under the direct supervision of the Subcontractor, and all personnel engaged in the work shall be fully qualified and shall be authorized under State and local law to perform such services.

Subcontractors must use their own employees to perform the work. No work or services covered by the awarded contract shall be further subcontracted without the prior written approval of the Subgrantee and DNREC.

805.24 Further Subcontracting

Under limited circumstances, further subcontracting of weatherization services by the Subcontractor may be permitted by the Subgrantee. However, each additional subcontractor shall be identified in the Proposal and agreed to in writing by the Subgrantee. Any substitutions in or additions to such subcontractors, associates, or consultants must have prior written approval. The Subcontractor(s) shall be responsible for compliance by the additional subcontractor with all terms, conditions and requirements of the RFP and with all local, State and Federal Laws. The Subcontractor shall be liable for any noncompliance by any additional subcontractor. Further, nothing contained herein or in any Subcontractor agreement shall be construed as creating any contractual relationship between the additional subcontractor and the Subgrantee.

805.25 Covenant Against Contingent Fees

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees. For breach or violation of this warranty, the Subgrantee shall have the right to annul the contract.

805.26 Termination of Contract

If the Subcontractor fails to fulfill its obligations under the Contract, or if the Subcontractor

violates any of the covenants, agreements, or stipulations of the Contract, the Subgrantee shall have the right to terminate the contract in a manner to be set forth in the contract.

In that event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports or other material prepared by the Subcontractor under the Contract shall, at the option of the contracting Subgrantee or the Agency, become the property of the weatherization program, and the Subcontractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials which is usable to the contracting Subgrantee or the Agency.

Due to restrictions which may be established by the United States Government on material, or work, a contract may be terminated by the cancellation of all or portions of the contract. In the event the subcontractor is unable to obtain the material required to complete the items of work included in the contract because of restrictions established by the United States Government and if, in the opinion of the Subgrantee and the Agency, it is impractical to substitute other available material, or the work cannot be completed within a reasonable time, the incomplete portions of the work may be canceled, or the contract may be terminated.

Contracts shall remain in effect for the time period and quantity specified unless the contract is terminated by the Subgrantee with proper notice in accordance with the terms of the contract.

If, for any reasons, or through any cause, the Subcontractor fails to fulfill in timely and proper manner its obligations under the Contract, or if the Subcontractor violates any of the covenants, agreements, or stipulations of the Contract, the contracting Subgrantee shall thereupon have the right to terminate the contract by giving written notice to the Subcontractor of such termination and specifying the effective date thereof.

805.27 Amendments

The contract may be amended, in writing, by mutual agreement of the parties.

805.28 Interest of Contractor

The Subcontractor covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree in providing products or performing services required under this contract. The Subcontractor further covenants that in the performance of this contract, no person having any such interest shall be employed.

806 BIDDER WORKMANSHIP

The subcontract will require that all work meet the workmanship standards of the weatherization program. Standards of workmanship will be at the core of the training and technical assistance that will be a part of the subcontractor's relationship with the weatherization program.

All weatherization work completed by the subcontractor must meet descriptions and specifications identical to those quoted in the approved proposal.

806.1 Audit Based Work Order

Weatherization work will strictly follow the subgrantee authorized Work Order which is based on the Energy Audit. The results of the energy audit will be used by the subgrantee, along with the priorities of the program, to design a Work Order for the unit. The subcontractor will be chosen from the available pool of companies who can perform the work measures for the job, at the best price.

See Section 303, ENERGY AUDIT

806.2 Performance of Work

Subcontractors must furnish work crews with competent and qualified staff (both supervisory and crew worker personnel). Shell contractors must have a Supervisor at the work site at all times. The subcontractor's weatherization employees will be required to participate in technical training appropriate to the work it is providing or aspires to provide.

