WEATHERIZATION POLICIES AND PROCEDURES

Iowa Weatherization Program

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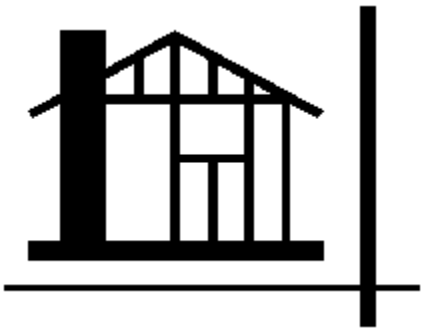

IOWA WEATHERIZATION PROGRAM
Policies and Procedures

INTRODUCTION

The Iowa Weatherization Program's *Policies and Procedures Manual* provides important information on the administration of Iowa's Weatherization Program. This manual should be used in conjunction with the weatherization contracts and the other weatherization manuals in administering the program.

Although efforts will be made to keep this manual as current as possible, there will be times when policy changes are made when it is not practical to immediately revise the manual to incorporate those changes. In such cases, a *Program Notice* will be used to provide written notification of the new policy or change in existing policy. In those instances, the *Program Notice* will have priority over the *Policies and Procedures Manual*.

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TABLE OF CONTENTS

TABLE OF CONTENTS 1
1.00 PROGRAM OVERVIEW 1
1.10 BACKGROUND 1
1.20 PURPOSE AND MISSION 1
1.30 SERVICES 1
1.40 ELIGIBILITY AND CLIENT CHARACTERISTICS 1
1.50 FUNDING 2
1.60 PROGRAM BENEFITS 2
1.61 Energy Savings 2
1.62 Non-Energy Benefits of Program 2
1.70 WEATHERIZATION WORKFLOW 2
2.00 INFORMATION AND TRAINING 1
2.10 PROGRAM INFORMATION AND DOCUMENTS 1
2.11 Documents 1
2.12 Meetings 2
2.20 WEATHERIZATION AUTOMATED MANAGEMENT SYSTEM (WAMS) 2
2.30 IOWA WEATHERIZATION PROGRAM WEBSITE 2
2.40 TRAINING 3
3.00 ELIGIBILITY AND DEFERRAL POLICY 1
3.10 IOWA WAP ELIGIBILITY RULES 1
3.11 Current Eligibility 2
3.12 Redetermination of Eligibility 2
3.13 Change of Client Residence 2
3.20 ELIGIBLE DWELLING UNITS 2
3.21 Owner-Occupied Dwellings 2
3.22 Renter-Occupied Dwellings 2
3.23 Shelters 2
3.24 Vacant Dwellings 3
3.25 Previously Weatherized Dwellings (Re-weatherization) 3
3.26 Dwellings Designated for Acquisition or Demolition 3
3.27 Dwellings Used for Commercial Purposes 3
3.30 WHEN WEATHERIZATION SERVICES SHOULD BE DEFERRED 4
4.00 CLIENT SELECTION AND RENTAL POLICIES AND PROCEDURES 1
4.10 CLIENT SELECTION AND PRIORITY 1
4.11 Determining Client Priority 1
4.12 Client Priority List 2
4.13 Selecting Clients 2
4.14 Shelters 3
4.15 Crisis Situations 3
4.20 CLIENT NOTIFICATION AND CONSENT 4
4.21 Client Informed Consent and Consent Form 4
4.30 RENTAL PROCEDURES 5
4.31 Rental Dwelling Units 5
4.32 Landlord Consent 5
4.33 Landlord Agreement 6
5.00 FIELD POLICIES AND PROCEDURES 1
5.10 SHPO COMPLIANCE 1
5.20 HEALTH AND SAFETY ASSESSMENT 2
5.30 HEALTH AND SAFETY PROBLEMS/ISSUES 2
5.31 Heating System Repair and Replacement 3
5.32 Water Heater Repair and Replacement 3
5.33 Space Heaters and Other Combustion Appliances 3
5.34 Carbon Monoxide, Smoke, and Propane Alarms 3
5.35 Moisture/Mold/Mildew Problems 4
5.36 Lead Paint 5
5.37 Slate-Sided Dwellings 5
5.38 Other Health and Safety Measures and Issues 5
5.39 Health and Safety Problems Occurring After Weatherization 7
5.40 ENERGY EFFICIENCY ASSESSMENT AND MEASURES 7
5.41 Energy Efficiency Assessment for Single-Family and Multi-Unit Dwellings 7
5.43 Energy Efficiency Assessment for Multi-Unit Dwellings 8

5.50 REPAIRS 11
5.51 Incidental Repairs 11
5.52 General Health and Safety Repairs 11
5.60 REQUIREMENTS FOR A COMPLETED HOME 11
5.61 Completed Homes 11
5.62 Incomplete Homes 12
5.70 OTHER WEATHERIZATION WORK RELATED REQUIREMENTS AND ISSUES 12
5.71 Energy Auditor/Inspector/Crew/Contractor Health and Safety 12
5.72 Materials Requirement 13
5.73 Fuel Switching 13
5.74 Disaster Relief Activities 13
5.75 Dwellings Used for Commercial Purposes 14
5.76 Other Issues 14
5.80 INSPECTIONS 15
5.81 Final Inspections by Agencies 15
5.82 Final Inspections by the State 17
6.00 DOCUMENTATION AND RECORDKEEPING REQUIREMENTS 1
6.10 REQUIRED PROGRAM DOCUMENTATION 1
6.11 House (Client) File 1
6.12 Contractor Files 1
6.13 Bidding Documentation 1
6.14 Previously Weatherized Homes File 2
6.15 Grant File 2
6.16 Other Required Information 2
6.20 MANAGEMENT OF FILE DOCUMENTATION 3
6.30 RETENTION OF PROGRAM RECORDS AND DOCUMENTATION 3
6.40 CONFIDENTIALITY OF PROGRAM RECORDS AND INFORMATION 3
7.00 REPORTING REQUIREMENTS 1
7.10 REPORTS 1
7.11 Fiscal Reports 1
8.64 Weatherization Expenditure Detail Report (102 Report) 1
102 Report for DOE Contracts 1
102H and 102U Reports for HEAP and Utility Contracts 2
8.62 Weatherization Expenditure Summary Report (101 Report) 2
101 Report for DOE Contracts 2
101H Report for HEAP Contracts 2
101U for Utility Contracts 3
8.76 General Accounting Expenditure (GAX) Form 3
8.77 Close-Out Reports 3
8.78 Corrections and Adjustments to Reports 4
7.12 Other Reports 5
7.20 MONTHLY COMPLETION FILE INFORMATION 5
7.30 SUBMISSION REQUIREMENTS 5
8.00 FINANCIAL MANAGEMENT 2
8.10 FUNDING: SOURCES, ALLOCATION, AND CONTRACTS 2
8.11 Funding Sources 2
8.12 Allocation of Funds 2
8.13 Contracts 2
8.20 OVERVIEW OF THE FISCAL PROCESS 3
8.21 Issuance of the Contract Package 3
8.22 Obtaining Contract Funds 3
8.23 Contract Close-Out 4
8.24 Monthly Claims Processing Process 4
8.30 ALLOWABLE EXPENDITURES 5
8.31 Budget Line Items: 5
8.33 Budget Line Item Flexibility 6
8.34 Average Expenditure per Home Limit 6
8.35 Health and Safety Expenditure Limit 7
8.36 Other Expenditure Limits 7
8.40 AUGMENTING FUNDS 7
8.41 Augmenting the Average Expenditure per Home 7
8.42 Augmenting Health and Safety Costs 7
8.43 The Augmenting Process 7
8.50 CHARGING COSTS 8
8.51 Costs on Incomplete Homes 8

