

Weatherization Operations Manual



Prepared By:

Department of Energy and Environment

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DEFINITION OF TERMS

For purposes of this Operations Manual, these terms have the following meaning:

Air infiltration: The exchange of air through the envelope of a dwelling. The most common air infiltration areas are around the crawl spaces, doors, windows, heating and cooling units, and wall top plates in attics.

Air sealing: Measures implemented to reduce the amount of air infiltration in a dwelling unit.

Blower door: An apparatus used to measure the amount of air exchange in Cubic Feet per Minute (CFM). This tool draws air through all envelope openings by depressurizing the dwelling unit.

Building Performance Institute (BPI): The organization that provides certifications for home energy professionals and is the required inspection standard for the weatherization program.

Carbon monoxide (CO): An odorless, tasteless, and colorless toxic gas that is produced when insufficient combustion air is supplied to an appliance, an improperly tuned burner, or a malfunctioning appliance. Combustion appliances produce exhaust gases that should be directly vented to the outside to avoid introducing combustion byproducts into the dwelling.

Carbon monoxide analyzer: A tool used to determine the CO level of a combustible appliance in a dwelling unit.

Conditioned living space: The occupied area of a dwelling that can be weatherized by replacing the exterior door(s) and windows, including weather-stripping and threshold components. Heating and cooling measures are only provided for this space.

Coordinator: The subgrantee's point of contact that is responsible for implementing the weatherization program and assuring that the diagnostic testing, inspections, work write-ups, bidding, and final inspections are performed in accordance with program guidelines. This individual is required to attend mandatory Department of Energy and Environment (DOEE) meetings and trainings.

District of Columbia Weatherization Field Guide (Field Guide): A guide developed by DOEE to serve as the consistent standard of best practices for the installation of weatherization measures. The Field Guide incorporates the Standard Work Specification (SWS) as mandated by US DOE.

Dwelling or dwelling unit: A house, including a stationary manufactured home, apartment, group of rooms, or a single room, occupied as separate living quarters.

Energy Conservation Measure (ECM): A weatherization component, including materials and installation, which is considered to be part of a scope of work in anticipation of producing energy savings. An ECM often includes the installation of ancillary items but will not include Incidental Repair Measures (IRM).

High-Efficiency Particulate Air (HEPA): A label for a particular type of air filter. HEPA filters must satisfy certain standards of efficiency, including those set by US DOE.

Incidental Repair Measures (IRM): The repairs necessary for the effective performance or preservation of weatherization materials. Such repairs include, but are not limited to, framing or repairing windows and doors that could not otherwise be caulked or weather-stripped, and providing protective materials, such as paint, to seal the installed materials. Incidental Repairs must be included in the total job cost, and cumulatively the job SIR must meet 1:1.

Low-Income Home Energy Assistance Program (LIHEAP): A program funded by the United States Department of Health and Human Services (HHS) that uses federal funds to assist low-income households in managing their energy-related expenses.

Measures: A generic term used to describe all of the weatherization items to be addressed (repaired, replaced or installed) in a dwelling unit.

Minor repair: Non-structural repairs made to a dwelling unit.

NEAT (National Energy Audit Tool): Diagnostic software used to evaluate existing central heating and cooling equipment (and refrigerators in approved circumstances). NEAT is used to determine if replacement equipment will be cost effective and provides replacement size recommendations.

Priority list: A prioritized list of energy efficiency and energy savings measures for a dwelling unit. Multifamily dwellings require running the Targeted Retrofit Energy Analysis Tool (TREAT).

QCI (Quality Control Inspector): An inspector certified as a Home Energy Professional Quality Control Inspector in accordance with the Weatherization Program Notice 14-4 (WPN 14-4), Quality Work Plan Requirement.

SIR (Savings to Investment Ratio): The estimated amount of payback in energy savings divided by the amount invested through the replacement of an inefficient energy consumption measure. An SIR rating must exceed 1.0 in order to be considered cost effective.

Subgrantee: An organization that has been awarded a subgrant and is accountable to the Department of Energy and Environment (DOEE) for the use of the funds provided by the Energy Efficiency and Conservation Programs.

Standard Work Specifications (SWS): An industry resource developed by the United States Department of Energy (US DOE) that establishes guidelines for home energy professionals working on home energy update projects. The SWS defines the outcomes of quality work within the home energy upgrade industry and reflects a whole-house approach to installing energy-efficiency measures.¹

TREAT (Targeted Retrofit Energy Analysis Tool): A multifamily audit tool that projects savings from combined retrofits, TREAT is a comprehensive and flexible software platform for energy audit efforts. TREAT features National Renewable Energy Laboratory (NREL) energy modeling, dynamic links to local weather logs, a unique model “true-up” feature, and concise energy savings reports to ensure that projected energy savings are reliable.

United States Department of Energy (US DOE): The federal agency that provides weatherization funding to states, U.S. overseas territories, Indian tribal governments, and the District of Columbia that allows these governments and entities to, in turn, fund a network of local community action agencies and nonprofit organizations that provide the weatherization services to low-income families.

Weatherization Assistance Program (WAP): The US DOE program that provides grants to states, territories, and Indian tribes to improve the energy efficiency of the homes of low-income families.

¹ http://www.nrel.gov/tech_deployment/buildings_sws.html

FOREWORD

This Weatherization Operations Manual (Manual) has been prepared by the Affordability and Efficiency Division (AED) of the Department of Energy and Environment's (DOEE) Energy Administration (EA). This Manual is a reference for the Energy Efficiency and Conservation Program's operations. It outlines DOEE's processes for the management and expenditure of grant funds received from both Federal and District Government sources for weatherization work.

This Manual is based on the "Weatherization Procedures Manual for Managing the Low-Income Weatherization Program" completed by the Georgia Environmental Finance Authority in October 2010. The main sources for this Manual include: Title 10 of the Code of Federal Regulations, Parts 440 and 600, periodic grant guidance issued by the U.S. Department of Energy (US DOE) and the U.S. Department of Health and Human Services (HHS), and the District's Weatherization Field Guide.

This Manual supports DOEE's goal of providing effective, efficient, and consistent management policies within the Energy Efficiency and Conservation (EEC) Programs. In addition, this Manual provides policies for DOEE's implementation of the various federal regulations that govern the administration of the weatherization program in order to effectively serve the District's low-income households. This Manual is intended to be a living document.

This Manual is subject to change at any time.

Revision Three: September 1, 2017

1 INTRODUCTION AND OVERVIEW

1.1 Introduction

The United States Department of Energy's (US DOE) Weatherization Assistance Program (WAP) enables low-income families to permanently reduce their energy bills by making their home more energy efficient. Weatherization funds are used to improve the energy performance of low-income households. WAP is funded by US DOE, the United States Department of Health and Human Services (HHS), the District general fund, United States Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) funds through the Department of Housing and Community Development (DHCD), and the District's Renewable Energy Development Fund (DC Code § 34-1436). In turn, the District works with local community action agencies and non-profit organizations to leverage resources and provide weatherization services throughout the city.

DOEE's Energy Administration (EA) is the primary resource for energy efficiency and renewable energy programs, products, and services for residential, commercial, institutional, and government sectors in the District of Columbia. The EA plans, develops, coordinates, and facilitates energy-related policies and the overall efforts of the District government to achieve reliable, clean, and affordable energy. The EA provides direct financial assistance, administers discount programs for low-income residents to help offset their energy bills, and helps residents reduce their energy consumption by providing technical and financial assistance to identify and install audit-recommended energy efficiency measures. The EA is dedicated to educating District residents about the efficient and safe use of energy.²

Energy Efficiency and Conservation (EEC) Programs are designed to assist low-income residents with managing or reducing their energy costs through financial assistance, installing DOEE-approved energy efficiency measures, and accessing energy-related educational materials. Applicants for EEC Programs must first be approved for the District's Low-Income Home Energy Assistance Program (LIHEAP).

DOEE implements EEC programs through subgrantees that are selected via a competitive Request for Applications (RFA) grant award process. Subgrantees may be non-profits or Community Action Agencies (CAA). Subgrantees are awarded grants by DOEE to provide weatherization services and may use their own employees or subcontractors to provide and install weatherization measures. Subgrantees are responsible for the quality of the workmanship and for the effectiveness of the services supplied to eligible households.

To ensure quality service, DOEE requires subgrantees and internal personnel to attend US DOE and DOEE identified training(s). DOEE regularly monitors each subgrantee and their internal personnel for training compliance. DOEE also evaluates each subgrantee's performance for the energy services and benefits that are to be provided. Finally, US DOE and US HHS regularly monitor, review, and audit DOEE's grant-funded EEC programs.

² For more information, please visit DOEE's Energy Assistance and Weatherization website at <http://doee.dc.gov/service/energy-assistance-and-weatherization>.

1.2 Overview of this Manual

This Manual is intended to be a comprehensive reference for the policies and procedures of the District's WAP to assist program managers and subgrantees in their efforts to meet the goals and objectives of the program. This Manual includes:

- WAP policies mandated by the District and Federal Governments;
- Procedures and processes that ensure the effective operation of EEC programs; and
- Instructions and guidance for monitoring, reporting, and compliance.

This Manual is intended to be a living document that DOEE will review, revise, and reissue. Input from staff and program users will be considered when making changes.

Key sources of policy information for this Manual include: Title 10 of the Code of Federal Regulation, Parts 440 and 600, as well as periodic grant guidance from US DOE. DOEE also publishes the District's Weatherization Field Guide (Field Guide), which subgrantees are required to follow. Where the two documents conflict, users should follow the Field Guide, and advise the WAP Program Manager.

1.3 Program Organization and Funding

1.3.1 Program Organization

DOEE administers low-income energy efficiency programs for the District. DOEE is responsible for the District-wide coordination of these federal grant-funded programs.

DOEE's specific responsibilities include:

- Planning and administering EEC programs;
- Following federal regulations and guidelines regarding the use of federal funding for EEC programs;
- Executing sub-grant agreements in order to provide energy efficiency services to low-income households in the District;
- Transmitting program policy materials to subgrantees;
- Monitoring and regularly evaluating subgrantee performance;
- Assisting subgrantees in the development of corrective action plans; and
- Performing final inspections by licensed Quality Control Inspectors (QCIs).

DOEE, subgrantees, and other program partners, such as technical support providers, foster the technical advancement of the EEC programs and serve as the public “face” of weatherization. DOEE enforces the rules and regulations governing the responsibilities of subgrantees.

Subgrantees implement EEC programs on behalf of DOEE, and are often the primary contact for the intended program beneficiaries, building owners and residents of low-income households. Subgrantees perform the functions necessary to meet energy program goals and must follow the procedures to ensure compliance with all program requirements. **As representatives of the DOEE’s programs, subgrantees’ conduct must be exemplary.**

Subgrantees are responsible for ensuring that energy program funds are expended only on eligible activities and on behalf of eligible households. Subgrantees bear the primary responsibility for meeting the energy conservation and technical performance goals of the EEC programs. Subgrantees are also responsible for cooperating with DOEE in providing information to US DOE and HHS. Subgrantees’ financial management and record-keeping must be excellent.

Subgrantees must comply with all of the policies and procedures in this Manual. They must follow other DOEE requirements, including those of the grant materials they signed: the Request for Applications (RFA) and the Promises, Certifications, and Assurances (PCA).

1.3.2 Program Funding

Funding for the EEC programs comes from five sources:

1. **US DOE:** US DOE funding is provided to the District based on the amount of funding Congress appropriates to the program in a given year.
2. **HHS:** While US HHS funding is used primarily for LIHEAP bill-payment assistance, up to 15 percent of DOEE’s total LIHEAP grant from HHS may be used for weatherization.
3. **District of Columbia general funds:** The Council of the District of Columbia has appropriated local funds each year for LIHEAP bill-payment assistance and for WAP.
4. **HUD:** Through an Memorandum of Understanding with the Department of Housing and Community Development(DHCD) for the use of Community Development Block Grant (CDBG) funds.
5. **Renewable Energy Development Fund (REDF)** as established by DC Code § 34-1436.

1.4 WAP Policy Advisory Council and State Plan

Each year, DOEE prepares and submits a WAP State Plan to US DOE that details how WAP will be administered within the District during the program year, October 1 to September 30. DOEE also submits a LIHEAP State Plan to HHS that details the percentage of LIHEAP funds (up to 15%) that will be allocated for weatherization activities. The State Plans address the District’s goals and objectives related to each grant, the amount of funding available, how the District will

comply with federal regulations, meet production level requirements, provide staff training, monitor the work of subgrantees, and provide energy services to the elderly, persons with disabilities, and families with children.

As required by federal regulations (10 C.F.R. § 440.17), a Policy Advisory Council (PAC) assists in the development and implementation of the WAP State Plan and advises DOEE on a broad range of issues relating to the WAP. The PAC is comprised of individuals who reflect the relevant groups related to the WAP, in particular, low-income households, the elderly, persons with disabilities, and families with children. PAC meetings are normally held twice each fiscal year.

District stakeholders interested in the operations of the weatherization program may either volunteer or be invited to participate as a PAC member. Stakeholders will receive a packet that identifies the roles and responsibilities of membership. Each fiscal year, DOEE contacts the interested parties to confirm their commitment of membership. The PAC is required to provide comments on the WAP State Plan prior to DOEE's submission of the plan to US DOE.

The WAP State Plan is reviewed by the PAC, DOEE's Office of the General Counsel (OGC), the Office of the Chief Financial Officer (OCFO), and DOEE's Grants and Contract Management Division (GCMD). In addition, DOEE holds a public hearing to obtain comments on the WAP State Plan. The hearing provides an opportunity for potential subgrantees and District residents to provide input regarding current program operations.

Steps for finalizing the WAP State Plan:

1. Once the draft WAP State Plan has been internally approved, DOEE schedules a public hearing and posts the draft WAP State Plan on DOEE's website and in the DC Register at least 10 days prior to the public hearing, in accordance with 10 C.F.R. § 440.14.
2. DOEE provides PAC members with a copy of the draft WAP State Plan and public hearing participation information.
3. DOEE accepts comments from PAC members and other interested parties at the public hearing or by mail or email prior to the public hearing.
4. DOEE convenes the public hearing as scheduled.

The public hearing will be transcribed. DOEE will obtain a sign language interpreter for the public hearing upon request.

5. The EEC Branch Chief or Program Manager updates the WAP State Plan based on the comments received from the PAC and the public.
6. The updated WAP State Plan is reviewed internally.
7. DOEE submits the WAP State Plan to US DOE prior to the August 1 deadline.