See Section 302, PROGRAM REQUIREMENTS

806.3 Lead Safe Work Practices

The subcontractor will be contractually required to comply with the EPA Renovation, Repair and Painting (RRP) rule requiring that certain types of work be conducted by an EPA Certified Renovator Firm.

Where required under the regulation, the firm must assign a Certified Renovator for weatherization work in target housing, with the responsibility to train non-certified workers and conduct lead swab testing in appropriate areas. The CR must also oversee work practices to ensure the use of lead safe work practices including proper dust barriers, dust minimizing work methods, dust cleanup practices, clearance and record keeping.

See Section 304.5.1, Lead Paint Hazard

806.4 Asbestos

Necessary permits must be obtained prior to beginning work. Any ducts, etc., containing asbestos must be sealed in place to prevent asbestos dust from being distributed. Any items containing asbestos that must be removed must be done so in compliance with appropriate regulations.

See Section 304.5.3, Asbestos

806.5 Subcontractor Rework

The subcontractor will be responsible for all damages resulting from improper installation of weatherization materials and/or mechanical systems. The contractor is responsible to account for all corrective measures necessary to bring the unit(s) into compliance.

Subcontractor will be required to conduct additional work at its own expense on a job that has been reported as “complete” but does not pass the Contractor's Final Inspection due to inadequate work practices or the use of substandard materials by the subcontractor. An additional Final Inspection of a unit required from a rework will be charged the subcontractor by the subgrantee as a Re-inspection Fee of \$50 to \$150, depending on the extent of the re-inspection.

An inordinate number of subcontractor reworks due to poor workmanship or material standards may result in a lesser volume of job assignments or other action including possible termination of the subcontract.

See Section 310.3.1, Reworks

807 BIDDER QUOTES

The cost of an individual weatherization job is a difficult to predict as the precise amount of time and materials can vary greatly in different units. Effective weatherization sometimes is as much an art as a science. Still, the major reason for a competitive process is to ensure the best cost comparisons for the needed services. Thus the subgrantee should ask for bidders to provide cost estimates in various major areas of weatherization.

Although other factors will be considered in awarding of the contracts, the comparison of these basic costs is the major factor determining which bidders becomes part of the contractor pools.

The bidder's quotes are to include the total costs of all labor, materials, tools and special equipment required for the weatherization work being quoted. In most instances, materials used on a job will be billed based on the actual, documented cost of the item, plus a small percentage handling fee. All subcontractor claims will separate labor and materials so the bidder quotes in this proposal will be stated in the same way.

In every case, the quote must include:

- Materials used in repairs will be reimbursed at actual cost with an allowance for handling of materials at a percentage of actual cost. Subcontractor will be required to submit the actual material receipt with all reimbursement requests.
- Subcontractor will be responsible for leaving the job site clean and safe, hauling all away

job debris.

- Subcontractor will be responsible for lead testing and clearance of a property if required by the EPA RRP rule.
- Project commencement and completion must be accomplished within the number of working days stated in the Subgrantee work order. Untimely work may be subject to a penalty at the Subgrantee's discretion.
- The Subcontractor's quote should include all of the costs of the job including the cost of applicable permit fees, sales taxes, labor, equipment, tools and materials needed to complete the job.

807.1 General Specifications

The following general specifications are recommended for the bidder's quotes section of the subgrantee's Request for Proposal.

- Contractor quotes are to include permit fees (if applicable), sales taxes, labor and materials to complete project.
- Materials and labor must be quoted separately where indicated.
- Single family home and mobile homes must be quoted separately.
- Labor costs are to be computed at the prevailing wage rates required by Davis-Bacon.
- All material used in the estimates must meet or exceed Department of Energy standards as set forth in 10 CFR 440 Appendix A: "Standards for Weatherization Services".
- The subcontractor will be responsible for leaving each job site clean. All job debris will be hauled away at the company's cost.
- Project commencement and completion by the subcontractor must be accomplished within the periods determined with the subgrantee.