8.52 Costs on Homes In-Process 8
8.53 Go-Back, Corrective Work Required (CWR) Costs and Correcting Data 8
8.54 Rebates 9
8.55 Weatherization Equipment Rental 9
8.57 Funds Received through the Sale of Weatherization Equipment and Vehicles 9
8.58 Funds Received through the Sale of Weatherization Materials 9
8.80 OTHER FINANCIAL ISSUES 9
8.81 Disallowed Costs 9
8.82 Insurance 9
8.83 Reimbursement of Travel Costs by the DCAA 10
9.00 PROCUREMENT AND CONTRACTING REQUIREMENTS 1
9.10 PROCEDURES FOR PROCURING VEHICLES, EQUIPMENT, MATERIALS, AND SERVICES 1
9.11 Procurement Process 1
9.20 Special Requirements for Purchasing Vehicles, Equipment, and materials 4
9.21 Special Requirements for Purchasing Vehicles 4
9.22 Special Requirements for Purchasing Equipment 5
9.23 Special Requirements for Purchasing Materials 5
9.30 SPECIAL REQUIREMENTS FOR PROCURING WEATHERIZATION AND FURNACE SERVICES 6
9.31 General Requirements 6
9.32 Contract Content Requirements 7
9.33 Recommended Contract Provisions 12
9.34 Other Contracting Issues 12
9.40 FLAT RATE CONTRACTING (FLAT RATE will be eliminated effective October 1, 2016) 13
9.41 Flat Rate Contracting Overview 13
9.42 Weatherization Flat Rate Procedures 14
9.43 Contracting Under the Flat Rate Method 16
9.50 PROCEDURES FOR DISPOSING OF MATERIALS, EQUIPMENT, AND VEHICLES 16
9.51 DCAA Prior Approval 16
9.52 DOE Approval 17
9.53 Methods of Disposal 17
9.60 PROCEDURES FOR RENTING AND LEASING EQUIPMENT AND VEHICLES 17
9.61 DCAA Prior Approval 17
9.62 DOE Approval 18
9.70 SPECIAL REQUIREMENTS REGARDING THE USE OF EQUIPMENT AND VEHICLES 18
9.71 Use of Weatherization Equipment by Contractors 18
9.72 Use of Equipment and Vehicles for Non-Weatherization Purposes – Agency 19
10.00 CLIENT COMMUNICATION AND CLIENT EDUCATION 1
10.10 COMMUNICATION 1
10.20 ENERGY EDUCATION 1
10.30 HAZARDOUS EDUCATION 1
11.00 EXPENDITURE LIMITS AND ALLOWANCES 1
12.00 STATE MONITORING 1
12.10 HOUSE INSPECTIONS 1
12.20 ADMINISTRATIVE PROGRAM MONITORING 1
12.30 FISCAL MONITORING 2

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1.00 PROGRAM OVERVIEW

1.10 BACKGROUND

The Low-Income Weatherization Assistance Program (Weatherization Program) is a federal grant program authorized by Title IV of the Energy Conservation and Production Act, Public Law 94-385, as amended. The U.S. Department of Energy (DOE) has the responsibility for administering the Weatherization Program. DOE allocates funds to the governors of the states for the administration of the Weatherization Program at the state level. The Governor of Iowa has designated the Department of Human Rights (DHR), Division of Community Action Agencies (DCAA), Bureau of Weatherization, to administer the program in accordance with DOE rules and regulations.

The program was created in 1976 in response to the oil crisis of the 1970's. It was part of an overall national effort to conserve energy so the United States would be less dependent on foreign oil. Since then, the program has emerged as the leading residential energy program in the country.

1.20 PURPOSE AND MISSION

The Weatherization Program installs energy saving measures in low-income homes, thereby making them more energy efficient. This helps correct the disproportionate energy burden faced by low-income persons. Consequently, the program helps low-income residents gain financial independence.

The program also improves the health and safety of low-income homes by identifying and mitigating such health and safety problems as carbon monoxide, combustion appliance back-drafting, and high moisture levels.

The Weatherization Program's mission is to enhance the well-being of low-income residents, particularly those persons who are most vulnerable such as the elderly, the handicapped, and children, through the installation of energy efficiency and energy-related health and safety measures, thus benefiting clients through reduced energy bills, enhanced comfort, and the mitigation of energy-related health risks.

1.30 SERVICES

The weatherization program has evolved from a program that, in its beginnings used unskilled workers to install temporary measures such as caulk, window and door weatherstripping, and plastic window coverings to a program that now uses highly skilled and trained workers who use advanced diagnostic tools and sophisticated technologies in dealing with houses. Technologies such as duct sealing and balancing and pressure diagnostics are used. In addition to addressing the building shell, the heating system and ductwork are addressed. A computerized energy audit is used on every home to help determine what cost-effective measures to install on the houses.

The Iowa Weatherization Program also has a significant health and safety component that includes the inspection of all combustion appliances in the homes and the repair or replacement of unsafe furnaces and water heaters. For rental units, landlords may be required to pay for the repair or replacement of unsafe heating systems and water heaters before the program will weatherize the units.