1.5 Approval of WAP State Plan

During its review of the WAP State Plan, US DOE may have questions or comments that require DOEE to make additional modifications or changes to the WAP State Plan.

If approved by US DOE, DOEE can request to carryover funds from the previous fiscal year. DOEE will repeat the steps for publication, notice, comment, and hearing for the WAP State Plan. DOEE will then submit the new WAP State Plan to US DOE for approval.

1.6 Updates to Documentation

DOEE will update this Manual, the Weatherization Field Guide, the Monitoring Checklist, and other pertinent program documentation as needed. DOEE will review the program documentation on an annual basis to ensure that policy changes identified in the annual approved WAP State Plan are incorporated. Updated documents will be made available to the subgrantees and stakeholders at the annual weatherization kick-off meeting to ensure that all relevant parties are aware of the changes at the beginning of each fiscal year.

To ensure compliance with market analysis requirements, DOEE will review applicable fuel, material, and labor costs prior to the start of each fiscal year. These prices will be determined by surveying a minimum of three vendors to obtain an average price for materials in the quantities they are usually purchased. The fair market price list will be updated as necessary, based on applicable information received.

2 GENERAL ADMINISTRATIVE REQUIREMENTS

2.1 Administrative Procedures

2.1.1 Selection of Subgrantees

DOEE selects subgrantees through a competitive RFA process. After the RFA has been released, DOEE adheres to the process detailed in 1 DCMR § 5000 when selecting subgrantees:

- 1. Selection of a review panel.** DOEE shall appoint a review panel consisting of an odd number of panelists with a minimum of three (3) individuals. The review panel shall appoint one person as the review panel leader. All members of the review panel must have knowledge and expertise relating to the objectives of the grant, the RFA, and the administrative requirements mandated by the funding source.

DOEE must avoid the creation of a conflict of interest or the appearance of a conflict of interest when appointing people to the review panel. One person from DOEE's GCMD may be included as a review panel member, but this is not required.

In accordance with 1 DCMR § 5000, other requirements for the selection of a review panel include:

- a. Panelists who are not employees of the District government may be compensated for time served on a panel;
 - b. Panelists who are employees of the District government cannot be compensated for their service and may only serve on the panel if they have written authorization from their supervisors;
 - c. Panelists must sign affidavits certifying that they have no personal or vested interest in the organizations that submitted applications in response to the RFA; and
 - d. Panelists must disclose whether they have a relationship or affiliation with members of the organizations that submitted applications in response to the RFA, including whether panelists and applicants previously served as staff of the same organization.
2. **Selection of a subgrantee.** The EEC Program Manager will deliver all necessary materials to the review panel leader so that the members of the review panel may effectively fulfill their role.

Review panel activities include:

- a. Attending a meeting convened by the EEC Program Manager to review the activities and provide instruction on the goals and objectives of the grant, the RFA, the scoring criteria and instruments, and the timeframe for the completion of the review panel's work;
- b. Signing a Conflict of Interest Disclosure Form which must be signed and returned to the EEC Program Manager prior to the review of an application;
- c. Acknowledging that the review panel's scoring will be kept on file for a period of three (3) years after the close out of the grant or sub-grant awarded by that panel;
- d. Signing a Confidentiality Agreement, as all materials received by a member of the review panel for an RFA applicant must be protected, treated as confidential, and used only for the purposes of evaluating the applicant's proposal; and
- e. Scoring the applications and making recommendations regarding which applications should be funded. Final decisions on grant awards and amounts are made by DOEE's Director. If the Director decides not to follow the review panel's recommendation, he/she shall provide written justification in the grant records.

Once a subgrantee has been selected, the Program Manager or Branch Chief will prepare the formal subgrantee award documents. This is called the Grant Award Notice (GAN).

3. Step for issuing a GAN include:

- a. Before a GAN is issued, DOEE conducts an internal review process and requires each of the following divisions, or their designees, to sign off on a transmittal sheet: Associate Director of the Affordability & Efficiency Division, Deputy Director of the Energy Administration, OGC, OCFO, and GCMD;
- b. The EEC Branch Chief or Associate Director approves any necessary changes to the formal subgrantee documents based on comments from the individuals named above;
- c. The EEC Program Manager obtains the Director's signature for the GAN and its cover letter; and
- d. The EEC Program Manager ensures that the subgrant agreement is returned with the signature of the Grantee, as required on the GAN, before proceeding with grant activity.

2.1.2 Grant Award

All subgrantees receiving a grant award from DOEE to provide energy efficiency services are bound by the instructions, guidance, and rules governing the grant funding source's award documents. Subgrantees must follow the outlined procedures in order to initiate grant activities, receive payments or reimbursements for expenditures, and report financial and program activities.

As a condition of submitting an application for grant funds, applicants must affirm the obligations in the RFA and the appendix to the RFA titled 'Promises, Certifications and Assurances' (PCA). The GAN may also include additional special conditions or amendments to the requirements of the RFA and PCA.

Federal rules governing each grant award for the EEC Programs include:

- 10 C.F.R. § 440 - Weatherization Assistance for Low-Income Persons/Final Rule
- 10 C.F.R. § 600 - Financial Assistance Rules

NOTE: DOEE can revise or terminate a grant at any time, see Section 2.9.

Before the EEC programs can commence, a purchase order must be created in the District's Procurement Automated Support System (PASS) for subgrantees. This ensures that the subgrantee can be paid for successfully completed work.

2.1.3 Grants Management

When administering weatherization grants, DOEE acts as a steward for federal and District funds. These funds are dedicated to helping District households with the most need. A grant may be written for three (3) program years. Unless instructed otherwise, a program year is the same as

DOEE's fiscal year, beginning on October 1st and ending on September 30th of the following year.

Annual budgets follow the program year and are based on the estimated completion of a minimum number of dwelling units at the maximum allowed average cost per unit (ACPU). The ACPU is determined by dividing the number of units completed into the amount of expenditures reported. DOEE will analyze a subgrantee's spending throughout the fiscal year to assess whether there are excess funds in the budget that allow for additional dwelling units to be completed. It is the responsibility of the subgrantee to monitor the ongoing ACPU metric regardless of their participation in other projects and programs.

2.1.4 Subgrantee Budget

DOEE requires subgrantees to report expenditures and unit completions throughout each fiscal year on a monthly or quarterly basis, as directed in the GAN, and to make any adjustments necessary to complete their production goal and fully expend the budgeted allocation.

DOEE also requires subgrantees to assess expenditures and completions at the mid-point of each budget period and again ninety (90) days prior to the end date of the budget period (July 1st on a typical schedule). Each assessment should include expenditures and completion totals to-date as well as anticipated expenditures and completions through the end of the budget period.

If a subgrantee finds that the budget will not be fully expended or production goals will not be completed by the end of the budget period, the subgrantee must inform DOEE immediately. DOEE will independently assess this information through work assignments provided to subgrantees and payments of completed work. DOEE will determine whether a budget amendment or a reduction in the allocation for that budget period will be required. DOEE will issue an amended GAN to the subgrantee.

Subgrantees cannot be reimbursed by DOEE until all measures have been properly installed and inspected. Weatherization activities may be funded by multiple funding sources. When a home receives work funded by multiple sources, the subgrantee must track the funding sources separately in order to document the energy measures completed and how they relate to each source of funds.

2.1.5 Scope and Timeline Modifications

Written DOEE approval is required for any changes to the scope or objectives of an approved project. If a subgrantee cannot complete the minimum production in accordance with the previously-approved production schedule, written communication must be sent to DOEE stating the reason(s) why production goals cannot be met and include a proposal for a new production schedule.

Failure to comply with the production goals may result in the withholding of payments until the subgrantee is in compliance with the approved production schedule. The subgrantee must complete the minimum total number of homes required on or before the end date of the applicable project period.

2.1.6 Grant Award Payments

DOEE only reimburses subgrantees for approved costs incurred as a result of providing energy efficiency services. DOEE must provide written approval for an advance payment for materials for multifamily projects. The work for these projects must be completed within the allowable period of 90 days.

Subgrantees must adhere to the budget and production schedule that are provided in the GAN. DOEE will only reimburse those expenditures that are in accordance with the DOEE-approved energy audit report or change order and the standards of 10 C.F.R. § 440, 10 C.F.R. § 600, and the Field Guide.

NOTE: The subgrantee may not exceed budget line items without the express written authorization of the DOEE EEC Program Manager or Branch Chief. In particular, if the subgrantee requests reimbursement for administrative costs that exceed the approved percentage of expenditures for administration, DOEE staff must deny the request as an unauthorized expense.

Subgrantees must provide DOEE with completion reports by the tenth (10th) day of each month, or the first working day thereafter if the tenth (10th) day falls on a weekend or holiday in order to receive a reimbursement for work completed in the prior month. Completion reports must include accurate reimbursement reports and supporting documentation as specified in the GAN.

Completion reports must be submitted to DOEE via email or the postal service. Completion reports must be sent to the EEC Program Manager and DOEE's Accounts Payable with all required supporting documentation. The EEC Program Manager verifies that all required supporting documents are included in the reimbursement report and that all documents accurately match the previously approved energy audit report.

Detailed invoicing and reimbursement guidance is provided in Section 4.7 of this Manual.

2.1.7 Post-Installation Inspections

An EEC Quality Control Inspector (QCI) will conduct a post-installation quality control inspection of 100% of the total dwelling units completed by the subgrantee. The post-installation inspection will verify the quality and installation of the energy efficiency measures, the accuracy of the quantity and prices reported on the invoice, and the overall performance of the subgrantee and its subcontractors. The results of the QCI post-installation inspection (whether pass or fail) will be documented in a QCI report, including photographs. This QCI report will be uploaded into the DOEE Quickbase system for the subgrantee to review. In addition, the Program Manager will email the subgrantee and require that the failed items be addressed within seven (7) calendar days in adherence with the grant award.

The QCI will conduct a second QCI inspection on the eighth day, but no later than the fifteenth day, to ensure compliance. DOEE will track the QCI failure rate for all subgrantees to determine if additional training may be required and to determine if they are complying with the terms of

their grant award. In cases in which a subgrantee's measures continually fail inspection, the subgrantee's administrative allowable expenditures for the project will be reduced.

2.1.8 Financial Audits

Pursuant to 2 CFR 200, Subpart F, a subgrantee that expends in excess of \$750,000 from combined federal sources on an annual basis is required to undergo a single audit annually by a licensed Certified Public Accountant.

Subgrantees must submit one copy of the audit report to:

Department of Energy and Environment
Energy Efficiency and Conservation Program
Attn: EEC Program Manager
1200 First Street NE, 5th Floor
Washington, DC 20002
Fax: 202-535-2881

The EEC Program Manager will provide a copy of the audit to OCFO and GCMD within five (5) days of receiving it. These two offices will review the annual independent audit findings that require corrective action, if any. US DOE may request the audit report in advance of its periodic reviews. DOEE staff should be prepared to provide the audit report upon request. The EEC Program Manager or Branch Chief will report to the pertinent funding source and/or OIG, if the audit report has negative findings.

2.2 Insurance Requirements

DOEE requires prospective subgrantees to purchase and maintain various types of insurance and to submit proof of insurance to DOEE as a condition of receipt of grant awards and grant award payments. Details on the minimum insurance requirements appear in the PCA and special conditions sections of the GAN. Certificates of Insurance in accordance with the minimum requirements that verify coverage must be on file with DOEE prior to the commencement of EEC Programs. DOEE shall only make separate payments for insurance upon prior written approval by DOEE to the subgrantee.

2.2.1 Types of Insurance Required

The types of insurance required by DOEE and/or federal requirements include policies covering:

- Claims under worker's compensation, disability benefit, and other similar employee benefit acts;
- Claims for damages due to bodily injury, occupational sickness or disease, or death of its employees;
- Claims for damages due to bodily injury, sickness or disease, or death of any person other than its employees;

- Claims for damages insured by personal injury liability coverage which are sustained (a) by any person as a result of an offense directly or indirectly related to the employment of such person by the subgrantee, or (b) by any other person;
- Claims for damages, other than to the work itself, due to injury to or destruction of tangible property, including loss of use resulting therefrom;
- Claims for damages due to bodily injury or death of any person or property damage arising out of the ownership, maintenance, or use of any motor vehicle; and
- Claims for damages due to loss of money or other property sustained through any fraudulent or dishonest acts committed by any board members, officers, or employers of the subgrantee.

US DOE requires that a subgrantee's subcontractors and vendors be adequately insured in accordance with the requirements above. In some cases, the owner of a multifamily dwelling may request to be named as an insured on a subcontractor's policy, in which case the EEC Program Manager should be consulted.

2.2.2 Liability Insurance

Subgrantees are required to purchase liability insurance with a limit of not less than \$3 million, in the aggregate and \$1 million per occurrence, to cover the subgrantee's general liability requirements for the EEC programs. Any deductibles and self-insurance retention may not be greater than \$25,000. Liability insurance procurement must be in compliance with applicable OMB Circulars. Subcontractors and vendors of a subgrantee must provide DOE with proof of their own coverage.

2.2.3 Pollution Occurrence Insurance (POI)

Many liability insurance policies do not provide for particular health and safety measures such as lead and other pollution occurrence items, therefore US DOE strongly recommends that subgrantees purchase Pollution Occurrence Insurance (POI) as a part of, or as an addendum to, general liability insurance (see Weatherization Program Notice 11-1, 2010). DOE requires such insurance or its equivalent. POI is a reimbursable cost under the US DOE funded program.

If a subgrantee does not obtain POI coverage and damage occurs due to a failure to adhere to all aspects of Lead Safe Weatherization procedures, or if there is a disturbance to any other environmental pollutant (i.e., asbestos), the cost for remediation, clean up, relocation, medical expenses, or any other resulting costs will not be charged to DOE, but are instead the obligation of the subgrantee.

Only subgrantees that receive US DOE funding may receive a reimbursement for POI costs for weatherization projects. Minimum coverage for pollution liability, each pollution condition, and general aggregate limits must meet US DOE guidelines which are subject to change on an annual basis.

Subgrantees that employ contracts to perform weatherization services must ensure that each private subcontractor is adequately insured. Subgrantees shall review their existing policies to ensure that subcontractors have adequate coverage in accordance with the federal and District requirements. Further information can be found in the Weatherization Program Notice 02-6.

2.3 Leveraged Funds

DOEE typically leverages a portion of funds received from HHS for DOEE's weatherization program. In addition, non-federal funds used in weatherizing eligible homes are considered leveraged funds and shall be reported separately to DOEE by all subgrantees. Other potential sources of leveraged funds include the DC Sustainable Energy Utility (DCSEU) funds, District's appropriation of local funds, landlord or owner donations, volunteer labor, or contributions by other non-federal sources.