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807.2 Measure by Measure Specifications

~~The following Measure by Measure quote specifications were devised for the 2010-2011 RFP process conducted by the subgrantees and DNREC.~~ The subgrantee should work with DNREC to construct a meaningful set of quotes that will provide the most competitive and useful set of quotes. ~~Whether it is the following quote constructs or others devised by the subgrantee,~~ The idea is to use the quotes on representative weatherization work, along with other proposal information, to choose the best contractors for each pool.

The subgrantee should provide instructions for completing the bids. IN this process, they included:

- All proposal bids must provide a brief explanation of the way in which the company will deliver the weatherization measure being quoted. Include brand names of products and materials typically used by the company.
- Quotes must be provided in the form required on each measure. Each measure defines the “unit” that the quote is to be based on. Most quotes will be broken out as Materials and Labor.
- Note that specifications for these measures are from the Department of Energy and comply with DOE regulations. For additional standards of workmanship and materials review DOE regulations at 10 CFR Part 400, Appendix A.

Specific measures should include:

1. Insulation
2. Air Sealing: shell and ducts
3. Windows and doors
4. Heating systems
5. Water heater systems

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807.3 Specific Measures

807.3.1 Insulation

~~SPECIFICATIONS: Estimate to insulate in accordance with federal energy efficiency standards and installation methods. Insulation will be evenly installed with no voids, gaps, misalignment, or compression issues. Precautions must be taken when insulating around or on electrical boxes and/or heat producing fixtures. Proper shielding, if necessary, shall be installed by insulation contractor in order to properly insulate all areas. For attic insulation, all wall cavities and drop downs that are exposed to attic shall be capped and insulated over or filled with insulation to assure insulation is in direct contact with air barrier. In these cases a change order would have to be approved. Insulation amount shall also be identified at nearest or easiest attic access point. After completion, all jobs will be inspected by the Contractor's auditor to assure quality installation. Complete installation must include all labor, and materials to perform services. Also, note general specifications above.~~

~~BIDDER DESCRIPTION: (include materials brands and specs; company's experience and expertise; specialized equipment including pneumatic equipment.)~~

INSULATION/LOCATION	ATTIC	WALL	FLOOR
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N.Q.= No Quote	(empty wood framed- attic, uninsulated) R-0 to R-38	(empty wood framed- wall, uninsulated) R-0 to R-13	(wood framed floor- over unheated,- uninsulated space) R-0 to R-19
QUOTE: FIBERGLASS, batt, rolled	\$-	N.Q.	\$-
Unit=cost per square foot	M-per sq ft		M-per sq ft
broken out materials (M) & labor (L)	\$-	N.Q.	\$-
	L-per sq ft		L-per sq ft
QUOTE: CELLULOSE, blown, wall dense packed	\$-	\$-	N.Q.
Unit=cost per square foot	M-per sq ft	M-per sq ft	
broken out materials (M) & labor (L)	\$-	\$-	N.Q.
	L-per sq ft	L-per sq ft	
QUOTE: FIBERGLASS, blown, wall dense packed	\$-	\$-	N.Q.
Unit=cost per square foot	M-per sq ft	M-per sq ft	
broken out materials (M) & labor (L)	\$-	\$-	N.Q.
	L-per sq ft	L-per sq ft	

~~Mobile Homes BIDDER DESCRIPTION: (describe methods and equipment used to insulate mobile home)~~

INSULATION/LOCATION N.Q.= No Quote	ROOF R-0 to loose filled space	N.Q.	UNDERSIDE R-0 to loose filled- space
QUOTE: FIBERGLASS, blown-	\$-	N.Q.	\$-
ROOF: include cutting and patching	M-per sq ft		M-per sq ft
UNDERSIDE: add 6 mil vapor barrier-	\$-	N.Q.	\$-
Unit=cost per square foot broken out materials (M) & labor (L)	L-per sq ft		L-per sq ft