Major weatherization measures installed by the program include attic and wall insulation, blower door guided air sealing, heating system tune-ups and replacements, and refrigerator/freezer replacement. Other energy efficiency measures include water pipe insulation wrap, low-flow shower heads, faucet aerators, and compact fluorescent light bulbs.

1.40 ELIGIBILITY AND CLIENT CHARACTERISTICS

Weatherization services are provided to homeowners and renters with priority given to high-energy users, elderly and disabled persons, and households containing children. Before eligible rental units are weatherized, landlords of the rental properties must agree to and sign a landlord agreement.

Current client statistics can be found on the Iowa Weatherization Program's website at: https://humanrights.iowa.gov/dcaa/weatherization.

1.50 FUNDING

The Iowa Weatherization Program currently receives funding from three sources. The Department of Energy provides the core funding for the program. The program supplements DOE funds with a percentage of the Low-Income Home Energy Assistance Program (LIHEAP) funds received by the state. Utility funds comprise the third source of funds used by the program. Iowa's investor-owned utilities have provided funds to the Iowa WAP since 1992.

1.60 PROGRAM BENEFITS

1.61 Energy Savings

The bureau conducts an annual evaluation of the Iowa Weatherization Assistance Program. This is called the SLICE Evaluation Report. A copy of the most current SLICE Evaluation Report is on the Iowa Weatherization Program website.

1.62 Non-Energy Benefits of Program

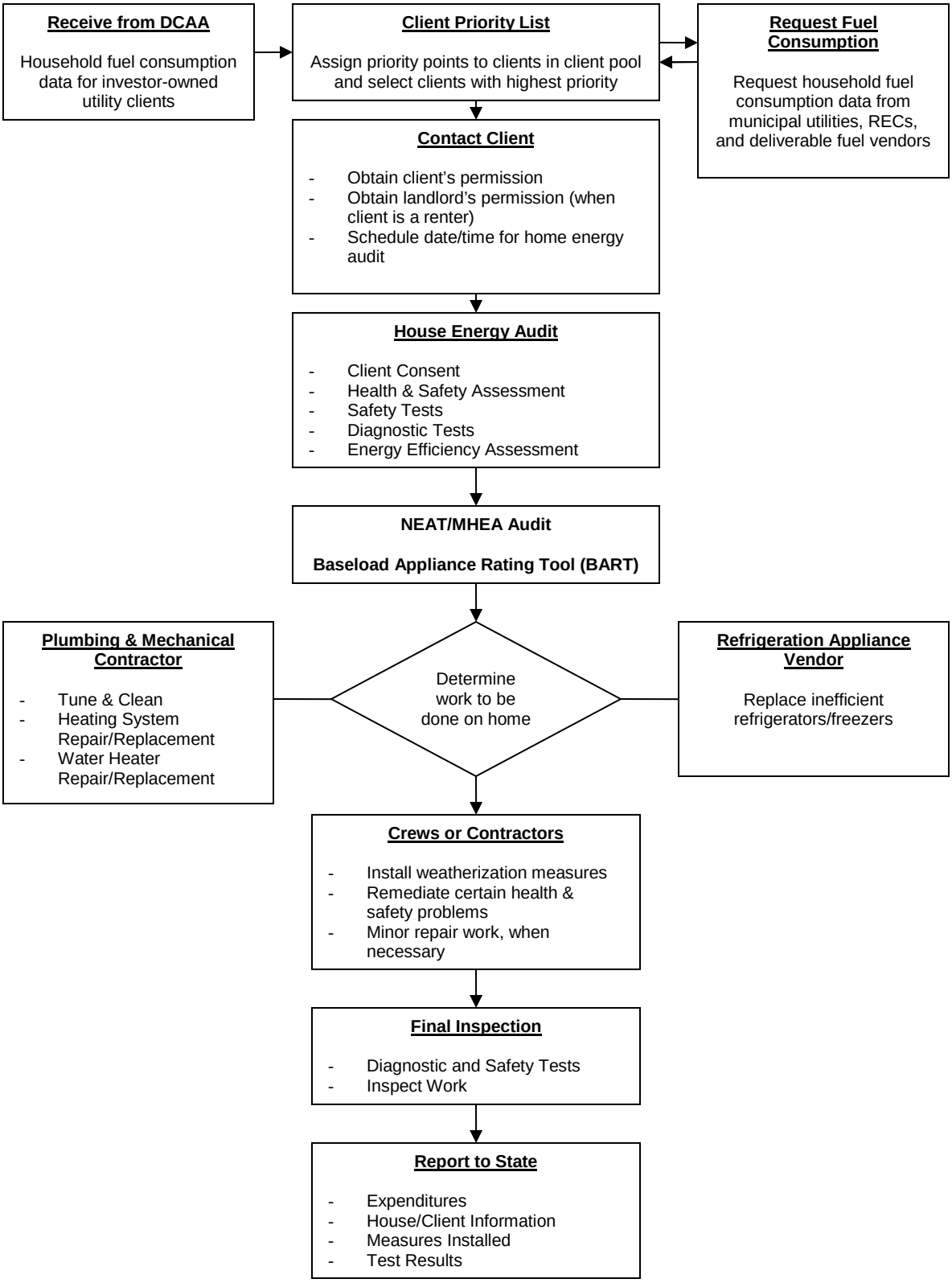
Federal funding of the program brings millions of dollars into Iowa while reducing the flow of money out of Iowa for imported energy. Other non-energy benefits of the program include:

- Improved client health and safety through the identification and mitigation of carbon monoxide problems, moisture problems, and other indoor air quality problems.
- Retention of affordable housing for low-income persons.
- Reduced utility arrearages.
- Reduced homelessness.
- Reduced environmental pollution as a result of reducing the amount of toxic air emissions. (Reduces residential and power plant emissions of carbon dioxide by 1 metric ton per year per home.)

1.70 WEATHERIZATION WORKFLOW

The flowchart on the following page summarizes the basic workflow involved with the Weatherization Program.

Weatherization Workflow



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2.00 INFORMATION AND TRAINING

Due to the administrative and technical complexity of the Weatherization Assistance Program, it is important to have, or have access to, all program related information in order to effectively administer the program. This section lists the program information the weatherization coordinator or staff should have or have access to.