2.4 Training and Technical Assistance (T&TA)

Training and Technical Assistance (T&TA) activities are intended to maintain or increase the efficiency, quality, and effectiveness of the EEC Programs at all levels. T&TA activities are reimbursable if they are approved by DOEE 10 days prior to the course start date and funding is available in the subgrantee's training and technical assistance or program support budgets.

Beginning October 1, 2017, EEC QCI will conduct in-progress inspections to identify opportunities for improvement and recommend training accordingly. In-progress inspection reports will be forwarded to the subgrantee(s) to inform them (in sequential order) if they have complied with the requirements for the installation of the measures. These requirements include OSHA and lead safe work practices. If an issue of noncompliance is identified during the in-progress inspection, the EEC QCI will determine if it is a one-time incident that may require shadow training, or if a pattern exists that requires training at an IREC-accredited training facility.

US DOE links DOEE and the subgrantees to training resources throughout the year on a variety of energy-related topics. When topics involve a change in existing policies and procedures (e.g., new databases, changes to audit protocols, etc.), or emphasize an important program area, DOEE staff and subgrantee staff attendance may be mandatory. When training is mandatory, both parties are expected to assign appropriate personnel to attend.

DOEE may also recommend and approve training programs offered by other organizations. When the training is regional in nature, or is otherwise limited to a certain group, DOEE will inform subgrantees if their attendance is required. If a subgrantee has any doubt regarding attendance requirements, DOEE should be consulted.

The following training sessions are mandatory for the positions stated below. If a subgrantee hires a new employee into one of these positions, or a current employee transfers into one of these positions, and the new or transferred employee is not current with the training requirements, the employee must receive the required training within six (6) months of their start date. DOEE staff and subgrantee personnel who occupy these positions must attend these training sessions every three (3) years:

| | Subcontractors | Installers | Crew Chiefs | Weatherization Directors | Post Inspectors | Energy Auditors | Program Managers/Branch Chief | DOEE Personnel |
|---|----------------|------------|-------------|--------------------------|-----------------|-----------------|-------------------------------|----------------|
| BPI Energy Auditor | | | | | | X | | |
| BPI Crew Leader | | | X | | | | | |
| BPI Retrofit Installer | X | X | | | | | | |
| BPI Single and Multifamily Quality Control Inspector | | | | | | X | | |
| Lead Safe Weatherization Practices Certification | X | X | X | X | X | X | X | |
| Fraud, Waste and Abuse | X | X | X | X | X | X | X | X |
| Ethics Training | | | | X | | X | X | X |
| BPI Building Analyst | X | | X | | X | X | | |
| BPI Envelope Professional | X | | X | | X | X | | |
| BPI Heating Professional | | | X | | | X | | |
| OSHA 30 Hour | X | X | X | | X | X | | |
| Hazwopper 40 Hour | X | X | X | | X | X | | |
| Hazwopper 8 Hour Refresher | X | X | X | | X | X | | |

Subgrantees must set aside necessary resources each year and arrange for staff training to ensure that staff will be prepared to meet all BPI certification requirements. DOEE allows subgrantee's staff the opportunity to achieve certification before the end of the fiscal year. In cases where the subgrantee's staff and DOEE personnel have not obtained the necessary certification, such personnel cannot perform work under WAP.

T&TA funds may be used to train DOEE staff, subgrantees, and their subcontractors. In making the determination to pay for subcontractor training, subgrantees should secure a retention agreement in exchange for training. This agreement should stipulate that contractors will work in the program, at a minimum, for a specific amount of time and that time should align with the cost of the T&TA provided. Examples of subcontractor/agency agreements can be found at www.waptac.org.

The activities listed on the following table can be considered eligible T&TA costs (and can also be charged as program support costs).

| Activity | Allowable Costs |
|------------------------------|---|
| Conferences | <ul style="list-style-type: none"> – Registration, travel, and lodging costs for conferences, seminars, workshops, and on-site training |
| Training | <ul style="list-style-type: none"> – Costs incurred to provide training and professional certification for Grantee and subgrantee staff |
| Weatherization Equipment | <ul style="list-style-type: none"> – Purchase of weatherization equipment |
| Membership and Subscriptions | <ul style="list-style-type: none"> – Membership fees for weatherization-related organizations – Subscriptions to trade papers and magazines |
| Computer/Electronic Media | <ul style="list-style-type: none"> – Purchase of computer/electronic media equipment, and the cost of training subgrantee staff to operate this equipment |
| Data Gathering | <ul style="list-style-type: none"> – Costs directly related to gathering, compiling, or copying information to be used in providing fuel usage and savings analysis data – Cost of inputting data for a historical database to track previously weatherized units |
| Client Education | <ul style="list-style-type: none"> – Development and distribution of client education materials or other forms of client education, such as meetings, workshops, presentations, videos, etc. |

2.5 Prior Approvals for Certain Expenditures or Work

Prior written approval from DOEE is required for the grant-related expenditures listed below:

- Purchase or lease of a vehicle;
- Out-of-state travel by a subgrantee or a subgrantee's personnel;
- Purchase of capital equipment;
- Switching or converting an energy source;
- Participation in fee-for-service or WAP-related initiatives;
- Changes in the single or multifamily scope of work; or
- Purchase of any item costing more than \$5,000.

2.6 Program Oversight and Monitoring

As stated in the U.S. DOE Weatherization Program Notice (WPN) 16-4, (Subject: Updated Weatherization Assistance Program Monitoring Guidance), the goal of the monitoring process is to: (1) ensure the proper and timely use of funds and the realization of expected benefits, (2) provide transparency and accountability, (3) provide quality control, and (4) provide technical assistance and training.

The goals for DOEE's monitoring activities include:

- Monitoring is intended to be a constructive process and will be conducted in a professional manner with consistency, fairness, respect, and timeliness;
- DOEE staff is committed to fostering positive, open, and constructive working relationships. Monitoring is a two-way educational experience that promotes interaction, feedback, and improvement for both the District and the subgrantees of the Weatherization Assistance Program;
- DOEE staff believes that a subgrantee's weatherization staff shares the same goals of optimizing program funds and resources to best serve the low-income population, striving for program improvement, and providing the most cost-effective and best quality program services possible;
- DOEE staff will promote improvement through the monitoring process by providing programmatic and technical assistance, reinforcing strengths, and sharing successes, innovations, best practices, and experiences encountered by other subgrantees; and
- Monitoring reports will be consistent with, and based upon, adopted program policies, procedures, and standards from US DOE.

2.6.1 Annual Monitoring

DOEE is required to monitor all subgrantees at least once per year in accordance with 10 CFR Part 440. Prior to the monitoring the visit, DOEE's On-Site Monitoring Checklist is shared with the subgrantee. During the visit, the checklist is used to verify the various documents and materials provided by the subgrantee. Both programmatic and fiscal documents and materials are reviewed. A written report is issued to the subgrantee within thirty (30) days of the monitoring visit. The report includes the following categories: findings, concerns, recommendations, and best practices.

| | |
|-----------------------|---|
| Finding | A finding may be an observation of non-compliance with a federal regulation, or a repeated or previously identified non-addressed correction or concern. Examples include the misuse of funds, inadequate inventory control, illegal procurement or insufficient insurance. |
| Concern | A concern is either a violation of guidance that is not a regulation, or a correction of a minor problem. Examples include file omissions, failing to follow the state plan, policies and procedures or improper training of staff. |
| Recommendation | Recommendations are suggestions to improve the merits of the program or the identification of opportunities for training and technical assistance (T&TA) or guidance. Improvements or commendations may be noted under recommendations if corrections have been made since the last monitoring visit. |
| Best Practice | The best practices category notes unique ideas and implementation practices that could potentially be shared with other network partners. |

If there are findings, the relevant federal regulation, weatherization program notice (WPN) guidance or the grantee's award documents are cited. The subgrantee has 30 days to provide a written Corrective Action Plan (CAP) to DOEE. Corrective actions may also be requested for any concerns identified. For subgrantees with findings, additional monitoring visits may be scheduled. Files are maintained for all monitoring visits and are available for review by U.S. DOE.

The Monitoring Visit will include, but not be limited to, the review and verification of documentation, implemented procedures, and EEC program operations to help eliminate fraud, waste, and abuse in the following areas:

- Reported expenditures by comparing periodic expenditure reports to a subgrantee's books and records;

- Reporting and documentation of program income and leveraged funds;
- Subgrantee financial statements;
- Source documentation for the purchase of any items charged against DOEE-provided funds;
- Distribution of costs charged to more than one program;
- Payroll costs for consistency with the latest approved budgets;
- Records to trace material purchases from invoices to inventory, or to specified jobs and to programmatic reports;
- Bid procedures and records;
- Subgrantee agreements, analyzing payment schedules to verify payments made to subcontractors and vendors;
- Subcontractors' cash balances;
- Subgrantee's internal control structure;
- Subgrantee's compliance with insurance requirements; and
- Subgrantee's safeguarding of fixed assets.

Each subgrantee must provide the EEC Program Manager and Weatherization Branch Chief with copies of the following weatherization documents five (5) days prior to the Monitoring Visit:

- Subcontractor and vendor agreements;
- Lease agreements;
- Bids, solicitations for bids, notifications of bid awards, and vendor lists; and
- Books of account, including:
 - Cash disbursement;
 - Cash receipts;
 - Payroll sheets or ledgers;
 - General ledgers;
 - General journals;
 - Monthly general ledger trial balances;
 - Monthly reconciliation to budget;
 - Checking account reconciliations;
 - Bank account authorization signature cards;
 - List of all unpaid bills tied to the appropriate budget line item for which the cost was incurred; and
 - Invoices for purchases made with grant funds, program income, and leveraged funds, if applicable.

2.6.2 Periodic Monitoring

In addition to the Annual Monitoring, the EEC Program Manager reviews the subgrantee's monthly reports and tracks production and expenditures on a monthly basis. Additionally, EEC staff will review monthly reports for accuracy and compliance criteria, including the average cost per completed dwelling unit (ACPU), the percentage of production goals achieved, and the percentage of total grant and line items expended, including health and safety expenditures.

If necessary, DOEE will perform periodic in-person monitoring reviews of the subgrantee's programmatic and field operations. Any and all findings from periodic monitoring reviews will be reported to appropriate DOEE staff and the funding project officer on a monthly basis unless the findings need to be reported immediately to U.S. DOE due to their egregious nature.

The EEC Program Manager will inform the subgrantees of program findings and will require corrective responses in writing. Depending on the severity of any problems reported, a subgrantee may receive a follow-up monitoring review that concentrates on prior deficiencies and required corrective actions. Severe problems will be reported to appropriate DOEE staff and to the US DOE funding project officer. Work may be terminated based on consultations with DOEE and US DOE.

2.6.3 Field Monitoring

Once the subgrantee has reported a job as completed and uploaded the required documentation into Quickbase, field monitoring is conducted by DOEE's QCI and recorded on a Quality Control Inspection Form. Jobs will be inspected for overall effectiveness, workmanship, appearance, and compliance with the District's Weatherization Field Guide and the D.C. Code. An overall assessment of the subgrantees field practices are performed using the Standard Work Specification (SWS) Guidelines developed by the National Renewable Energy Laboratory (NREL) and US DOE.

2.6.4 Subgrantee Inspection Responsibilities

Subgrantees are required to inspect 100% of all completed dwelling units to determine compliance with the EEC Programs' quality standards and to ensure proper documentation of client information, job measures and costs, and other appropriate information as needed. The post-installation inspection must be performed by a person who did not perform the actual work on the job.

The thoroughness and effectiveness of subgrantee inspections are considered important evaluation criteria and will be assessed during the Field Monitoring visit. Although, the subgrantee is required to inspect all of the completed projects, DOEE will conduct 100% QCI inspections on all dwellings reported completed to help eliminate fraud, waste, and abuse.

2.6.5 Performance Standards

The levels of performance standards include:

- 1. High Performance Standard:** In order to meet the High Performance Standard, a subgrantee must: 1) meet all the requirements of the "Standard Performance" (see below); and 2) demonstrate performance standards during the Monitoring Visit that meet or exceed those commonly observed in the following areas:
 - No more than one health and safety violation as identified in the previous monitoring report;

- No more than one procedural finding related to program rules, policies, and procedures;
- No annual program specific audit findings;
- Accurate monthly reports are always submitted on time; and
- Subgrantee provides comprehensive service in a cost-effective manner in accordance with US DOE guidelines.

2. Standard Performance: In order to meet the Standard Performance threshold, subgrantees must:

- Comply with major program requirements (i.e., lead-based paint procedures, cost allocation plan/indirect rate, and required subcontractor information);
- Receive no more than one specific program finding in the annual audit;
- Ensure that staff is well-trained in performance standards and specific job duties;
- Maintain complete and organized files;
- Complete all required scopes of work;
- Ensure that all subcontractors and vendors have demonstrated proficiency in technical applications including diagnostics;
- Comply with all applicable safety rules;
- Maintain a professional working relationship with DOEE;
- Resolve all prior findings and report such corrections to DOEE in a timely manner; and
- Verify that none of the elements identified in the At-Risk Performance category (below) are present.

3. At-Risk Performance: DOEE may categorize a subgrantee under At-Risk Performance for serious management and/or sub-standard field performance, including but not limited to any of the following findings:

- Unmet program goals;
- Misplaced or unaccounted-for program resources;

- Serious indications of misuse of funds, fraud, or theft;
- Non-compliance with program policies and procedures;
- Severely incomplete or disorganized files or records;
- Repeated major field findings with little to no improvement over a previous Monitoring Visit; and
- Delayed or unresponsive behavior in regards to DOEE requests and deadlines.

Once a subgrantee has been designated as At-Risk Performance status, DOEE will provide specific improvements that must be made by the subgrantee. The subgrantee will be instructed to submit a plan to identify the steps and timelines to be taken to make the noted improvements. When appropriate, related training and technical assistance will be provided by DOEE.

If the specified improvements in management or field practices are not instituted by the subgrantee within a specified period of time, DOEE will consider suspension or termination of the subgrantee agreement. DOEE will report At-Risk subgrantees to US DOE immediately.

2.6.6 Appeals of Monitoring Reports

A subgrantee may appeal the findings of a DOEE Monitoring Visit to the EEC Branch Chief. This appeal should be sent in writing within thirty (30) days of receipt of the inspection report.

A subgrantee may submit a subsequent appeal to the Affordability and Efficiency Division Associate Director.