807.3.2 — Air Sealing, Shell & Ducts

~~SPECIFICATIONS: Contractor is responsible for providing pressure diagnostic-guided building shell air sealing and duct sealing measures in accordance state-directed minimum standards designed to improve energy efficiency while ensuring the health and safety of the occupants. Duct leakage must be documented before and after duct sealing occurs. This must be done using approved pressure diagnostics measurement equipment such as a blower door or equal, to prioritize work to ensure largest leaks and highest pressures are sealed first. Following State of Delaware approved standards for health and safety requirements at all times. If the measured whole house CFM50 is below minimum airflow standards set by the State of Delaware approved standards then mechanical ventilation must be installed. If combustion appliances are present, contractor must perform a Combustion Safety test and CAZ tests both before and after work completed and report results to ensure that minimum safety requirements are met as outlined in BPI Building Analyst Technical Standards/ Combustion Safety Test Action Levels and CAZ Depressurization or commensurate State of Delaware limits. These tests are required and must be included as part of all duct sealing/air sealing measures. Contractor should include cost to perform these tests as part of the standard measures below. Also, note general specifications for all measures, above.~~

~~BIDDER DESCRIPTION: (include materials to be used (mastic, tape, etc.), brands and specs of materials, items installed) (include brief description of techniques used in pressure diagnostics-guided air sealing.) BIDDER QUOTE: Cost per unit.~~

QUOTE: DUCT SEALING/AIR SEALING Check and properly seal all duct connections including drywall to boot connections and plenum to air handler on both supply and return side, using approved pressure diagnostics measurement equipment such as a blower door. Unit= one duct connection, broken out materials (M) & labor (L)			
			M per duct
QUOTE: AIR BARRIER, duct board Unit= sq ft of barrier, installed, broken out materials (M) & labor (L)	\$-		
			L per duct
QUOTE: FAN Unit= 90 cfm Fan, installed, broken out materials (M) & labor (L)	\$-		
			M per sq ft
	\$-		
			L per sq ft
	\$-		
			M per fan
	\$-		
			L per fan

~~807.3.3 Windows and Doors~~

~~SPECIFICATIONS: Windows and doors will only be replaced in accordance with guidance set forth in the Weatherization Assistance Program Field guide and the priority list. Replacement of windows and doors will be called for in rare instances. However, to meet the requirement for those occasions please complete this section. Estimate to repair, or remove and replace, windows and doors in accordance with federal energy efficiency standards and installation methods, including using Lead Safe Work Practices, where applicable. Repair materials to be charged at documented cost to the subcontractor. As with all measures, subcontractor is responsible for leaving the job site clean, hauling away old windows and doors and for properly disposing of existing materials to meet LSWP regulations. Also, note general specifications above.~~

~~a.) REPAIR BIDDER DESCRIPTION:~~

QUOTE: WINDOW REPAIR Unit=labor rate per worker per hour (Repair materials to be charged at documented cost to the subcontractor.)	\$	L per hour
QUOTE: DOOR REPAIR Unit=labor rate per worker per hour (Repair materials to be charged at documented cost to the subcontractor.)	\$	L per hour

~~b.) REPLACEMENT BIDDER DESCRIPTION: (include brands and specs of materials):
Replacement of windows and doors will be called for in rare instances. However, to meet the requirements for those occasions please complete this section.~~

QUOTE: WINDOW REPLACEMENT: Insulated dual pane, Low E, White, Vinyl Window Unit= one window, per square foot, broken out materials (M) & labor (L)	\$	M per sq ft
	\$	L per sq ft
QUOTE: DOOR REPLACEMENT: Pre hung, weather stripped, insulated metal door Unit= one window, per square foot, broken out materials (M) & labor (L)	\$	M per sq ft
	\$	L per sq ft
QUOTE: DOOR REPLACEMENT: Pre hung, weather stripped, solid core wood door Unit= one window, per square foot, broken out materials (M) & labor (L)	\$	M per sq ft
	\$	L per sq ft
QUOTE: WINDOW REPLACEMENT Mobile home interior storm window	\$	M per sq ft