2.10 PROGRAM INFORMATION AND DOCUMENTS

Following are the documents and the information describing the policies, procedures, and work standards of the Iowa Weatherization Program.

- Weatherization Contracts, including the Special Conditions and the General Conditions
- Iowa Weatherization State Plan
- DOE and other federal regulations:
  - 10 CFR Part 440, DOE regulations for the Weatherization Assistance Program for Low Income Persons
  - 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, which supersedes and streamlines requirements from OMB Circulars A-21, A-87, A-110, and A-122 (which have been placed in OMB guidance); Circulars A-89, A-102, and A-133; and the guidance in Circular A-50 on Single Audit Act follow-up. This is effective with 2016 weatherization contracts
  - 10 CFR Part 600, DOE Financial Assistance Rules
  - OMB Circulars A-110, Uniform Administrative Requirements for Grants with Non-Profits, or A-102, Uniform Administrative Requirements for State and Local Governments and OMB Circulars A-122, Cost Principles for Non-Profits, or A-87, Cost Principles for State and Local Governments – effective through 2015 weatherization contracts.
- Written correspondence from the Bureau of Weatherization
- Program Manuals
  - Iowa Weatherization Program's manuals. These include the following:
    - *Policies and Procedures Manual*
    - *Work Standards Manual*
    - *Weatherization General Appendix*
    - *Weatherization Automated Management System (WAMS) Instruction Manual*
  - *NEAT Audit User's Manual*
  - *MHEA Audit User's Manual*

2.11 Documents

Weatherization Contracts

Weatherization Program contracts are issued each program year to agencies. Each weatherization funding source (DOE, HEAP, and utilities) has a separate contract. Detailed information about the contracts is contained in Section 8.00.

Weatherization State Plan

DOE requires states to submit a Weatherization State Plan each year addressing the requirements contained in 10 CFR Part 440 and in the grant guidance issued each year by DOE. States are required to hold a public comment period and a public hearing on each year's state plan.

Federal Rules and Regulations

DOE's rules and regulations for the Weatherization Program and pertinent Office of Management and Budget (OMB) Circulars can be found on the Weatherization Assistance Program Technical Assistance Center (WAPTAC) website at: www.waptac.org/.

Program Manuals
The DCAA provides copies of program manuals to the agencies. Each manual is revised when policy, procedure, or rule changes warrant a revision.

Program Notice
Program Notices are used to provide written notification to agencies on new policies or procedures or changes to existing policies or procedures. In those instances, the Program Notice will have priority over the Policies and Procedures Manual.

Other Written Correspondence and Email Correspondence
The DCAA frequently sends written memos or emails to the agencies concerning general program issues such as, providing information, answering questions from agencies, etc.

Forms
There are certain DCAA or State of Iowa forms that must be used by the agencies. These are listed in the *Weatherization General Appendix* and are available for download on the Iowa Weatherization Program website.

2.12 Meetings

Technical, program, and fiscal information is often provided by the state staff at various meetings with agencies. Agencies should make every effort to attend these meetings.

The Iowa Weatherization Association of Coordinators (IWAC) holds meetings several times a year to discuss program issues. State program staff usually attends those meetings.

The state schedules meetings periodically to discuss program and technical issues with agencies.

2.20 WEATHERIZATION AUTOMATED MANAGEMENT SYSTEM (WAMS)

The Iowa Weatherization Program uses a computer system called the Weatherization Automated Management System (WAMS). WAMS does the following:

- Imports client/household data from the LIHEAP computer system
- Produces requests for fuel usage data from fuel vendors
- Produces client priority lists
- Produces client letters
- Produces landlord agreements and letters
- Produces client, landlord, and vendor mailing labels
- Produces work orders
- Produces bid documents
- Produces a report listing the work done on the house, diagnostic information, and other relevant information
- Produces all required fiscal reports

Refer to the *Weatherization Automated Management System (WAMS) Instruction Manual* for detailed information on the system.

2.30 IOWA WEATHERIZATION PROGRAM WEBSITE

The Iowa Weatherization Program website, at https://humanrights.iowa.gov/dcaa/weatherization, contains a large quantity of information about the program. The website has a Members Only section containing copies of the program's manuals and forms. The website also has links to several program-related and energy-related websites.

2.40 TRAINING

The bureau provides technical training to local agencies. Certain training is required for energy auditors/inspectors and crew workers/contractors. Some of the training is also available to weatherization contractors. Refer to the Iowa Weatherization Program's website at: https://humanrights.iowa.gov/dcaa/weatherization, for a list of the required training sessions and the current training schedule.

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3.00 ELIGIBILITY AND DEFERRAL POLICY

This section includes information on income eligibility guidelines, eligibility for owner-occupied and renter-occupied dwellings, multi-unit dwellings, shelters, and vacant dwellings, re-weatherization policies, and deferral policies.

3.10 IOWA WAP ELIGIBILITY RULES

A household is eligible for assistance under the Iowa Weatherization Assistance Program if:

- The household is receiving Supplemental Security Income (SSI) or Family Investment Program (FIP) Assistance, regardless of income or,
- The household's annual income is at, or below, 200% of the poverty level, as established by the Office of Management and Budget. (Note: LIHEAP eligibility is 175% or below of the federal poverty level.)
- The household is eligible for the Low-Income Home Energy Assistance Program (LIHEAP).

Clients who are determined to be eligible for LIHEAP are automatically eligible for Weatherization. However, clients who receive SSI or FIP assistance are automatically eligible for Weatherization even if their income exceeds 200% of the poverty level. Therefore, clients could be eligible for Weatherization and not be eligible for LIHEAP. All weatherization clients must meet the same residency requirements as LIHEAP in order to be eligible for the program.

Agencies use LIHEAP's process for determining income and LIHEAP's intake process for Weatherization eligibility. Information regarding the determination of income, including the definition of income, exempt income, income documentation, and waiver of income is described in the *Iowa Low-Income Home Energy Assistance Program Procedures Manual.*

Documentation of client eligibility must be kept by the agency. If the documentation is filed with the LIHEAP client files, only a copy of the approved application needs to be in the house files for weatherization. If the client did not apply through the LIHEAP program, a copy of the approved application and all supporting documentation, including income, must be in the house file.

To ensure the applicant is a US citizen proof of Social Security Number (SSN) are required for all household members.