2.7 Required File Documentation

Subgrantees are required to keep the following documentation on file. This documentation must be presented to the EEC Program Manager for review upon request:

- Contractor's Invoice (Broken down by Labor and Material)
- Health and Safety Installation Acknowledgment Form
- Subcontractor Assurance and Guarantee of work Form
- Blower Door Intermediate Reading Form
- DCRA Permit and Inspection (if applicable)
- Subcontractor Combustion Tapes Form (if applicable)

- Subcontractor Spillage Test Form (if applicable)
- Lead Safe Renovation Recordkeeping Form
- Decommissioning Form (if applicable)
- Customer Survey Form
- Notice of Safety (if applicable)
- Deferral Form (if applicable)
- Most Recent NEAT or TREAT Work Order

2.8 Conflict of Interest

Subgrantees, its subcontractors, and vendors, acting either as individuals or on behalf of a third-party agreement, may not solicit or provide additional services outside of the DOEE-approved scope of work to low-income clients, while that client is receiving weatherization services.

A subcontractor must keep separate all work that is not considered an EEC program assignment for a length of time that is agreed upon by the subcontractor and the subgrantee, and there must be a written contract identifying this agreement and all work that needs to be performed. All of DOEE's grant-funded work must be completed in its entirety, successfully pass the post-installation inspection, and be paid in full, prior to the commencement of any additional work or third-party agreements.

The purpose of this policy is to avoid the appearance of, or the existence of, an actual conflict of interest related to DOEE EEC Programs' scope of work.

Subgrantees should be aware that service to employees and relatives of employees may appear as a conflict of interest. In these cases, subgrantees must obtain prior approval from DOEE before rendering service(s).

2.9 Subgrantee Termination

DOEE may terminate subgrantees if they fail to comply with the terms and conditions of the RFA, PCA, and GAN or if DOEE determines that termination would be in the best interest of the District.

Reasons for termination include, but are not limited to, the following:

- Work performance fails to substantially adhere to the requirements of the GAN documents;

- Refusal to proceed with or complete the work;
- Disregard for laws, rules, ordinances, or regulations set by DOEE;
- Misuse of dedicated account funds, including but not limited to: failure to pay vendors; failure to notify DOEE of fraud or the allegation of fraud, embezzlement, misappropriation, or abuse of funds;
- Disregard for competitive bidding; or
- Other cases of severe conflict of interest.

If any staff member of DOEE uncovers significant problem areas with the work or actions of a subgrantee, that DOEE staff member must document such problem areas and provide a report to the EEC Branch Chief. The EEC Branch Chief will immediately report the information to the appropriate DOEE or federal funding project officer.

When significant problems are not resolved within thirty (30) days, DOEE will transmit a letter of non-compliance to the subgrantee's leadership and executive management, such as a board chairperson, weatherization director, or executive director. This letter will cite specific section(s) of the RFA, PCA or GAN with a requirement that the subgrantee provide a written corrective action plan within five (5) calendar days and implementation of the plan within ten (10) calendar days.

If no response is received by DOEE within five (5) calendar days of the issuance of the letter of non-compliance, the plan for resolving the alleged noncompliance is unacceptable to DOEE, or the plan to resolve the alleged noncompliance is not followed, a notice of default and intention to terminate will be transmitted to the subgrantee's leadership and executive management team. Failure on the part of the subgrantee to respond to the notice of default and intention to terminate within ten (10) calendar days will result in the issuance of a notice of termination. With the notice of termination, a public review will be scheduled to inform the public of the termination of the subgrantee and to identify a new subgrantee through a RFA process to provide energy program services.

NOTE: Notwithstanding the above, DOEE may suspend or terminate a subgrantee without prior written notice upon a finding of substantial noncompliance, substantial breach of agreement or at the discretion of the DOEE Director.

2.10 Appeals and Dispute Resolution

2.10.1 Appeal Policy

Any applicant or client of the EEC Programs may appeal a subgrantee's decision to deny or delay services. Subgrantees must ensure that each client or applicant is aware of that right and of any applicable time restrictions in filing an appeal. The subgrantee must secure

acknowledgement via signature which indicates that the client or applicant has been provided with notice of the appeal process. The client or applicant may withdraw a request for appeal if the subgrantee agrees to the results of a negotiated settlement.

2.10.2 Appeal Procedures

Subgrantees must develop and maintain procedures for appeals which include instructions for informing applicants and clients of their right to appeal, as detailed in Section 2.10.1, and a procedure for negotiating the dispute prior to an appeal, including a timely negotiation which does not preclude the right to appeal. Subgrantees are encouraged to include provisions in the procedures that allow for a review of the decision by the weatherization coordinator (if the weatherization coordinator did not make the initial determination which is appealed) and the executive director of the subgrantee.

Subgrantees must include, at a minimum, the following elements in their appeal procedures:

1. The client or applicant must log a complaint with the subgrantee's Weatherization Coordinator;
2. The subgrantee must review the client complaint and any documentation pertaining to the client weatherization case and make a decision;
3. The subgrantee must send a copy of their decision to the client, EEC Branch Chief, and Program Manager;
4. If the client does not agree with the subgrantee's decision, a request for appeal to DOEE must be submitted in writing to the EEC Branch Chief and Program Manager within thirty (30) calendar days of receipt of the subgrantee's decision;
5. Upon receipt of the request for appeal, DOEE will provide a copy of the request to the subgrantee whose decision has been appealed;
6. The subgrantee will be required to supply any documents relevant to the decision within seven (7) calendar days of receipt of the notice of the appeal by DOEE;
7. DOEE will forward the client complaint to OGC and any other relevant parties;
8. DOEE will review the request for appeal and any supporting documents and will respond in writing to the applicant or client within thirty (30) calendar days of DOEE's receipt of the appeal; and

9. If the client is dissatisfied with DOEE's decision, he/she may appeal to the Office of Administrative Hearings or the court system, and may include additional documentation appropriate for review.

In cases where a client or applicant contacts DOEE directly with a complaint the following procedures will take place. DOEE will:

1. Log the client complaint on a client complaint form;
2. Schedule a site visit and/or obtain necessary documentation pertaining to the complaint from the client;
3. Assign the originating Energy Auditor to review documentation and/or prepare the necessary report based on the site visit and submit this information to the EEC Program Manager;
4. Assign the EEC Program Manager to notify the subgrantee that DOEE received the complaint;
5. Request that the subgrantee forward DOEE all documents pertaining to the client file including correspondence, pictures, etc., within seven (7) calendar days of when the subgrantee was notified of the complaint;
6. Review all relevant documents pertaining to the client;
7. Provide notice of a decision to the client and the subgrantee;
8. Provide the subgrantee with written recommended steps for corrective action;
9. Verify that the subgrantee responds to the client complaint within a specified timeframe; and
10. Verify that the subgrantee sends a statement of findings and a resolution to DOEE and the client within thirty (30) calendar days.

NOTE: If the client is not satisfied with the subgrantee and DOEE's proposed steps for corrective action, he/she may appeal to the Office of Administrative Hearings (OAH) or the court system.

3 ELIGIBILITY AND CLIENT SERVICE

3.1 Outreach

When promoting EEC Programs in publications and advertisements, subgrantees must include statements to indicate that the funding for the program is provided by DOEE.

Subgrantees must coordinate outreach for all eligible households in their service area, including those with concentrations of minority groups or others that are not likely to apply without

targeted outreach in order to encourage awareness of the EEC Programs. This may include outreach to neighborhoods or areas other than the one in which the subgrantee is located.

3.2 Priority Client Groups

Normally, services will be provided to eligible clients on a first-come, first-serve basis; however, should a waiting list arise, priority will be given to emergency applications, applications for the chronically ill, the elderly, persons with disabilities, families with children, and affected individuals during a state of federal declaration of a disaster.

In situations where the subgrantee is aware of an emergency of an unusual nature the subgrantee should contact DOEE for a case-by-case determination.

3.3 EEC Program Eligibility

The District has determined that occupants of dwelling units, who are at or below 200% of the Federal Poverty Level, or at or below 60% of the District's median income level (as determined under the HHS eligibility guidelines), whichever is higher, are considered to be eligible for weatherization services funded under the LIHEAP-Federal and District general funds programs. Applicants must provide proof of income for all household members, including:

- A recent payroll stub or other proof that shows current gross income for thirty (30) days and is valid within the last ninety (90) days;
- Documentation showing income from Social Security, unemployment insurance, pension funds, disability, etc.;
- Proof of present address (e.g., rent receipt, lease or deed, property tax bill);
- Proof of total members living in the household (e.g., birth certificates, school records, etc.);
- Social Security cards (or documents with Social Security number such as pay stub or birth certificate) for all members of the household; and
- Current Government-issued photo identification for the applicant.

3.4 Income Eligibility & Criteria

The federal poverty levels and definition of income are provided annually by HHS. The determination of income eligibility is based on the total income of all adult members residing in a dwelling unit and shall be calculated according to the District's approved LIHEAP State Plan.

3.4.1 Proof of Eligibility

To the maximum extent practicable, proof of income eligibility and the associated documentation should be included in the client file. Proof of eligibility includes:

- **Eligibility determined by an outside subgrantee or program:** If an outside subgrantee or program determines income eligibility, i.e., LIHEAP or the US Department of Housing and Urban Development (HUD), then a statement of LIHEAP eligibility or a copy of the HUD building list can serve as proof of eligibility. Copies of the eligibility documentation must be included in the client file.
- **Self-certification:** If all avenues of documenting income eligibility have been exhausted, self-certification is allowable, but evidence of the various attempts at proving eligibility must be contained in the client file, including a notarized statement signed by the potential applicant indicating that he has no other proof of income.

3.4.2 Limitations on Dwelling Eligibility

A dwelling unit will not be considered eligible for weatherization although it is occupied by an eligible household if:

- The dwelling unit has been previously weatherized using US DOE program funds, unless:
 - The dwelling has been damaged by fire, flood, or natural disaster and repair of the damage to weatherization materials is not covered by insurance; or
 - The dwelling is eligible for re-weatherization because the original work was completed prior to September 30, 1994;
- The dwelling unit has been previously weatherized using US DOE program funds and the dwelling unit occupancy changes to another low-income family; or
- A federal, state, private, or local program designates the dwelling for acquisition or clearance within twelve (12) months from the date weatherization of the dwelling unit is scheduled to be completed.

Limitations on Single Family Rental Unit Eligibility: In order to be weatherized, a single family rental unit must:

- Be occupied by an eligible household prior to the start of any weatherization activities;
- Not have been weatherized with DOE grant funds after September 30, 1994; and
- Have written permission from the owner/landlord prior to the start of any weatherization activities, including the energy audit.

Limitations on Multifamily Unit Eligibility: For information on limitations on eligibility for multifamily rental units, see the guidance on Multifamily Unit Weatherization in Section 5.2.

4 REQUIRED ACTIVITIES FOR WEATHERIZATION

4.1 Service Provisions

4.1.1 Required Activities for EEC Programs

Three activities must be conducted for every dwelling unit weatherized in the District:

1. All health and safety measures and activities necessary to ensure the security of the occupants and of the weatherization personnel working in the home;
2. General heat waste reduction activities that increase the energy efficiency of the dwelling and that reduce the household energy burden; and
3. Client education that provides the occupants with the information and tools they need in order to operate and maintain the weatherization materials installed. Education also offers clients the ability to actively participate in saving energy in their homes.

For the technical aspects of each category, please refer to the District's Weatherization Field Guide.

4.1.2 Disallowed Activities and Reasons for Deferrals

No weatherization grant funds will be expended on the following:

- Excessive mold or moisture;
- Excessive carbon monoxide (CO) levels exceeding the scope of weatherization;
- Sewage or sanitary issues;
- Situations where performing work would endanger the residents;
- Building structures, electrical systems, plumbing systems, or mechanical systems that prohibit effective and durable weatherization work from being completed;
- Residences where activities are taking place that are health and safety violations;
- Residences where the extent and condition of lead-based paint in the home would potentially increase health and safety issues;

- Residences where the client is threatening, abusive, or uncooperative to the crew, subcontractors, auditors, or program management who must work on or visit the home; or
- Roof leaks, structural damage, and other house shell damage.

4.2 Allowable Weatherization Measures

DOEE designed the EEC Programs to reduce the energy consumption of dwelling units through the installation of US DOE approved energy conservation measures (ECMs) based on their savings-to-investment ratio (SIR) or cost-effectiveness. Additional measures are approved as incidental repairs necessary to the safe and effective installation of ECMs, or to assure health and safety in conjunction with the installation of ECMs in accordance with 10 C.F.R. § 440.18(d).

The specific methodologies used to accomplish the program measures are based, to some degree, on the condition and design of the dwelling. These methodologies are further directed by the results of blower door air-sealing tests and the analysis and inspection of the heating system(s).

4.2.1 Energy Audit

DOEE's EEC Energy Auditors apply a holistic approach when conducting site-specific energy audits using one of two US DOE approved auditing tools:

- National Energy Audit Tool (NEAT) for single-family homes; or
- Targeted Retrofit Energy Analysis Tool (TREAT) for multifamily dwellings with individually/centrally heating or cooling units.

The energy audits include a blower door and heating system assessment to determine overall building energy usage and the estimated savings-to-investment ratio (SIR) for each potential ECM that could be considered in the building. Energy Auditors also assess potential health and safety concerns within the dwelling unit.

The energy audit includes the following:

- Summary of an initial assessment including a household questionnaire,
- Blower-door test results for infiltration/exfiltration, except where Health and Safety (H&S) issues are documented,
- Client education on energy conservation and H&S matters,
- Determination of conductive heat loss based on square footage and U-values of windows, doors, ceilings, sidewalls and floors,
- Steady-state efficiency (SSE) test for heating appliance efficiency when possible,
- Assessment of heating distribution system efficiency and related controls including assessment and testing for duct leakage per US DOE's Standard Work Specifications (SWS),
- Determination of hazards, if any,
- Inspection for moisture problems and the presence of mold or mildew,

- Inspection for potential lead-based paint hazards and compliance with lead-safe weatherization practices,
- Determination of the condition and effectiveness of previous weatherization measures, if any, and
- An assessment of the overall condition of the structure.

