



Department of Energy
Washington, DC 20585

WEATHERIZATION PROGRAM NOTICE 17-6
EFFECTIVE DATE: July 27, 2017

SUBJECT: Property Acquired Under the Weatherization Assistance Program (WAP) Including Vehicle and Equipment Purchases

PURPOSE: This guidance serves to provide Grantees with guidance on property acquisitions, including purchasing vehicles and equipment, for use in the WAP. This Weatherization Program Notice (WPN) supersedes WPN 13-4, Property Acquired under the Weatherization Assistance Program and WPN 13-7, Vehicle and Equipment Purchases.

SCOPE: The provisions of this guidance apply to recipients and subrecipients of financial assistance under the Department of Energy (DOE) WAP.

LEGAL AUTHORITY: Title IV, Energy Conservation and Production Act, as amended, authorizes the Department of Energy to administer the WAP. (42 U.S.C. § 6861, *et. seq.*) All grant awards made under this program shall comply with applicable law and regulations including the WAP regulations contained in [10 CFR 440](#) and DOE Financial Assistance regulations at [2 CFR 200](#).

PROCEDURES: Grantees shall comply with applicable law including regulations contained in [2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) and other guidance applicable to these regulations as DOE may, from time-to-time, prescribe for the administration of financial assistance.

Per [2 CFR 200.33](#), Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000.

This information applies to the WAP only, and is not applicable to other programs unless you receive specific direction from other programs. Please note that per [2 CFR 200.313](#), “states must use, manage and dispose of equipment acquired under a Federal award by the state in accordance with state laws and procedures.”

Local Governments, Tribal Organizations, Nonprofit Organizations and Subgrantees shall follow their appropriate property regulations found in [2 CFR 200.310-316](#) - Property Standards. Any potential discrepancies between guidance contained in this document and [2 CFR 200](#) shall be resolved in favor of [2 CFR 200](#).

Amortization: As stated in [10 CFR 440.18\(c\)\(3\)](#), for the purposes of determining the average cost per dwelling limitation, costs for the purchase of vehicles or other certain types of equipment, as defined above, may be amortized over the useful life of the vehicle or equipment. Amortizing these costs over the useful life of the vehicle or equipment provides the Grantee with a reasonable approach in determining the average cost per home, even though the full purchase price is reported in the year in which it occurs. For example, if a Subgrantee purchases a new vehicle for \$24,000 with an expected useful life for the vehicle of 8 years (96 months), the cost of that vehicle could be amortized at the rate of \$3,000 per year or at \$250 per month.

Prior approval requirements:

[10 CFR 440.18\(d\)\(6\)](#) requires that any purchase of vehicles must be referred to DOE for prior approval in every instance. In addition, per [2 CFR 200.439\(2\)](#) “Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5,000 or more have the prior written approval of the Federal awarding agency or pass-through entity.”

Steps to obtaining prior approval:

- 1) Grantees shall identify any need for vehicles and equipment (including Subgrantee needs) and provide the minimum information required below, if known at time of application. Upon approval of the award by the DOE Contracting Officer, the prior approval requirement is satisfied without the need for subsequent approvals.
- 2) Grantees that identified a need for vehicles and/or equipment in their annual application (including Subgrantee needs) but were unable to provide the minimum information required below at that time, shall ensure the minimum information required, as identified below, is provided to the DOE Project Officer and DOE Administrator identified in the Assistance Agreement in a timely manner and as agreed upon with DOE.
- 3) Grantees that determine a need for vehicles and/or equipment after the award is approved by the DOE Contracting Officer (including Subgrantee needs), shall submit an individual request to the DOE Project Officer with a copy to the DOE Administrator identified in the Assistance Agreement and provide the minimum information required, as identified below, in a timely manner and as agreed upon with DOE.

Grantees shall review all Subgrantee requests to ensure all requirements are met before making a recommendation to DOE for approval. Upon receipt of the minimum required information for step 2 or 3 above, DOE anticipates approval or review and follow-up if additional information is deemed necessary within ten business days.

Minimum information required:

The following need to be submitted to DOE:

- A copy of the purchase request identifying the Grantee/Subgrantee.
- Where the vehicle(s) and/or equipment will be used and how it will be used – specify full or part time use in the Weatherization Assistance Program.
- Identification of funding source(s) that will be used for purchase (e.g., DOE Weatherization - Program Operations funds) and a statement of whether the vehicle(s) is a replacement or ramping-up for program expansion. If this is a replacement, address the trade-in in your explanation, please indicate the amount of any non-DOE WAP cost sharing, especially if part-time usage is proposed.
 - Note that Grantee purchases of vehicles or equipment which are directly related to specific training and technical assistance activities, such as monitoring, etc. may be charged to technical and training assistance (T&TA). However, T&TA funds shall not be used to purchase vehicles or equipment for Subgrantees to perform Weatherization services. The cost of these vehicles or equipment to support the Program must be charged to the vehicle/equipment or program operations categories. Provide a brief description of how the procurement was done, and confirmation that Agency, Grantee, and Federal procurement guidelines in [2 CFR Part 200](#) – Financial Assistance Rules were met.
- Copies of the bid specification (vehicle/equipment description with required features) and a bid analysis indicating at a minimum, each bidder, their bid price, and a determination whether each proposal met the bid specification.
- Statement that the lowest responsive bid was selected, or provide a sufficient justification of the “best value selection” if lowest bid is not recommended for DOE approval.

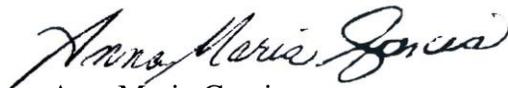
As indicated in [2 CFR 200.317-326](#) - Procurement Standards, Grantee and Subgrantee procedures must provide for a review of proposed procurements to avoid purchase of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis must be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

DOE would not need to approve a vehicle lease that does not include a "purchase option." However, if a lease-purchase option is proposed and even if the purchase price is as small as one dollar, DOE would need to approve the purchase of the vehicle. Grantees and Subgrantees may not pre-pay leases that exceed the end of the award project period.

CONCLUSION:

For regulations and guidance regarding equipment, please review [2 CFR 200.313](#) and refer to active Weatherization Program Guidance on EERE's website:
<https://energy.gov/eere/wipo/weatherization-program-guidance>

For your convenience, Attachment 1 – Frequently Asked Questions further outlines DOE's position on equipment including disposition and shared use. If you have further questions regarding property acquisition, use, or disposition, please do not hesitate to contact the DOE Project Officer or DOE Grants Management Specialist identified in the Assistance Agreement for your award.



AnnaMaria Garcia

Director

Office of Weatherization and Intergovernmental Program
Energy Efficiency and Renewable Energy

Attachment 1 – Frequently Asked Questions