If the applicant is a temporary foreign national not authorized for employment, verification of a Social Security number may be waived. However, they must present their I-94 card so the Iowa LIHEAP program can record the USCIS number in lieu of the SSN. The USCIS numbers is also known as the alien number (a 9 digit number). The USCIS number might have eight digits, in which case you put a 0 at the front. This applies to all household members in this category, regardless of age.

Copies of such verification must be included in every file. If the applicant household has provided acceptable documentation in the previous year, this requirement is waived. However, if the household has gained a member since their last application, documentation is required. In order to be fair to households with newborns, we will waive the requirement for a Social Security Number for that child, as long as the child is 120 days old, or younger, at the time of application. A copy of the birth certificate should be included in the LIHEAP application file.

These are the requirements of the LIHEAP Program in Iowa. They comply with the HHS requirements found at this website: http://aspe.hhs.gov/hsp/immigration/restrictions-sum.shtml#sec1 .

Shelters are also eligible to receive weatherization assistance.

3.11 Current Eligibility

In order to be eligible to receive weatherization services a client must have been determined eligible within 12 months of the date the client's dwelling will be audited. In other words, the client must have an application that is not more than 12 months old from the date eligibility was determined. This applies whether the client's eligibility was determined through the LIHEAP process or through Weatherization.

This is important to keep in mind because of the timing problem resulting from the different Weatherization and LIHEAP program years. The LIHEAP application process occurs during the period, October through April. The list of clients who are eligible for LIHEAP/Weatherization is provided to Weatherization at the end of that period. It is possible a client could be determined eligible for LIHEAP/Weatherization in November (in 2001) and come up on the schedule for weatherization in December of the following year (2002). If that person has not applied again for LIHEAP/Weatherization by November 2002, the person would no longer be eligible for Weatherization because his/her application would be more than 12 months old (November 2001 – December 2002). In this case, a redetermination of eligibility must be done.

3.12 Redetermination of Eligibility

If weatherization work has not begun on the dwelling within 12 months from the date determination of client eligibility was made; the client must complete a new application. If the client is determined ineligible after redetermination, the application is denied. For purposes of this provision, the beginning of the weatherization work is when the energy audit of the dwelling is done.

3.13 Change of Client Residence

If, when contacted by the agency's weatherization program to schedule a home energy audit, a client is residing in a dwelling other than the one the client was residing in when the client application was taken, the agency is to make a change of address in WAMS and obtain new fuel data for that residence to establish a new client priority. This is required because the change in residence may be as a result of a change of status that could affect eligibility.

3.20 ELIGIBLE DWELLING UNITS

3.21 Owner-Occupied Dwellings

Owner-occupied dwelling units, occupied by households meeting the eligibility criteria described above, are eligible for weatherization assistance. A client who is purchasing a home under contract is considered an owner if the agency is able to verify the transaction. The contract must be recorded at the county court house before the client can be accepted as a homeowner.

A copy of the contract, or information documenting the transaction, must be filed in the client file.

Agencies must use care when dealing with situations involving clients purchasing a house under contract. Due to the program's landlord requirement, there have been problems with landlords setting up an appearance of a contract purchase in order to "escape" having to pay for the repair/replacement of a heating system or other health and safety problem.

3.22 Renter-Occupied Dwellings

Renter-occupied dwellings are eligible for weatherization. Refer to Section 4.30 for information on rental dwellings and renter policies and procedures.

3.23 Shelters

Shelters may be eligible for weatherization assistance. For purposes of this provision, a shelter is defined as a dwelling unit or units whose principal purpose is to house, on a temporary basis, individuals who may, or may not, be related to one another and who are not living in a nursing home, prison, or similar institutional care facility. Shelters eligible for weatherization assistance are domestic abuse shelters and homeless shelters. Facilities that provide services to a shelter are not eligible. Agencies must obtain prior approval from the DCAA before weatherizing shelters.

The policies regarding shelters are similar to the policies for owner-occupied dwellings. This includes program expenditure limits. Refrigeration appliances in shelters can be metered and replaced when appropriate. If a shelter cannot be insulated or doesn't need insulation, or has an unsafe heating system that would be expensive to replace, or if the dwelling is unusual due to its size, structure or configuration, the shelter should not be weatherized without discussions with state staff.

Shelters will not have an AFN number since that number is assigned by LIHEAP. WAMS requires an AFN number. Therefore, agencies should assign an AFN number to shelters. If it is a large shelter that can be considered more than one unit, assign separate AFN numbers to each unit.

For the purpose of determining how many dwelling units exist in a shelter, each 800 square feet of the shelter may be considered a separate unit or each floor of the shelter may be counted as a separate unit.

3.24 Vacant Dwellings

Single-family vacant dwellings may be weatherized if there are assurances an eligible household will inhabit the dwelling within 180 days of the date the weatherization service is completed. Assurances may consist only of a landlord's promise to rent the dwelling/unit to a low-income household.

Multi-unit vacant dwellings may be weatherized in conjunction with a federal, state, or local government program for rehabilitation or building improvement.

3.25 Previously Weatherized Dwellings (Re-weatherization)

DOE regulations prohibit states from using DOE funds for re-weatherizing dwellings that were previously weatherized by the program; except in the following situation:

- Agencies are allowed to re-weatherize dwellings previously weatherized during the period September 30, 1975 through September 30, 1994.

Only HEAP funds may be used to re-weatherize dwellings in the following situation:

- Agencies are allowed to re-weatherize previously weatherized dwellings that have been damaged by fire, flood, or act of God and repair of the damage to weatherization materials is not paid for by insurance or any other source. A house damaged by fire, flood, or other disaster can be re-weatherized only once irrespective of the date it was originally weatherized. When the house is re-weatherized because of flooding, furnaces, water heater, etc. should be relocated so additional floods do not create the need for additional services. To be eligible for re-weatherization, homes damaged by storms and/or flooding must be in an area declared a disaster by either the Governor of the State or the President. Refer to Section 5.74 for information about allowed disaster-relief activities that are "non-traditional" weatherization activities.

Note: It is the dwelling, not the client, which is subject to this requirement. A client could receive weatherization services multiple times if the client relocates in dwellings eligible to receive weatherization services.

3.26 Dwellings Designated for Acquisition or Demolition

Program funds cannot be used to weatherize a dwelling designated for acquisition by a federal, state, or local program or is scheduled for demolition within 12 months from the date weatherization of the dwelling would be scheduled to be completed.