DOEE Energy Auditors prepare audit reports based upon the results of the energy analysis and the following established protocols. The outcome may result in the use of multiple funding sources as determined by the restrictions listed below. For US DOE funds, the following restrictions apply:

- **Recommended work will be performed and paid for in full:** If the audit has a SIR of 1 or more, DOEE will fund 100% of the recommendations. An SIR greater than 1 is considered to be cost-effective under US DOE's WAP method of determining cost-effectiveness.
- **A percentage of the work will be performed:** If the SIR is .99 or lower, DOEE will consider funding the measure from a different funding source or require an owner contribution. For example, if the SIR is .80, DOEE will fund 80% of the recommended work and the owner will have to fund the remaining 20% (the "buy down" amount).
- **Application is deferred:** In certain situations, DOEE will provide the applicant with a notification of deferral that outlines why the weatherization work cannot be performed at that time. Reasons for deferral may include, but are not limited to, criminal activity at the residence, the presence of lead-based paint, excessive mold or moisture, or sewage or sanitary conditions that make it unsafe for agency employees or subgrantees to work at the location. The DOEE Energy Auditor will indicate whether addressing the conditions is the responsibility of the subgrantee or the client.
- **No weatherization work may be performed:** In situations where mold, moisture, asbestos, lead, pest control, structural damage, flooring and wall damage, roof leaks exist, or client refuses any measures no weatherization work will be performed.

In cases where a Change of Work Order is required due to the need for additional measures or a change in cost, DOEE Energy Auditors will re-run the appropriate audit tool to ensure that the correct measures are captured in the audit report. Further guidance regarding the selection of measures is provided in the District's Weatherization Field Guide.

4.2.2 Measure Selection

DOEE selects weatherization measures for installation based on the SIR and by taking into account the:

- Structural, occupant, or other considerations particular to the dwelling;
- Need and associated costs for the installation of other required measures; and

- Contractual per unit cost limits of the program.

The resulting measures specified for the District single-family housing types are illustrated below in Figure 1.

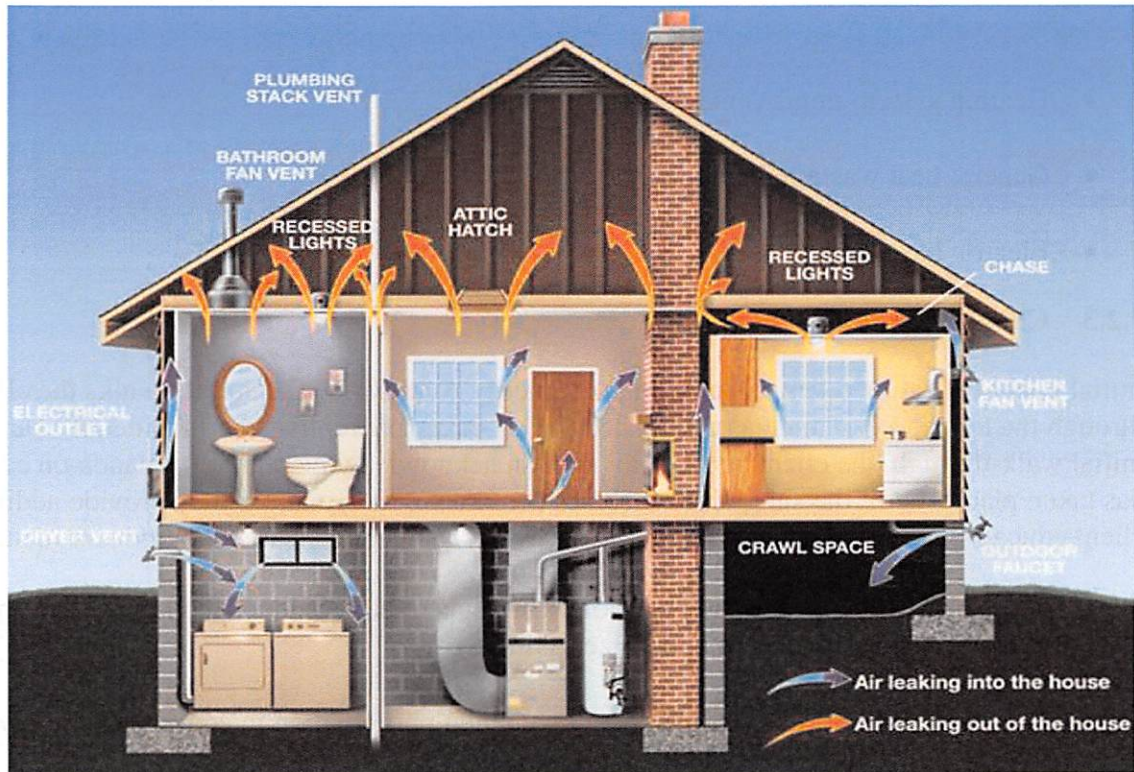


Figure 1: Home Envelope

Weatherization measures are prioritized in order of descending SIR.

Examples include:

- Blower door guided air sealing;
- Supply and return duct sealing in unconditioned spaces and sealing for building cavities used as return or supply vents that leak to the outside;
- Duct insulation in unconditioned spaces;
- Attic insulation – unfinished;
- Attic insulation – finished;
- Insulation - exposed ceilings;

- Wall insulation; and
- Foundation insulation.

Additional Measures:

- Heating system improvements;
- General heat waste reduction; and
- Electric base load measures.

4.2.3 Client Education

Initial client education takes place during the Energy Audit when the auditor walks the client through the home to explain energy and health and safety preventive action in detail. During this initial walk-through, the client and auditor sign an acknowledgement that the hands-on education has taken place. Once the subgrantee receives the client's information, they provide additional client education during the weatherization process. The client education component includes:

- An explanation of the weatherization treatments to be provided, and how to use and maintain them properly to maximize savings;
- Materials and information that encourage client participation in conserving energy and increasing comfort levels; and
- Educational components that describe other energy-savings behaviors not directly related to the weatherization measures installed, e.g., thermostat setting/manual setback, energy efficient lighting, water conservation, etc.

Materials may include videos, CDs, coloring books, calendars, pamphlets, and brochures.

4.2.4 Incidental Repairs

Incidental repairs are those repairs necessary for the effective performance and preservation of weatherization materials. These costs are included in the cost of installing the proposed ECMs in each house and those ECMs, including the related incidental repair costs, must have an SIR of 1.0 or more when using US DOE funds.

4.2.5 Health and Safety Measures

Subgrantees must provide weatherization services in a manner that minimizes risk to both workers and clients. Although the EEC Programs are not capable of providing solutions to all health and safety issues, awareness of potential hazards is essential to providing quality services. Subgrantees are required to adhere to the US DOE-approved current fiscal year WAP State Plan for the District.

Procedures to address potential health and safety issues include, but are not limited to, the following:

- Each dwelling must be individually assessed to determine the existence of potential hazards to workers and clients;
- Subgrantees and their representatives must take reasonable precautions against performing work on dwellings that will introduce the client to health and safety risks. In cases where work activities would constitute a health and safety hazard, action is required to limit or avoid particular measures that may exacerbate a health and safety problem. If a health and safety problem cannot be abated, the home should be rejected for weatherization services;
- With regard to both immediate and long-term hazards to workers, subgrantee staff should maintain awareness of potential hazards associated with the weatherization process. Specifications regarding the health and safety of workers in the construction industry can be found in Construction Industry OSHA Safety and Health Standards (29 C.F.R. § 1926, 1910), which is available from the U.S. Department of Labor; and
- DOEE provides technical waivers for the non-performance of audits, installations, and/or inspections if, in the subgrantee's best judgment, such action will expose workers to unsafe or unhealthy conditions. Health and safety measures to be addressed by the client prior to any weatherization service include but are not limited to:
 - Open junction boxes and unsafe wiring;
 - Water in the basement/crawlspace or evidence of recent flooding;
 - Animal feces present in the area where contractors or crews will be working;
 - Evidence of excessive amounts of garbage, rats, mice, roaches, fleas or other rodents or pests where contractors or crews will be working;
 - Excessive clutter that will prevent the installation of Weatherization materials or services to your heating unit;
 - The presence or use of controlled substance in the residence during any part of the Weatherization process;
 - Pets not kenneled, leashed, or isolated during the Weatherization process;
 - Threats of violence to Weatherization contractor, staff or member of your household during the Weatherization process;
 - Major remodeling projects in progress;
 - Roof and/or plumbing leaks;

- Mold or excessive moisture present (see the Mold and Moisture Assessment Form); or
- Evidence of Vermiculite insulation, which is assumed to contain asbestos.

Additional program requirements concerning health and safety are addressed in the District's Weatherization Field Guide.

Costs for the aforementioned Health and Safety Measures will be those material and labor costs neither supported by energy savings of a weatherization measure(s), nor expended for the purposes of incidental repairs.

4.2.6 Final Inspection

Subgrantees are required to inspect 100% of units before reporting them as complete. Subgrantees are responsible for inspecting the completed work and obtaining a completed satisfaction verification signature from the client. This verification signature becomes part of the permanent client file. Also included in the file is verification that the installed measures were explained to the client and verification of delivery of the educational package.

Sign-off on the Post Installation Inspection Form and documentation of the units inspected by the coordinator are to be made available to DOEE for monitoring purposes. Notwithstanding this requirement, each subgrantee's Crew Chief/Leader is to participate in on-site inspections on a representative number of units as determined by the Crew Chief/Leader or US DOE to assess the quality of work and the adequacy of the inspection process.

DOEE may impose more stringent requirements regarding final inspection if weaknesses are identified as part of the monitoring process. Although the subgrantee is required to inspect all of its completed projects, DOEE will not depend upon this information. DOEE will conduct an independent QCI inspection of 100% of the total completed projects reported by subgrantees to help eliminate fraud, waste, and abuse.

In the event that a quality inspection or client sign-off cannot be performed due to an uncooperative client, attempts to secure these documents must be thoroughly documented. A letter must be sent by the subgrantee to the client indicating that the client has ten (10) business days to contact the subgrantee. The subgrantee will submit all documentation to DOEE for DOEE to schedule the quality control inspection.

4.2.7 Reporting a Completed Unit

Subgrantees report all completed units in buildings containing 1 – 4 units as single-family completions and all completed units in buildings containing 5 or more units as multifamily completions. In eligible multifamily buildings that contain fewer than 100% income-eligible units, both income-eligible and non-income-eligible units are reported as completed units.

No dwelling unit may be reported to DOEE as completed until a final inspection has been performed and signed by a subgrantee designated Crew Chief/Leader. Subgrantees must report

any need for rework to the client at this time. If no additional work is necessary, the subgrantee must obtain a signed and dated customer satisfactory form from the client.

4.2.8 Budgetary and Per-Unit Expenditure Limitations

DOEE has established limitations on allowable costs for the installation of weatherization measures in accordance with the following:

- Expenditures for materials and operating costs (support and labor combined) may not exceed the ACPU, as defined by 10 C.F.R. § 440.18(a) and (c). [ACPU = (Program Support + Labor + Materials) / number of completed units]; and
- Expenditures for health and safety activities are considered to be a separate cost category and are not included in the cost per unit average cost limit. The Health and Safety per-unit expenditure limitation cannot exceed the allotted amount as outlined in the US DOE-approved WAP State Plan unless written approval is received from DOEE.

4.3 Allowable Expenditures

Subgrantees must expend and report all US DOE, HHS, and District general fund expenditures under the three allowable cost categories of administrative costs, program support, and program operations, listed in this section (Section 4.3).

Allowable expenditures are defined as the total of all qualifying expenditures in accordance with the terms and conditions of the US DOE rules published at 10 C.F.R. §§ 440, 600 and according to all other pertinent guidance from US DOE and DOEE, including this Manual. All expenditures must be properly documented as costs incurred on eligible dwelling units in the subgrantee's books and records.

4.3.1 Administrative Costs

Pursuant to 42 U.S.C. § 6865(a)(1) and 10 C.F.R. § 440.18(e) no more than ten percent (10%) of any grant made to a State may be used by the subgrantee for administrative purposes, unless that entity has a negotiated indirect cost rate that adheres to the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. For subgrantees receiving less than \$350,000, an additional five percent (5%) of the award may be used for administrative purposes according to 10 C.F.R. § 440.18(e).

Administrative costs are defined as those costs that a subgrantee incurs that are not in direct support of individual US DOE funded projects, but are necessary for the organization to operate the EEC program. Typical expenditures included in this category are wages and fringe benefits for executive, accounting, and administrative personnel working on the program.

Other typical administrative cost category expenditures include payroll processing costs, costs to administer health insurance programs, data processing costs, indirect costs as allowable under the grant agreement, and bank service fees. As with the other weatherization cost categories, those costs applied to administration must be actual and allowable under applicable federal

regulation(s). DOE authorizes payments only for those items listed below and only in accordance with the approved budget and detailed narratives submitted by the subgrantee.

Typical administrative expenditures include:

- **Salaries and wages:** Payments of a fixed compensation for subgrantee's administrative, financial, and accounting personnel and any other employees performing subgrantee's administrative duties regardless of title.
- **Space, utilities and telephone:** Payments made in accordance with approved budget for telephone, utility and space costs incurred by the weatherization operations.
- **Travel:** Payments for mileage, per diem, and subsistence for positions listed in direct salaries and wages. All travel and subsistence payments must be made in accordance with the subgrantee's travel policy.
- **Copier, postage, and computer costs:** Payments must be made in accordance with an appropriate cost allocation plan or approved indirect cost plan for positions listed above. Computer costs may include, but are not limited to, online services, computer supplies, and maintenance agreements.
- **Other costs:** Payments made for other costs related to direct salaries and wages which benefit the weatherization program. Other costs are those not included in the material or program support budget line items that are direct program costs.
- **Audit costs:** The cost of audits that are made in accordance with the provisions of OMB Circulars are allowable charges to US DOE and other federal assistance programs. These charges may be considered a direct cost or an allocated indirect cost. Audit procurement must be in compliance with applicable OMB Circulars. The amount of funds expended by the subgrantee during the fiscal year should not exceed the total amount of costs charged to federal assistance programs for single audits.

4.3.2 Program Support

Program support costs are the direct expenditures incurred to provide energy efficiency upgrades to a dwelling unit. Allowable program support expenditures may include items such as utilities, telephones, or similar costs that are directly attributable to program support personnel. DOE authorizes payments for only those program support items listed below and in accordance with the subgrantee's approved budget. Program support category costs exclude the labor category.

Direct costs may include:

- **Maintenance:** Maintenance, including repairs, of tools and vehicles used in the weatherization program.

- **Purchase of Tools:** Subgrantees must receive prior written approval from DOEE for equipment purchases with a unit acquisition cost of \$5,000 or more. All requests must include:
 - A brief narrative and description of the item;
 - A list of similar equipment that the subgrantee currently has on hand, including the condition of each item;
 - The purpose of the equipment and the benefits for the weatherization program; and
 - Copies of requests for bids and responses received.