Unit= one window, per square foot, broken out materials (M) & labor (L)	\$	L per sq ft
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~~807.3.4 Heating~~

~~HVAC REPAIR SPECIFICATIONS: Qualified labor. Parts and materials to be reimbursed at actual cost plus a percentage handling cost. Contractor will be required to submit the actual receipt with all reimbursement requests.~~

~~REPAIR BIDDER DESCRIPTION (include repair worker qualifications):~~

QUOTE: HVAC REPAIRS	\$	
Unit= labor rate per hour		per hour

QUOTE: Handling Cost	%	
Unit= % of actual materials cost		

~~b.) HVAC REPLACEMENT SPECIFICATIONS:~~

~~Bidder Quotes are for the complete installation of units to include all other required parts for a fully functional unit installed according to manufacturer, weatherization program, and industry standards for workmanship and materials.~~

~~HVAC quotes include, but not limited to new elbow or roof curb, t stat and stand disconnect and fuses and condensate drain. All installs of split systems to include new line set, t stat, condenser pad, disconnect, fuses and gas line if applicable. All tie ins to duct work to be sealed with a U.L approved duct mastic.~~

~~Subcontractor is to ensure that all units are properly charged to the manufacturer's specification.~~

~~Subcontractor is responsible for properly sizing the unit using a Manual J or other heat load calculation.~~

~~Subcontractor shall be responsible for ensuring properly sized gas line is supplying the heater and shall inform Contractor in the event that the existing line is improperly sized.~~

~~If required by system, all venting and combustion air shall be installed in accordance with AGA and GAMA specification.~~

~~New gas forced air furnaces shall have pilotless ignition.~~

~~All new unit installations shall include new thermostat.~~

~~All duct work connections and holes shall be sealed, on all sides, with a non-toxic, Department of Energy industry approved, mastic duct sealant applied per manufacturers specifications.~~

~~New conduit or gas pipe installed through the roof shall include new properly sized roof jack with 3 course seal at the roof.~~

~~All installation estimates shall include removal and proper disposal of existing equipment, recovery of refrigerant from existing system as required by law.~~

~~Contractor is responsible for leaving the job site clean, hauling away job debris, and existing equipment (if applicable) and for properly disposing of existing equipment to meet EPA regulations.~~

~~Subcontractor shall leave all literature on the new units with the client and shall also inform the client of proper care and maintenance required on the new units.~~

~~Regulatory Compliance: All new HVAC installations are to be performed in accordance with the most recent Universal Mechanical Code and/or local building code. Permits are required as applicable by local building code. It will be the responsibility of the subcontractor to ensure that necessary permits have been secured prior to starting work. This cost must be included in each line item price below.~~

~~Also, note general specifications above.~~

~~HVAC—BIDDER DESCRIPTION: (assurance that all of the specifications above will be met; list the Manufacturer/ Brand name(s) and model(s) typically sold by the bidder, other information.)~~

MANUFACTURER/ BRAND	TYPICAL MODELS	PRICE RANGES
HEAT PUMP Brand: Brand:	Model: Model::	\$ _____ to _____ \$ _____ to _____
GAS PACKAGE UNIT Brand: Brand:	Model: Model:	\$ _____ to _____ \$ _____ to _____
EVAPORATIVE COOLER Brand: Brand:	Model: Model:	\$ _____ to _____ \$ _____ to _____

~~WATER HEATER REPAIR—BIDDER DESCRIPTION: (include repair worker qualifications)~~

QUOTE: WATER HEATER REPAIRS Unit=labor rate per hour	\$	per hour
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QUOTE: WH Handling Cost Unit=% of actual materials cost	%
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~~b.) — WATER HEATER — REPLACEMENT SPECIFICATIONS:~~