3.27 Dwellings Used for Commercial Purposes

There are instances when clients live in dwellings that are also used for commercial purposes. Refer to Section 5.75 for more information on this.

3.30 WHEN WEATHERIZATION SERVICES SHOULD BE DEFERRED

Although a client may be eligible for the Weatherization Program, there are situations or conditions where weatherization services should be deferred (i.e. delayed or postponed). Hopefully, the decision to defer weatherization can be made before work, or any significant work begins on a dwelling. However, there are times when work will have begun on a dwelling before one of the situations or conditions is identified. In those cases, the agency should defer doing any additional work.

Deferring work on a dwelling does not mean the dwelling will never be weatherized. If the situation or condition causing the deferral changes, it may be possible to begin or complete the work. For example, a dwelling shouldn't be weatherized if it has a roof that leaks or will likely leak. However, the dwelling can be weatherized later if the roof is replaced or repaired. Another example is a dwelling undergoing remodeling. The dwelling should not be weatherized while it is being remodeled. However, after the remodeling is completed, the dwelling may be weatherized.

The energy auditor should do a quick visual assessment of the dwelling to see if there are any factors or conditions identified which would require deferring work on the dwelling. The visual assessment would include checking for "For Sale" signs, major remodeling work, major roof problems, etc. Refer to Section 1027 of the *Work Standards* for information on the program's deferral policy. Although some of the factors/conditions that are reasons to defer work on a home can be identified through a screening process during the early stages of contact with the client, many of the factors/conditions cannot be identified until the agency shows up at the client's house.

In cases of deferral, the client is to be referred to other sources of funding to help alleviate the issues causing the deferral. Referrals are not limited to, but may include USDA 501 loans and grants, HUD, utility companies and local public health agencies.

Deferral Notification

When an agency defers work on a dwelling, it must notify the client, and the landlord when appropriate, in writing of the reason using the Deferral Documentation Form. A copy of the notification, with documentation justifying the decision to defer services, must be kept in the house file. Agencies should attempt to identify all reasons why work is being deferred on a home and notify the client or landlord of all the reasons and what must be done in order for weatherization work to begin. Reasons for deferral are found in the Section 1027 of the *Work Standards*.

4.00 CLIENT SELECTION AND RENTAL POLICIES AND PROCEDURES

This section covers client priority and selection, client notification and consent, and rental policies and procedures.

4.10 CLIENT SELECTION AND PRIORITY

Each agency's weatherization program gets its list of clients who are eligible for weatherization from its list of LIHEAP clients. Each client must have a current application on file in order to be eligible to receive weatherization service. A current application is one that is no more than 12 months old from the date eligibility for LIHEAP was determined. Because the Weatherization program year does not occur during the same period as the LIHEAP program year; beginning in October of each Weatherization program year, agencies must check to ensure clients have a "current" application before they are served. This may mean having to check the list of LIHEAP eligible clients from the new LIHEAP program year to determine if a client has a recent application on file.

Each year, there are more clients who are eligible for the Weatherization Program than can be served during the year. Therefore, it's necessary to provide services to clients based on a priority system. Clients with the highest priority points (numbers) are served first. Agencies must serve clients according to the priority system that has been developed and which is described in this section and in the state plan and weatherization contracts.

Client priority is based on an estimate of annual client bill savings for heating, water heating, and air conditioning measures. Additional priority is given if any household members are elderly, disabled, or young children. The agency must use this client priority method to select the clients it serves.

4.11 Determining Client Priority

The WAMS computer program calculates client priority points. Following are the basic steps in the calculation.

1. Annual heating fuel savings, water heater fuel savings, and air conditioning savings are calculated. (Client fuel consumption data is a key parameter in this calculation.)
2. The annual fuel savings for each fuel type is added together and multiplied by the average statewide fuel costs.
3. The estimated annual bill savings is then adjusted using a 5% multiplier for those households with occupants who are elderly, and/or disabled, and/or young children. The 5% adjustments applies to each of the household characteristics, so a household containing elderly and disabled persons would have the estimated annual fuel savings adjusted by 10%.

Obtaining Client Fuel Consumption Data

The DCAA will obtain both primary and secondary consumption data for clients who are customers of investor-owned utilities from those utilities and send it to each agency. The agency must import the data into WAMS. Once the data is imported in WAMS, a client priority routine in WAMS can calculate priority numbers (points) for the clients whose consumption data is available.

Agencies must obtain both primary and secondary consumption data for clients who are customers of municipal utilities, rural electric cooperatives (RECs), and deliverable fuel vendors. To assist agencies with this, the WAMS program can produce a list of clients, by fuel vendor, that agencies can send to fuel vendors requesting the fuel consumption for the clients for the past year. It is preferable to have 12 months of both heating and electric consumption data. Fuel data may be entered into WAMS as a lump sum for the entire year for all fuel types, except electricity. Electricity must be entered for each month. If less than 12 months of a client's consumption data is available, the client priority routine in WAMS will be able to convert the data to an annual amount as long as the data collected accounts for a minimum of 30 days between December 15 and March 15.

If consumption data for a client cannot be obtained or is not available for a sufficient number of months, a square foot calculation can be used to determine priority numbers for those clients. The square foot calculation is also contained in the client priority routine in WAMS. For those clients where there is no consumption data or an insufficient number of months of consumption data available, the agency must obtain the square foot information for the clients' dwellings from the client and enter it into WAMS. WAMS will calculate a priority number based on the square foot information. It is the client's responsibility to provide the square feet of living space area information. The fuel usage per square foot factors is based on historic program data.

WAMS can then produce a list of the agency's clients and the calculated priority numbers for each client. This is called a client priority list.

4.12 Client Priority List

Agencies can produce the client priority list from WAMS. The Client Priority List contains the names of clients who are eligible for weatherization, the clients' addresses, telephone numbers, client priority point numbers, and other pertinent information regarding the clients. A separate Client Priority List is produced for each county in the agency's service area. WAMS also allows agencies the option of printing a client priority report for clients who are customers of each utility company.

The names on the Client Priority List are listed in priority order using the client priority points as the basis for prioritization. Clients with the highest client priority points are listed first. This is the information agencies must use in selecting clients to serve. The clients who have the highest priority points (those listed at the top of the list) are to be served first. The clients' priority points appear in the column with the heading, CPN. The priority points listed on the report include the bonus points for elderly, disabled, and children, if applicable.