4.3.2.1 Salaries and Wages

Salaries and wages, including fringe benefits for program support staff, may be charged for the portion of time related to program support activities, except when the position is included in an indirect cost rate or cost allocation plan which identifies the position as administrative.

NOTE: Inspectors, on-site supervisors, and clerical support related to program support activities are generally positions which perform program support functions. If any subgrantee position is classified as an administrative position and is not a part of an indirect cost pool and performs program support activities, the time performing those activities may be charged as a direct cost to program support. Subgrantees must maintain detailed time records which must be made available to DOEE's monitors and auditors for the weatherization program.

4.3.2.2 Space, Utilities, and Telephone Supplies:

DOEE reimburses for costs associated with approved program support expenditures. Costs are to be allocated in accordance with a cost allocation basis as identified in the Office of Management and Budget's (OMB) .

4.3.3 Program Operations Costs

Program operations costs are generally defined as the direct costs necessary to effect the weatherization of an eligible dwelling unit that are clearly identifiable with the weatherization program such as energy efficiency measures, health and safety measures, and weatherization-related repair measures.

4.3.3.1 Labor

DOEE authorizes payments only for the items listed below and as approved in the subgrantee's budget and detailed budget narrative:

- Payments to supplement wages paid to training participants;

- Crew worker expenditures for installing materials;
- Employment of on-site supervisory personnel installing materials; and
- Labor costs to install weatherization materials when agreements are issued in accordance with all appropriate federal and District procurement and contracting rules and regulations.

4.3.3.2 Materials

All weatherization materials must meet the latest standards for weatherization as published in 10 C.F.R. § 440, revised Appendix A. Materials listed in 10 C.F.R. § 440, revised Appendix A, are identified as cost effective by the accepted program energy audit procedure as allowable material costs. Subgrantees, subcontractors, and vendors must obtain and keep current Material Safety Data Sheets (MSDS) for each inventoried material item purchased.

Allowable material costs include costs for the:

- Purchase and delivery of materials (including the cost of freight to deliver weatherization materials);
- Transportation of weatherization materials to a storage site or to the site of the weatherization work;
- Storage of weatherization materials;
- Incidental repair materials; that is, repair materials needed to protect or aid in the installation of weatherization materials. Subgrantees must give preference in their purchases to products containing the highest level of recovered or recycled materials practicable; and
- Incidental repair costs, not to exceed 10% of the total material cost of the unit. The 10% limit may be exceeded with an approved waiver from DOEE. US DOE weatherized homes must maintain an overall SIR of one or above. Repair materials are to protect or aid in the installation of weatherization materials and are part of the total allowable expenditure.

4.3.3.3 Health and Safety

The cost of materials and labor used to abate health and safety hazards before, or because of, the installation of weatherization materials, or to comply with OSHA requirements are allowable costs for the following items:

- Repair of combustible gas leaks inside a dwelling unit, including the installation of the appropriate type of gas line piping;

- Repair of combustion appliance vent systems to ensure adequate draft, provide required clearances to combustible materials, and comply with applicable building codes;
- Mitigation of indoor air quality problems that may be made worse by air sealing, especially those problems related to excessive humidity. This includes installing/providing additional combustion air and/or ventilation fans; and
- Installation of a smoke detector in a living space that is attached to a garage.

DOEE requires the installation of one smoke detector in each home and on each floor, and carbon monoxide alarms in dwellings that do not have an operable, existing detector.

Health and safety measures are not required to be cost-justified, but must remain below the amount stated in the District's WAP State Plan.

4.4 Procurement Practices

4.4.1 Procurement Requirements

All procurement of goods and services with EEC Program funds must be made in accordance with 10 C.F.R. § 600 Subpart C "Uniform Administrative Requirements for Grants and Cooperative Agreements with Institutions of Higher Education, Hospitals, and Other Non-profit Organizations" for non-profits, 10 C.F.R. § 600 Subpart B "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" for state and local governments, and applicable sections of DC Municipal Regulations.

Subgrantees must establish and maintain written procurement procedures which reflect the grant agreement, applicable federal and District laws and regulations, including the applicable federal regulations identified in the paragraph above, and the standards identified in subsection 4.4 of this Manual.

Subgrantees must maintain an administrative system agreement to ensure that subcontractors are performing in accordance with the terms, conditions, and specifications of their agreement(s) or purchase order(s). Under the administrative system agreement, subgrantees must evaluate each subcontractor's performance and document, as appropriate, whether subcontractors have met the terms, conditions, and specifications of the agreement(s) or purchase order(s).

4.4.2 Procurement Standards

Subgrantees will only make awards to responsible subcontractors who are able to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to the subcontractor's integrity, compliance with public policy, record of past performance, and financial and technical resources.

4.4.2.1 Procurement Records

Subgrantees must maintain sufficient records to document the history of procurement process. These records must include, but are not necessarily limited to:

- The rationale for the selected method of procurement;
- Justification for the selected type of agreement;
- Reasons for the selection or rejection of a subcontractor,
- Justification for the lack of competition when competitive bids or offers are not obtained; and
- The basis or calculation of the agreement price.

Subgrantees determine awards based on which bid or offer is both responsive to the solicitation and most suitable to the subgrantee's requirements, including consideration for price, quality, and other factors. All solicitations for bids or offers must clearly set forth the requirements that the bidder or offeror must fulfill in order for the bid or offer to be evaluated by the subgrantee. Subgrantees may reject all bids or offers if they fail to meet the subgrantee's requirements.

4.4.2.2 Full and Open Competition

Subgrantees must conduct procurement in a manner which provides full and open competition in keeping with federal and District procurement rules and regulations. Some of the situations that are considered to be restrictive of competition include, but are not limited to:

- Placing unreasonable requirements on firms in order for them to qualify to do business;
- Requiring unnecessary experience and excessive bonding;
- Noncompetitive pricing practices between firms or between affiliated companies;
- Noncompetitive awards to consultants that are on retainer agreements;
- Organizational conflicts of interest;
- Specifying only a "brand name" product instead of allowing an equal product to be offered; and
- Any arbitrary action in the procurement process.

4.4.2.3 Written Procedures

Subgrantees must have written procedures for all procurements which reflect applicable, State, and local laws and regulations. The purpose of these procedures is to ensure that all solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description will not, in competitive procurements,

contain features which unduly restrict competition. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equal” description may be used as a means to define the performance or other salient requirements of procurement.

Procedures should also include:

- Methods to avoid the purchase of unnecessary or duplicative items;
- Analysis of lease and purchase alternatives, and
- Preference for products and services that conserve natural resources and protect the environment.

Grantees are encouraged to give preference to minority firms, women business enterprises, and labor surplus area firms. There must be a cost or price analysis in connection with every procurement action. Grantees must make proposed procurement technical specifications available upon request by the funding source. The bonding requirements of a grantee will be accepted if the funding source interest is adequately protected.

Agreements in excess of the small purchase threshold (over \$10,000) must contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies as may be appropriate in the event that a subcontractor violates or breaches the terms of the agreement. Also, see Section 4.3.2.

4.4.2.4 Code of Conduct

Subgrantees must maintain a written code of standards, or conduct, which governs the performance of their employees who are engaged in the award and administration of agreements. No employee, officer, or agent of the subgrantee will participate in the selection, award, or administration of an agreement supported by federal funds if a conflict of interest, real or apparent, would occur. Such a conflict would arise if the employee, officer, or agent, any member of his immediate family, his or her partner, or an organization which employs, or is about to employ, any of these parties, has a financial or other interest in the firm selected for award.

Subgrantee's officers, employees, or agents must neither solicit nor accept gratuities, favors, or anything of monetary value from subcontractors or potential subcontractors.

4.4.2.5 Materials Standards

Any procured materials must meet the standards described in Section 4.3.3.2 of this Manual.

4.4.3 Types of Procurement

4.4.3.1 Procurement by Small Purchase Procedures

Small purchase procedures follow a relatively simple and informal procurement process for securing services, supplies, or other property that do not cost more than ten thousand dollars (\$10,000) over the term of the agreement. For each procurement in an amount over ten thousand dollars (\$10,000) but less than or equal to one hundred thousand dollars (\$100,000), a contracting officer shall obtain at least three (3) written quotations (see 27 DCMR § 1800.4).

If small purchase procedures are used, subgrantees must obtain and document price or rate quotations from an adequate number of qualified sources. At a minimum, documentation must include the name of the bidder/offeror, a description of the product or services, the date of solicitation, the total quantity, and the per unit and aggregate costs. Procurement of equipment in excess of \$10,000 requires the prior approval of DOEE and US DOE, except for the purchase of tools as described in Section 4.3.2.

4.4.3.2 Procurement by Sealed Bids

After subgrantees publicly solicit bids, a firm fixed-price agreement (lump sum or unit price) will be awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price. In order for sealed bidding to be feasible, the following conditions must be present:

1. A complete, adequate, and realistic specification or purchase description;
2. Two or more responsible bidders who are willing and able to compete effectively for the business; and
3. The procurement lends itself to a firm fixed-price agreement and the selection of the successful bidder can be made principally on the basis of price.

If sealed bids are used, the following requirements apply:

1. The invitation for bids must be publicly advertised, bids must be solicited from an adequate number of known suppliers, and bidders must be provided with sufficient time to respond prior to the date set for opening the bids;
2. The invitation for bids, which must include any specifications and pertinent attachments, must define the items or services to be provided in order to allow for the bidder to properly respond;
3. All bids will be opened publicly at the time and place prescribed in the invitation for bids; and
4. Any or all bids may be rejected if there is a sound documented reason.

4.4.3.3 Procurement by Competitive Proposals

The procurement method of competitive proposals is normally conducted when more than one source submits an offer, and either a fixed-price or cost-reimbursement type of agreement is

awarded. This method is generally used when conditions are not appropriate for the use of procurement by sealed bids.

If procurement by competitive proposals is used, the following requirements apply:

- Requests for proposals must be publicized and all evaluation factors and their relative importance must be identified. Any response to publicized requests for proposals will be considered;
- Proposals must be solicited from a minimum of three (3) qualified sources;
- Subgrantees must have a method for conducting technical evaluations of the proposals received and for selecting awardees; and
- Awards will be made to the bidder whose proposal is most suitable to the program, with price and other factors considered.

4.4.3.4 Procurement by Noncompetitive Proposals

The procurement by noncompetitive proposals allows for an award to be determined through the solicitation of a proposal from only one source, or when, after the solicitation of a number of sources, the competition has been determined to be inadequate.

Procurement by noncompetitive proposals may only be used when the award of an agreement is not feasible under small purchase procedures, sealed bids, or competitive proposals and one of the following circumstances applies:

- The item is only available from one source;
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- The awarding subgrantee authorizes noncompetitive proposals; or
- After solicitation from a number of sources, the competition is determined inadequate.

A cost analysis, i.e., the verification of the proposed cost data and the evaluation of specific elements of costs and profits, is required as part of the procurement by noncompetitive proposal process.

Subgrantees may decide which procurement procedure will be used. The selected procurement procedure must be appropriate for the particular service or material required and for promoting the best interest of the program or project involved.

4.5 Subcontractor Procedures

Subcontracting for weatherization or heating and cooling system services is subject to all procurement policies provided in 10 C.F.R. § 600. Because procurement by sealed bids (formal advertising) may not be appropriate due to the need to procure these services on an on-going and timely basis, and when more than one qualified subcontractor is necessary to meet the production needs of the subgrantee, procurement through competitive proposals is also an allowable means to secure these services.

All provisions of the subgrantee's weatherization grant award are applicable to subcontractors' agreements. Subcontractor agreements must clearly state appropriate program policy, federal and District regulations, as well as the rights and obligations of each party.

After determining what items or services are to be contracted, the subgrantee must develop a list of specifications for the items or services to be procured along with cost or price analysis using historical data, commercial pricing, and sales information sufficient to enable the subgrantee to verify the reasonableness of the price as a catalog or market price of a commercial product.

Subgrantees must develop a Request for Proposal (RFP), including the scope of work, job specifications with an itemized price list, necessary subcontractor requirements, qualifications, and subgrantee expectations. Notice of the RFP's availability should be placed on the subgrantees' website and be provided directly to companies that subgrantees have researched and feel have the qualifications to meet the needs of the program.

Subgrantees must develop written rating standards to be used to certify a subcontractor as eligible to participate in the program. This rating system must provide a consistent and objective evaluation system for potential subcontractors.

After a review of the applications and a determination of eligibility have been completed, subgrantees must send written notification to all bidding subcontractors indicating their acceptance or rejection under the RFP. The number of subcontractor(s) determined to be eligible will be based on their overall rating. In addition, subgrantees will take into consideration their production needs and adequate coverage requirements for the service area when selecting the number of eligible subcontractors. Subgrantees may, at their discretion and depending on the reason for rejection, provide applicants with the opportunity to revise their proposal to meet the requirements of the RFP. A notice of rejection must include a protest/appeal procedure with a cut-off date for those subcontractors who fail to meet the eligibility criteria.

All notices of acceptance issued to qualifying subcontractors must indicate a date and time for an initial subcontractor meeting. The agenda for the meeting must include, but is not necessarily limited to, a review of the:

- Program description;
- Anticipated production and the amount of work that may be afforded to the subcontractors;

- Content and requirements of the subgrantee agreement;
- Obligations of the subgrantee and the subcontractor;
- Scope of work/job specifications and technical requirements of the program;
- Work scheduling, issuance of work orders, provisions for issuing and documenting change orders;
- Procedures for clearance testing, quality inspection, callbacks, and final signoff; and
- Invoicing and payment procedures.

At this initial meeting, or at a subsequent meeting, the price lists submitted by subcontractors for the items identified in the RFP must be reviewed and compared to the subgrantee's cost analysis. The price list must be reviewed and negotiated by the subgrantee in order to arrive at a fixed price for the services to be provided by the subcontractors.

Once the subgrantee and the subcontractors have agreed to the necessary terms and conditions, a subcontractor agreement must be executed between the subgrantee and the selected subcontractor. The subgrantee should provide the subcontractor with any necessary procedural or technical information, and any required forms necessary to fulfill the terms of the agreement, including a copy of the District's Weatherization Field Guide.

If, after a subgrantee has fulfilled all the requirements of a competitive bid process, either through sealed bids (formal advertising) or competitive proposal/negotiation, there is insufficient competition (i.e., no or only one bidder), the subgrantee may proceed to secure services through noncompetitive procurement (see Section 4.4.3.4). In this case, a cost analysis must be conducted in order to determine the reasonableness of the compensation requested by a subcontractor. Noncompetitive procurement, other than small purchases (less than \$10,000 over the life of the agreement), requires the prior approval of DOEE.