~~Bidder Quotes are for the complete installation of units to include all other required parts for a fully functional water heater unit installed according to manufacturer, weatherization program and industry standards for workmanship and materials.~~

~~The subcontractor is responsible for ensuring properly sized gas lines, combustion air, venting, pressure release valves, and proper electrical requirements.~~

~~Subcontractor permits are required as applicable and it is the responsibility of the subcontractor to ensure that necessary permits have been secured prior to starting work. This cost is to be included in each line item price below.~~

~~The subcontractor shall leave all literature on the new units with the client and shall also inform the client of proper care and maintenance required on the new units.~~

~~The subcontractor is responsible for leaving the job site clean, hauling away debris and existing equipment; and, for properly disposing of existing equipment to meet EPA regulations.~~

~~BIDDER DESCRIPTION: (Assurances that all of the specifications above will be met; list the Manufacturer/ Brand name(s) and model(s) typically sold by the bidder, other information.)~~

MANUFACTURER/ BRAND	TYPICAL MODELS	PRICE RANGES
WATER HEATER (GAS) Brand: Brand:	Model: Model::	\$ _____ to _____ \$ _____ to _____
WATER HEATER (ELECTRIC) Brand: Brand:	Model: Model::	\$ _____ to _____ \$ _____ to _____

QUOTE: Water Heater, gas, 40 gal. tank, installed	\$
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QUOTE: Water Heater, electric, 30 gal tank, installed	\$
QUOTE: Water Heater, electric, 40 gal tank, installed	\$
QUOTE: Water Heater, electric, 50 gal tank, installed	\$
QUOTE: Water Heater, for mobile home, electric, 40 gal., installed	\$

~~807.3.5 Reflective Roof Coating~~

~~SPECIFICATIONS: Measure, provide and install DOE approved elastomeric reflective roof coating brushed or rolled on. If awarded, Contractor must agree to complete individual work order requests within 7 days of receipt of work order. Estimate to measure, fabricate and install solar sunscreens in accordance with federal energy efficiency standards. Complete installation must include all labor and materials to perform services. Also, note general specifications above.~~

~~BIDDER DESCRIPTION: (include brands and specs of materials)~~

QUOTE: REFLECTIVE ROOF COATING	\$
Unit= cost per square foot, applied	per sq ft

~~807.3.6 Measures Not Offered~~

~~SUBGRANTEE: Note that these measures are not in the 2010 RFWP and are not being provided under weatherization services at this time.~~

~~REFRIGERATOR— SPECIFICATIONS: 18 cubic foot refrigerator freezer. Must meet Energy Star Standards or a pre approved equal that can be proven to meet or exceed the Energy Star standards. Installed. Also, note general specifications above.~~

QUOTE: REFRIGERATOR	\$
Unit=one refrigerator, installed	per item, installed

~~COMPACT FLOURESCENT LIGHTING— SPECIFICATIONS: Replace one incandescent light bulb with compact fluoreseent lighting with 18 watt efl. Must meet Energy Star standards. installed. Also, note general specifications above.~~

QUOTE: COMPACT FLOURESCENT LIGHT	\$
Unit=one light, installed	per item, installed

~~SMOKE DETECTOR— SPECIFICATIONS: Standard smoke detector with 9 volt battery. Installed. Also, note general specifications above.~~

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QUOTE: SMOKE DETECTOR- Unit=one detector, installed	\$ per item, installed
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~~CARBON MONOXIDE (CO) DETECTOR—SPECIFICATIONS: Electric plug-in with battery-backup CO detector. Installed. Also, note general specifications above.~~

QUOTE: CO DETECTOR- Unit=one detector, installed	\$ per item, installed
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9. SECTION 900 SPECIAL PROVISIONS FOR TRANSITION (RESERVED)

RESERVED

10. SECTION 1000 APPENDICES (RESERVED)

RESERVED