Client Priority Lists are produced by WAMS. Refer to the *Weatherization Automated Management System (WAMS) Instruction Manual* for instructions on printing Client Priority Lists.

New client priority lists are developed once a year, after the most recent LIHEAP program year has ended.

4.13 Selecting Clients

When selecting clients to serve, agencies must begin with the client with the highest priority number and then work down the list serving the client with the next highest priority number, etc. Any waiver from the priority point system may be made for the following reason only:

Clients who are customers of utilities that are co-funding weatherization, or clients who are eligible for other funding sources which can be used in conjunction with regular weatherization program funds to pay for non-energy related health and safety and repair work (e.g. heating system repair/replacement, wiring or roof repair, asbestos abatement, etc.) may be served ahead of clients with higher priority numbers, if, by doing so, regular program funds (i.e. DOE or HEAP) can be spread further, thus allowing the agency to serve more clients. When selecting clients who are customers of utility companies that provide funds for the program, the agency must serve the "utility client" highest on the priority list, then the "utility client" that is next highest on the list, etc.

As clients are selected to receive weatherization, agencies must ensure the percentage of clients served in each of their counties is the same or close to the same percentage of LIHEAP clients that reside in those counties relative to the total number of LIHEAP clients in their entire service area. For example, if 15% of the total LIHEAP clients who reside in the agency's service territory reside in County A, the agency should try to ensure 15% of the dwellings it weatherizes during the year are located in County A.

As agencies select clients from their client priority lists, they must check to see if the dwelling in which the client is residing has previously been weatherized. If the dwelling has previously been

weatherized, the agency must first determine if the dwelling qualifies for re-weatherization (refer to Section 3.25 of this manual for information on re-weatherizing dwellings). If the dwelling does qualify for re-weatherization, the agency must decide whether to re-weatherize the dwelling. Agencies do not have to re-weatherize dwellings eligible for re-weatherization. However, we encourage agencies to do so if the dwelling is a high-energy user. (If the dwelling is a high-energy user, it is possible there may be additional weatherization measures that could be done to it to save more energy.)

Also, as clients are selected, agencies need to check the client's status to see if there has been a change in residence since the client applied for eligibility. If the client has changed residence the agency is to make a change of address in WAMS and obtain new fuel data for that residence to establish a new client priority. This serves two purposes. First, it allows for checking a change in the client's income status. Second, it allows the agency to obtain fuel data for the client based on the new residence that then determines the client's priority.

Finally, as agencies select clients late in the program year, they need to check the date the client was determined eligible for the program. This is important because work on a client's dwelling must not begin if the client's eligibility period has ended. If weatherization work has not begun on a client's dwelling within 12 months from the date determination of the client's eligibility was made, a new application must be completed by the client. If the client is determined ineligible after redetermination, the application is denied. For purposes of this provision, the beginning of the weatherization work is when an energy audit of the dwelling is done.

As agencies select clients from the client priority list, there may be justifiable reasons why some clients are not selected. Those reasons include, but are not limited to, the following: the client's eligibility period has ended, the client was contacted and refused weatherization service, the agency was unable to contact the client, the client's dwelling had previously been weatherized, or the client's landlord refused to sign a landlord agreement. If an agency does not serve a client on the priority list, the agency must document the reason why.

Documentation is done through the use of denial codes in WAMS. Refer to the *WAMS Instruction Manual* for instructions on entering the denial codes.

In the case where the agency was not able to contact the client, documentation must exist showing the agency made reasonable attempts to contact the client, including both telephone and mail contacts.

4.14 Shelters

Shelters may be weatherized if prior state approval is obtained. Shelters are excluded from the priority system. See Section 3.23 for more information on weatherizing shelters.

4.15 Crisis Situations

DOE funds can no longer be used to provide services to lower priority clients in cases of health and safety emergency, such as furnace failure.

In emergency situations, such as a heating system quits working during cold weather or an unsafe furnace poses an immediate health and safety risk to the client(s), HEAP funds may be used at agency discretion to correct the problem. HEAP funds used for emergency situations are restricted to correcting the issues related to the furnace work only. A complete audit is not needed as only the furnace issue will be addressed. Bidding procedures must be followed. These houses will be reported in WAMS as closed/incomplete. Agencies may claim the $200 support associated with incomplete homes.

4.20 CLIENT NOTIFICATION AND CONSENT

After selecting an eligible client, the agency must contact the client to schedule an energy audit of the client's dwelling. If the client is the owner of the eligible dwelling, the client's consent must be obtained prior to providing service. If the client is a renter, the client's landlord must provide written consent authorizing the dwelling to be weatherized. This is done through the use a landlord consent form (see Section 4.30).

When agencies contact clients it is important they explain the following to the clients:

- The steps involved in the weatherization process (e.g. an energy audit of the dwelling, a safety inspection of all combustion appliances).
- What the program can and cannot do (e.g. the program cannot replace roofs).
- That a final inspection of the work will be done.

It is also recommended that agencies use a screening process during the initial contact with the client to obtain useful information about the condition of the client's house. This is a way for the agency to find out if the client's house is for sale or whether it is being remodeled or has extensive roof damage. Agencies may learn from the screening process that work on the client's dwelling must be deferred and therefore save the agency from making an unnecessary trip to the house.

By spending time at the very beginning of the process, to clearly explain to clients what the program can and cannot do, agencies may be able to reduce the number of client complaints they receive and the time and, in some cases, the frustration involved in dealing with the complaints. Many client complaints are due to the fact the clients expected the program to do things the program either is not allowed to do by rule or regulation, or does not do because it is not cost-effective. These clients may have expected the program to do rehab work, fix major structural problems, make the dwelling handicapped accessible, install new windows, paint the house, etc. When the program does not address these problems, the clients complain because they didn't receive the services they either thought they would receive or hoped they would receive. A good way to address this problem is to send/give scheduled clients a Weatherization "fact sheet" describing the program.

Weatherization fact sheets are available on the State of Iowa Weatherization Members Only website: https://humanrights.iowa.gov/dcaa/weatherization.