4.6 Reimbursements

4.6.1 Request for Payment and Reimbursement

DOEE will not reimburse subgrantees for any work that is undertaken prior to the execution of the award by DOEE. DOEE's standard practice for grant award payments is to reimburse subgrantees for expenditures related to work performed. According to DOEE's Advance Payment Policy and Procedures for Grants, in limited cases DOEE may pay start-up costs at the beginning of a large project (i.e., a multifamily dwelling). Subgrantees seeking start-up payments should explain the request in their proposal.

DOEE operates on a fiscal year which begins on October 1st of a calendar year and ends on September 30th of the next calendar year. The subgrantee may submit a reimbursement request, or invoice, at any time during the applicable fiscal year.

Subgrantees must adhere to the following:

1. Invoices must be sent to the EEC Program Manager and DOEE Accounts Payable with the following required supporting documentation:
 - a. Subcontractor's Invoice (Broken down by Labor and Material)
 - b. Health and Safety Installation Acknowledgment Form
 - c. Subcontractor Assurance and Guarantee of Work Form
 - d. Blower Door Intermediate Reading Form
 - e. DCRA Permit and Inspection (if applicable)
 - f. Subcontractor Combustion Tapes Form (if applicable)
 - g. Subcontractor Spillage Test Form (if applicable)
 - h. Lead Safe Renovation Recordkeeping Form
 - i. Decommissioning Form (if applicable)
 - j. Customer Survey Form
 - k. Notice of Safety (if applicable)
 - l. Deferral Form (if applicable)
 - m. Most Recent NEAT or TREAT Work Order
2. Monthly Progress Reports must be:
 - a. Submitted to the EEC Program Manager;
 - b. Postmarked or transmitted electronically by the fifth (5th) day of each month, or the first working day thereafter if the fifth (5th) day falls on a weekend or holiday, after the reported month in which the subgrantee performed any energy efficiency or conservation services; and
 - c. Be complete and accurate and adhere to DOEE's approved format which includes details of the actual services performed and any problems identified with the energy services, budget or schedule, or remedial action plan.
3. Subgrantees must submit, within ten (10) days after DOEE's fiscal year-end (September 30th), a financial report that provides an accounting of expenditures to close-out the program year. This report must include:
 - a. A summary of the cumulative obligations and disbursement of funds to each subcontractor and vendor; and
 - b. A signed financial statement from each subcontractor or vendor identifying funds received and expended for each category of service for the term of the subgrantee Award. Reports must include an accounting of all relevant funds, property, and

other assets. Reports must be originals and contain signatures of all appropriate persons. Information reported must be consistent and relevant throughout all reports submitted.

4.6.2 Reimbursement Process

Upon receipt of a subgrantee's reimbursement request, DOEE will complete the following steps:

1. The EEC Program Manager will verify that all required supporting documents are included in the reimbursement report and verify that these documents accurately match the original, previously approved energy audit report.
2. Per Weatherization Plan Notice 14-4 (WPN 14-4), US DOE and DOEE require that as of April 1, 2015, all units that have been reported as completed have been inspected to ensure compliance with the specifications outlined in the Standard Work Specifications (SWS), and that by the beginning of Grantee's Program Year 2015 all quality control inspections, including final inspections and monitoring inspections, must be conducted and signed off by a certified Quality Control Inspector (QCI). Units are not considered to be complete until the EEC QCI uploads a QCI form that indicates the unit has **passed** inspection into Quickbase.
3. Approved reimbursements will be issued to the address or account on file for the subgrantee within thirty (30) days of receipt in accordance with the Quick Payment Act, D.C. Official Code §2-221.01 *et seq.* DOEE may make electronic payments in lieu of mailing checks.
4. The subgrantee will pay amounts due to its subcontractors in accordance with the Quick Payment Act, D.C. Official Code §2-221.01 *et seq.*
5. The subgrantee shall include in each contract with its subcontractors a provision that incorporates the payment and interest clauses in paragraphs (1) and (2) of DC Official Code §2-221.02(d). The subgrantee shall require its subcontractors to include in their contracts with any lower tier subcontractors or suppliers the payment and interest clauses in paragraphs (1) and (2) of DC Official Code §2-221.02(d).

4.6.3 Withholding Payment

DOEE may delay a payment due to, but not limited to, the following reasons:

- Inaccurate reports;
- Untimely reports;
- Unsigned reports;
- Information submitted on an improper reporting form; or

- Unavailability of federal funds or a delay in receiving quarterly allocations.

4.6.4 Cash Balance Review

DOEE reserves the right to periodically review a subcontractor's actual cash balance of funds received, to evaluate such cash balances in accordance with 10 C.F.R. § 600.122, and to take such remedial action as reasonably necessary, which may include reducing payments due under this Manual.

4.6.5 Disallowed Program Expenditures

Program funds cannot be expended in any manner that is inconsistent with these policies and procedures and such funds will be considered disallowed program expenditures.

4.6.6 Non-Reimbursement

DOEE will not reimburse for the following items including, but not limited to:

- Third party claims against the subgrantee or any of its subcontractors or vendors for any claims for labor, materials, or equipment;
- Costs incurred due to a misrepresentation of material facts including, without limitation, work not performed or materials not supplied or incorporated in the work. Such misrepresentation will also constitute an event of breach as provided for in the subgrantee GAN and will be reported to the appropriate DOEE personnel and grantor; or
- Expenditures that may be otherwise allowable and expended on an eligible dwelling unit, if the work was performed in a less than a workmanlike manner, the work is defective and not remedied, the materials installed do not conform to the materials specifications set forth in 10 C.F.R. § 440, Appendix A, or the work is otherwise defective or substandard and was not replaced or repaired within a reasonable period of time after receiving written notice from DOEE.

5 RENTAL PROPERTY WEATHERIZATION

5.1 Rental Unit Requirements

Applicants that have rental dwelling units occupied by eligible program participants or units that are expected to be occupied by eligible program participants within 180 days of completion of the weatherization work (agreement must be in place prior to audit) may apply for the District's weatherization program.

Energy audits and weatherization assessments will be performed based on the following:

- Rental buildings will be treated the same as owner-occupied buildings in determining appropriate measures to be performed; and
- Multifamily buildings with 5 or more units per building and 3 stories or less are eligible to receive weatherization services in the District and require a TREAT energy audit.

Once completed, DOEE will forward the approved Energy Audit to the subgrantee and all parties (including the owner of dwelling and EEC personnel) will meet to determine the scope of work to be performed. In the case of multifamily buildings, the subgrantee will weatherize the entire multifamily building once the building has been deemed eligible and approved by DOEE.

5.2 Multifamily Building Eligibility Requirements

Eligibility requirements are as follows:

- 66% or more (50% or more for duplexes and four-unit buildings) of the dwelling units in the building are occupied by eligible applicants;
- 66% or more of the dwelling units will be occupied by eligible households within 180 days under a federal, state or local government program for rehabilitating the building or making similar improvements to the building; or
- The multifamily building is specifically identified for weatherization by US DOE.

If the entire building is not eligible for weatherization because there are not enough units occupied by eligible families, the building will be denied weatherization services unless otherwise directed by US DOE or DOEE.

5.2.1 Owner-Occupied Multifamily Buildings – Condominiums

Eligibility requirements for owner-occupied multifamily buildings are the same as those for multifamily buildings as stated in Section 5.2 above, including the requirement that if the entire building is not eligible for weatherization services because there are not enough units occupied by eligible families, service to the entire building will be denied.

5.2.2 Rental Units Containing Commercial Property

If a building contains one or more dwelling units and is also used for commercial purposes, only the part of the building occupied by an eligible household may be weatherized. Commercial properties are not eligible for weatherization. Multifamily eligibility as described in 10 C.F.R. § 440 applies to rental units containing commercial property. The commercial property cannot be counted as a unit when determining the number of units in the building.

Where a measure must be installed on both the eligible dwelling units and the commercial areas in order to be effective (i.e., insulating sidewalls with balloon framing), the subgrantee will charge the portion associated with the eligible unit to the program and charge the portion associated with the commercial area to the property owner. The amount charged to the property

owner may not be counted toward the owner contribution if an owner contribution is required. If the property owner declines the measure or declines to pay the portion associated with the commercial area, the dwelling unit must be denied.

5.3 Policies and Procedures

5.3.1 Rental Work Agreement

Prior to any work taking place on a rental property where the owner is not the applicant, the owner, or authorized representative, must provide written permission for the work. The owner must agree with the program terms, including any required shared costs or contributions. The EEC Program Manager will provide the subgrantee with an energy audit report which identifies the scope of work that must be agreed upon by the owner.

DOEE may conduct the following steps prior to the subgrantee's providing any weatherization or energy services:

1. Obtain evidence that the owner understands they may not raise rent(s) for a period of at least two (2) years based on the increased value of the dwelling unit(s) when such increase in value is due solely to the weatherization work. This evidence is obtained through the application process between the owner of the building and DOEE;
2. Ensure that the tenants are notified, through the application process, that rent cannot be increased due to the installation of weatherization materials; and
3. Execute the property owner agreement.

Prior to performing weatherization work on rental units, subgrantees must:

1. Notify the property manager when entering or exiting the property in order to ensure the security and accountability of all subcontractors and vendors;
2. Inform the tenants of the Weatherization Program of the health and safety requirements (i.e., lead and mold information, and health and safety issues) as required; and
3. Notify tenants in writing of the formal complaint process.

5.3.2 Owner Contribution

In rental dwelling units where owners are responsible for paying heating costs, or multifamily units that are master-metered, owners may be required to make a contribution to account for the difference in cost between the cost allowed by DOEE and the total cost of the weatherization work. If heating/cooling system replacements are involved, the landlord may have to contribute to the overall cost. This contribution is determined by the SIR factor and the amount of available funding.

The owner contribution requirement may be met by:

- Monetary contribution paid directly to subgrantee; or
- Rebate through additional energy measures installed by the Owner. The rebate period cannot exceed two (2) years.

5.4 Multifamily Housing Weatherization Plan and Permission

Subgrantees must submit a multifamily housing weatherization project plan/schedule and gain access from the owner or property manager before weatherizing any multifamily dwelling units and must thereafter comply with the approved plan.

5.4.1 Multifamily Preliminary Investigation and Permission Process

Subgrantees must submit the following documentation to DOEE for approval:

1. Tenant Related Documents:
 - a. A cover letter that details how tenants will be notified of the Weatherization Program and the Health and Safety requirements (i.e., lead and mold information, and health and safety issues) as required; and
 - b. A copy of written notification of the formal complaint process given to tenants (see section 2.10 for this process).
2. Property Documents:
 - a. A preliminary assessment of the scope of work including any changes in quantity or additional incidentals that were not identified in the energy audit report;
 - b. A detailed scope of work that highlights the proposed weatherization measures and any energy problem areas;
 - c. An explanation of matching funds if owner is using other programs for other repair and/or renovations (i.e., Low-Income Housing Tax Credits, etc.);
 - d. A letter of commitment from the owner confirming his or her contribution;
 - e. Specification sheet(s) for materials being used and installed; and
 - f. A project schedule and weekly updates on production and schedule adjustments.

DOEE may reject the submission if any of the aforementioned documents are found to be inaccurate, incomplete, or incorrect. Upon approval, the subgrantee will be able to move forward with developing project budget and scope.

5.4.2 Final Application

Upon completion of a review, DOEE will issue either an approval or disapproval letter for the project to begin. Work cannot start on a multifamily project unless the subgrantee has received a final approval letter from DOEE.

6 SPECIAL CONSIDERATIONS

6.1 Deferral/Denial of Assistance – When Not To Weatherize

A subgrantee's decision to defer work or, in extreme cases, provide no weatherization services at all, is difficult but may be necessary in some cases. This does not mean that assistance will never be available for the dwelling unit, but that work must be postponed until the problem can be resolved. Information for making this determination may become evident during the eligibility process, during the audit, or after work has started.

In most cases, DOEE will determine if an eligible dwelling must be deferred, using the factors identified in section 4.1.2.

In the event the subgrantee has to defer services, subgrantees must:

1. Complete the deferral form and clearly identify circumstances that prevent weatherization activities from proceeding; and,
2. Provide the client and landlord (if rental property) a copy of the deferral form and explain how the problem relates to the decision not to weatherize or continue the work. The signed deferral form must be uploaded into Quickbase along with corresponding pictures within two calendar days after the client is notified.

A copy of the signed deferral form and any other notes or communications related to the circumstances of the case must be kept in the client's file. Any documentation regarding a determination by DOEE or a subgrantee to defer or deny services must be kept in the client file.

6.2 Standards

The required standards for weatherization materials can be found in 10 C.F.R. § 440.21. In unusual situations not covered in 10 C.F.R. § 440.21, or where other problems of a unique nature exist, DOEE should be consulted.

If discrepancies are found between the information supplied by the client on the weatherization application and the observed conditions at the dwelling unit, the subgrantee must resolve these issues prior to beginning the weatherization process. Some examples of discrepancies include: an obvious change in the client's status (e.g., the applicant is deceased), an unemployed client who is now working, a difference in the number of persons living in the dwelling unit (e.g., fewer persons than listed, a person or persons not accounted for who may have income), evidence of business being conducted in the unit, etc.

If at any time prior to the beginning of the weatherization work, the subgrantee believes or suspects that the client is no longer eligible, the unit cannot be weatherized. When a subgrantee has first-hand knowledge, or reason to believe that circumstances may have changed, the subgrantee must request an updated application or status from DOEE.

In the event that a client is denied assistance under the EEC Programs, the subgrantee must follow the 'Complaints & Dispute Resolution' detailed in section 2.10 of this Manual.

6.3 Lead-Safe Weatherization

US DOE requires in WPN 09-6 (January, 2009), WPN 08-6 (September, 2008), and in earlier guidance, that all WAP-funded work be conducted in a lead-safe manner. The US Environmental Protection Agency's (EPA) 2008 Lead-Based Paint Renovation, Repair and Painting Program Rule (as amended in 2010 and 2011) became effective April 22, 2010. To ensure compliance with this rule, all subgrantees are required to take mandatory training in lead-safe work practices. Lead-safe weatherization training is provided by the Energy Training Centers located around the country and online.

The EPA rule requires that all subgrantee's subcontractors be certified by the EPA as a Certified Renovation firm. Subgrantees must have a Certified Renovator on their crew(s) or employed by their subcontractors to meet the EPA rule requirements on any pre-1978 home unless such home is found to be exempt by DOEE. The rule also has provisions on worker protections, client notification, client health and safety, and documentation of lead-safe work. The requirements listed below apply to all subgrantees.

6.3.1 Lead Paint Hazard Control Procedures

US DOE requires that all work performed on homes built before 1978 be completed using Lead Safe Work practices (LSW) unless the building is exempt, pursuant to US DOE notice WPN 09-6.

Additionally, DOEE requires that:

- Subgrantees and their subcontractors must be covered by Pollution Occurrence Insurance (POI). If subgrantees or subcontractors are not covered under POI, they must defer all work that may bring them in contact with lead paint or dust until they have secured the proper insurance. Certificates of Insurance must be submitted to DOEE for approval prior to commencing any work that may bring subgrantees or subcontractors in contact with lead paint or dust. The certificates must identify DOEE and any additional insured parties as certificate holders. The certificates must contain a provision that coverage afforded under the policies will not be cancelled or that DOEE's interest will not be otherwise affected unless at least thirty (30) day prior notice has been given to DOEE.
- Subgrantees must follow the specified EPA requirements with regard to worker protection. Subgrantees must adopt basic safety precautions to protect the workers and the occupants of the homes they weatherize from lead exposure. DOEE requires

subgrantees to follow the specified EPA and OSHA standards for worker safety as well as all state and local requirements.

- In order to ensure client health and safety, subgrantees must ensure that residents and pets do not have access to the work area while work is underway. Subgrantees and subcontractors must make every effort to contain the work area and eliminate the tracking of any dust or materials through the house (or exposing residents or pets to any contaminants).
- Subgrantees must defer the work until the client can secure an offsite location if containment cannot be achieved or if there is a risk of traffic through the work area (e.g., work will take several days involving kitchens, bathrooms, or bedrooms).
- It is the responsibility of the dwelling unit owner to address existing lead hazards in a dwelling unit that is unrelated to the weatherization work.

6.3.2 Client Notification

DOEE requires subgrantees to follow EPA's requirements related to notification for lead safe practices. Owners and occupants of a dwelling unit built before 1978 must receive the EPA's new publication "The Lead-Safe Certified Guide to Renovate Right: Important Lead Hazard Information for Families, Child Care Providers and Schools". The "Renovate Right" publication can be found at the following link: <http://www.epa.gov/lead/pubs/renovaterightbrochure.pdf>.

6.3.3 Deferring Work Due to Lead Hazards

Weatherization work should not be deferred solely because there is lead based paint in the home. Subgrantees must follow lead-safe work practices in all units that are not specifically exempt to ensure that existing hazards in a unit do not pose a threat to the residents or the workers.

In determining whether or not to defer weatherization work, subgrantees should consider the following:

- Whether the subcontractor must first apply to DOEE for a lead abatement or renovation permit. See 20 DCMR Sections 3310 and 3316.
- Whether the subcontractor is certified in lead remediation and adequately prepared to work with lead-based paint (i.e., have workers received training in lead safe work practices; does the subcontractor have the necessary personal protective equipment such as protective suits, and respirators; and does the subcontractor have the necessary equipment and materials to follow lead safe work practices such as a HEPA vacuum and plastic);
- The condition of the painted surfaces on the inside and the outside of the house (i.e., whether the surfaces are deteriorated to the extent that a workman's presence, either walking around the house, drilling holes in sidewalls, installing weather-stripping, etc.,

could be enough to stir up lead-based paint dust residues and thus pose a threat to the client(s) or worker(s));

- The extent to which the specific energy-efficiency measures as determined by the Energy Audit will disturb painted surfaces (i.e., will the disturbance generate dust in excess of the OSHA standards); and
- The cost of doing lead-safe weatherization in proportion to the total per unit cost.

Based on these factors, subgrantees should document their determination regarding whether to:

- Proceed with lead-safe weatherization work;
- Proceed with some weatherization measures and defer others;
- Defer all of the weatherization measures until a DOEE lead abatement or renovation permit is obtained;
- Defer all of the weatherization measures until the work can be performed by trained personnel who follow lead safe work practices; or
- Defer all weatherization work until another subgrantee has properly resolved all lead safety issues so that weatherization can be safely performed.

6.3.4 Lead-Safe Work Practices

Subgrantees must use the following lead-safe work practices whenever known or presumed lead-based paint is disturbed:

1. In general, when any lead-based paint is disturbed, subgrantees and subcontractors must:
 - a. Adhere to general work-area containment practices to prevent dust and debris from leaving the work area;
 - b. Tell the occupants to stay out of the work area;
 - c. Ensure that workers can wash their hands and face when leaving the work area;
 - d. Ensure that workers do not smoke, eat, drink, chew tobacco or gum, or apply cosmetics in the work area;
 - e. Ensure that workers wear a respirator;
 - f. Obtain a Ground-Fault Circuit Interrupter (GFCI) if electrical equipment will be used;

- g. The following methods of removing lead-based paint or presumed lead-based are prohibited. See 20 DCMR Section 3304.1.:
- Open-flame burning or torching;
 - Machine sanding or grinding without high-efficiency particulate air (HEPA) local exhaust control;
 - Abrasive blasting without HEPA local exhaust control;
 - Heat guns at temperatures above 1100°F;
 - Dry sanding or dry scraping, except:
 1. Dry scraping within one foot (1 ft.) of electrical outlets.
 2. Dry scraping in conjunction with heat guns operating below eleven hundred degrees Fahrenheit (1100°F).
 3. Dry scraping when treating defective paint spots totaling no more than two square feet (2 sq. ft) in any one interior room or space.
 - Paint stripping in a poorly ventilated space using a volatile stripper that is a hazardous chemical under OSHA as applicable to the work.
- h. Lightly spray the paint with water before disturbing it, try to keep it wet, and use wet sanding/scraping methods whenever disturbing the paint;
- i. If equipment is going to be reused, wash it thoroughly before leaving residence;
- j. Dispose of all lead-based paint, debris, coveralls, and plastic covering with the regular trash; and
- k. Dispose of all water contaminated with lead-based paint in a sanitary sewer system.
2. In the event of minor paint disturbances where less than two (2) square feet per room or 10% of an interior component of lead-based paint is disturbed inside, or less than 20 square feet of lead-based paint is disturbed outside, subgrantees and subcontractors must:
- a. Follow all general requirements described in item (1) above;
 - b. Tape a plastic bag or sheeting on the horizontal surface below the paint to collect paint chips and any dust that may be formed; and
 - c. After work is done, wipe the surface with a baby wipe or towel.

6.4 Mold and Mildew

Over the past few years health professionals and building scientists have become increasingly concerned with the presence of mold and mold-producing conditions in and around the home and the health effects of mold on building occupants. The District's EEC Programs are concerned with indoor air quality issues and pay close attention to the role of moisture and ventilation as variables that affect the quality of living environments. Although weatherization funds cannot be spent to mitigate mold, subgrantees must be aware of the conditions in and around the dwelling unit that can cause or worsen mold and mold-like conditions.

Although mold can appear in any part of the house, it is most often associated with bathrooms, basements, and crawlspaces. Mold producing conditions can result from a water leak, water damage, flooding, or if the basement or any other area in the home is damp or wet. Water collecting around the perimeter of the dwelling from improper drainage, underground water supply, lack of proper gutters, roof leaks, excessive condensation, and numerous other conditions can also contribute to the growth of mold. Mold will not grow without moisture.

The presence of mold is best handled through a "whole house approach." However, it is best to approach the presence of the mold as a condition that requires additional work to determine the cause or causes of the mold and the likely ramifications, if any, as a result of performing traditional "whole house" weatherization protocols.

Subgrantees are encouraged to proceed with caution when considering dwelling units for weatherization where the presence of mold has been discovered. In the vast majority of cases, the cleaning and removal of the presence of the mold coupled with activities designed to alleviate the original causes of the mold, i.e., improved ventilation, addition of a bathroom or kitchen fan, a change in client behavior, etc. may be all that is necessary to effectively address the situation.

Subgrantees should refer the client to the EPA publication, "A Brief Guide to Mold, Moisture and Your Home" <http://www.epa.gov/mold/moldguide.html> for more information on how to proceed with mold cleanup, which answers many mold-related questions and describes how clients can remedy the situation.

Subgrantees and subcontractors are encouraged to do the following:

1. When interviewing the client during the initial walk-through and energy audit of the dwelling unit, the Energy Auditor and/or inspector should assess the building and environmental conditions surrounding the property. The inspector or Energy Auditor should speak with the client to determine whether the presence of mold exists, and whether there are present conditions that could produce mold or exacerbate existing mold conditions.

If mold is found during the inspection process, subgrantees must:

- a) Document the mold with photos to be maintained in the client file;
- b) Assess what may be causing the mold;

- c) If the exposed surface area of the mold is less than two (2) square feet, subgrantee may consider proceeding with weatherization if addressing the measure will stop the moisture problem; and
 - d) If the work would probably not stop the water intrusion, or the scope of work required is beyond allowable measures, a Deferral of Services process should be pursued.
- 2. Subgrantees must incorporate a thorough mold inspection protocol as part of their routine pre-weatherization assessment of the dwelling. The presence of mold should be documented in writing on the assessment form, and pictures placed in the client's file. Using recognized best practices, all visible signs of mold should be cleaned by the client, the client's representative, or someone who is accredited by recognized organizations to assess and remediate mold issues, before any work is begun. Weatherization funds cannot be used for this activity.
- 3. Under District law, if a tenant notifies the property owner that mold exists in their dwelling or common area of the property, property owners must inspect the area within seven (7) days and properly remediate the condition within thirty (30) days. If mold still exists, the tenant can seek relief in a court of law, and a referral to the Office of Tenant Advocate may be warranted. Additionally, a referral may be warranted to the District Department of Consumer and Regulatory Affairs (DCRA), which issues citations for unclean surfaces and the underlying causes of the unclean surface. If during the client interview, the client indicates that a household member has experienced unusual itchy eyes, sneezing, coughing, rash, flu-like symptoms, itchy skin, etc. and the visible signs of mold are present, the household member should consult a doctor. If the environment presents an emergency, the client should dial 911. In such cases, weatherization should be deferred pending a determination regarding how to proceed.
- 4. Subgrantees may encounter a situation where the conditions that produced the mold are not easily corrected or are beyond the scope of what weatherization can handle, i.e., the dwelling unit is constructed over or near a stream that permeates through the dirt floor crawl space, or cellar, or the dwelling unit has been constructed in an area with a high water table and poor drainage, making the presence of ground water a consistent variable that must be taken into account. In such cases, weatherization measures should be deferred, but if a health and safety issue (no heat or water) is evident, subgrantees may proceed with those measures if feasible.
- 5. Instead of tightening the building envelope, performing air sealing, installing insulation, or completing other conventional measures, the Energy Auditor and the subgrantee's weatherization coordinator may have to consider work that will address the presence of the ground water and its ramifications for the structure as a whole. This work may include measures preventing or reducing moisture penetration into the basement and crawlspace, dehumidification, adding mechanical ventilation, removing standing water from the perimeter of the dwelling, as well as spending time with the client to explain to them the dynamics underlying the energy performance of their home, its location in

relation to the moisture source, and how this affects the structure of the dwelling unit and its energy system.

6. Subgrantees are encouraged to thoroughly document the visible conditions of the dwelling unit and the surrounding areas of the dwelling unit with pictures and relevant data.

6.5 Asbestos

In general, asbestos removal is not an approved health and safety weatherization expense; however, if at all possible, asbestos should not be disturbed. Requirements for asbestos removal include:

- All asbestos work must be completed by licensed individuals and in accordance with the District's air quality regulations relating to asbestos;
- Removal or encapsulation is allowed and may be necessary when the measure will provide a cost effective SIR, which is normally true of large, multifamily heating systems;
- Removal and replacement of asbestos siding for purposes of wall cavity insulation is permissible if allowed by District law. Subgrantees are required to contact DCRA and the Air Quality Division of DOEE to determine the correct course of action;
- When permitted by District or federal regulations, encapsulation (usually less costly than asbestos removal) may be used;
- Subgrantees encountering an asbestos situation should contact DOEE for direction before proceeding with blower door testing or any other work; and
- All major asbestos problems should be referred to DOEE and/or the US EPA.

6.6 National Historic Preservation

In accordance with Section 106 of the National Historic Preservation Act, 16 U.S.C. § 470(f) and 36 C.F.R. § 800, DOEE will adhere to the following guidelines when implementing wall insulation and window repair or replacement measures on historic properties.

The requirements for wall insulation blown from the exterior include:

- Installation of insulation must not result in noticeable holes on the exterior;
- Removal of siding to blow and replace insulation must not cause any visible damage during removal, blowing insulation, capping holes and replacing siding;

- Wood siding can be drilled to install insulation but the holes must be plugged with a wood plug, sealed in place, sanded smooth and repainted with matching paint; plugs cannot be visible;
- Cellulose insulation which uses aluminum or ammonium sulfate as the fire retardant cannot be used (cellulose treated with boric acid as the fire retardant is approved);
- Interior paint must operate or act as a vapor barrier for all interior surfaces and walls containing the newly blown insulation;
- Insulation installed under new siding is not permitted when it covers architectural features (no siding or insulation overlay replacement is allowed);
- Attaching insulation to the inside, or framing out with furring strips, is not allowed if it will cover original features such as cornices, chair rails, window trims, or if it causes the destruction of historical plaster or other wall finishes; and,
- Manufacturer's instructions for installing insulation with appropriate fireproofing must be followed; rigid foam insulation must be covered by appropriate fireproof covering (1/2" gypsum wallboard), the insulation is not to remain exposed.

Requirements for wall insulation blown from the inside include:

- The installation must not damage historical plaster or other wall finishes;
- The process must follow EPA Lead Based Paint guidelines; and,
- The surface must be refinished so that the signs of work cannot be seen once complete.

Requirements for window replacement include:

- Windows can be replaced only with the approval of the State Historic Preservation Office (SHPO).

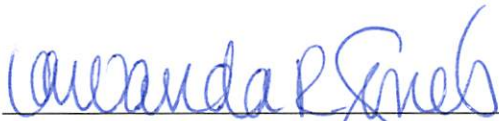
Signatories:



Michael Negussie, Program Manager
Energy Efficiency and Conservation Branch

10.12.17

Date



LaWanda Jones, Interim Branch Chief
Energy Efficiency and Conservation Branch

10.12.17

Date



Kenley Farmer, Associate Director
Affordability and Efficiency Division

10-12-17

Date



Taresa Lawrence, Deputy Director
Energy Administration

10-12-2017

Date



Tommy Wells, Director
Department of Energy and Environment

10/12/17

Date