4.21 Client Informed Consent and Consent Form

Agencies are required to take all reasonable precautions against performing work on homes that will subject clients to health and safety risks. Before beginning work on a home, agencies must take into consideration the health concerns of each occupant and the possible effect any work performed will have on the health or medical condition of the occupants. Because it is possible weatherization activities could have an adverse effect on an occupant's health, it is important clients provide an "informed consent" consenting to the weatherization activities before they are started**.**

Clients are required to sign a Release of Liability and Waiver of Claims Form informing them of this. The Release of Liability Form should be signed before the dwelling is audited. If the client refuses to sign the form, no work will be completed on the home and it will be closed incomplete. The original of the signed Release of Liability Form must be in the client file and the copy left with the client.

The Release of Liability Form is important because it offers protection to the agency. It documents the client has been informed weatherization activities could result in airborne particles being released in the home that could aggravate a health condition of one or more of the occupants in the home. It documents the client authorizes the agency to weatherize the home.

If a client is not available to sign the Release of Liability Form when the energy auditor arrives to conduct the energy audit of the home, the energy auditor may proceed with the audit. However,

the energy auditor must leave a copy of the Release of Liability Form, a return envelope, and instructions to the client that no work will be done on the home until the client signs the form and returns it to the agency.

The Release of Liability Form is provided by the DCAA. It is printed on 2-part NCR paper. A copy of the Release of Liability Form is in the *Weatherization General Appendix* and is also available on the State of Iowa Weatherization Members Only website: https://humanrights.iowa.gov/dcaa/weatherization.

4.30 RENTAL PROCEDURES

4.31 Rental Dwelling Units

One-Unit Rental Dwellings

A rental dwelling that is considered one rental unit, such as a house, is eligible for weatherization if an eligible household inhabits it. The entire dwelling may be weatherized with landlord consent.

Multi-Unit Rental Dwellings

The entire structure (all units and common areas) of a multi-unit dwelling may be weatherized, with landlord consent, if a specified number of units within the dwelling are eligible units. An eligible unit is one that contains an eligible household. Following are the number of units that must be eligible units in order for the entire dwelling structure to be weatherized:

- For multi-unit dwellings containing fewer than 5 units, 50% of the units must be eligible units (i.e. contain eligible households).
- For multi-unit dwellings containing 5 units or more, 66% of the units must be eligible units (i.e. contain eligible households).
- Units identified by HUD or USDA must comply with requirements listed in DOE's Weatherization Program Notice WPN 10-15, in addition to requirements listed in this section. Three lists of properties have been identified by HUD and USDA and can be found on the Members Only website: https://humanrights.iowa.gov/dcaa/weatherization.

If a multi-unit rental dwelling does not contain the required percentage of eligible units, only those units containing eligible households, or will contain eligible households within 180 days, may be weatherized.

Multi-units that are high priority must be completed in order of priority.

Buildings 45 years or older are subject to SHPO review requirements.

The total number of multi-units weatherized must not exceed 20% of total units weatherized by an agency in a program year.

In the case of multi-unit dwellings that qualify for weatherization of the entire dwelling (i.e. meet the criteria described above) all units, including units containing ineligible households, may be counted as completions. For example, a 6-plex contains four eligible units. This qualifies the entire dwelling for weatherization service because 66% of the units are eligible units. If the entire dwelling is weatherized, all six units may be counted as completions. Agencies must receive approval from the DCAA and DOE prior to weatherizing multi-unit dwellings containing five or more units. Refer to Section 5.43 for instructions on requesting approval to weatherize multi-unit dwellings containing five or more units and Section 5.61 for information on what constitutes a completed home when dealing with multi-unit dwellings.

4.32 Landlord Consent

Before a rental property can be weatherized, the agency must obtain written permission to weatherize the property from the landlord. The written permission must be obtained through the use of a Landlord Agreement (described below). When requesting permission to weatherize a

landlord's property, it is recommended the agency explain the benefits of the weatherization service to the landlord. For example, you might explain to the landlord that if he/she allows the rental unit to be weatherized, it will save the tenant (client) money on their utility bill which would help the client with the rent payment. This may result in better success in receiving landlord permission.

When contacting a landlord to obtain permission, agencies must also inform him/her that a safety inspection of the furnace, water heater, and other combustion appliances will be completed, as part of the weatherization process, and all combustion appliances must be in safe working order before weatherization services can be provided.

Justification for this requirement comes from the Iowa Landlord and Tenant Law. The Code of Iowa, Chapter 562A, "Uniform Residential Landlord and Tenant Law" (Sections 562A.15 and 562A.23) and Chapter 526B, "Manufactured home Parks Residential Landlord and Tenant Law" (Section 562B.16) require landlords to maintain, in good and safe working order and condition, all electrical, plumbing, sanitary, heating, ventilating, air conditioning, and other facilities and appliances supplied by the landlord. The current Iowa Landlord and Tenant Law can be found on the Internet by searching for "Iowa Uniform Residential Landlord and Tenant Law."

4.33 Landlord Agreement

The landlord of an eligible dwelling must sign a Landlord Agreement authorizing the weatherization services and agreeing to certain provisions before the rental property can be weatherized.

Agencies are allowed to design their own landlord agreements; however, all landlord agreements must contain the language in the Landlord Agreement form shown in the *Weatherization General Appendix.*

The form must be signed and dated by the Landlord and the Local Agency representative. A copy of the signed Landlord Agreement Form must be filed in the client file.

A copy of the Landlord Agreement is in the *Weatherization General Appendix* and is available on the State of Iowa Weatherization Members Only website:
https://humanrights.iowa.gov/dcaa/weatherization.

The Landlord Agreement is important because it offers protection to the agency by documenting the landlord has authorized the agency to weatherize the dwelling.

Agencies should explain the landlord agreement provisions to the tenants.

5.00 FIELD POLICIES AND PROCEDURES

INTRODUCTION

This section summarizes the policies and procedures involved with weatherization work in the field. Weatherization work in the field includes the following:

- The energy audit of the home, including a health and safety assessment and an energy efficiency assessment.
- The remediation of health and safety problems, when allowed by the program.
- The installation of cost-effective energy efficiency measures.
- The final inspection of the dwelling, conducted by a certified QCI (Quality Control Inspector).

Detailed information concerning the health and safety and energy efficiency work protocols, standards, and requirements are contained in the Iowa Weatherization Program's *Work Standards.* Program managers are strongly encouraged to read the *Work Standards* for more detailed information.

The energy audit of the home involves several equally important activities. The first activity involves the health and safety assessment where existing or potential health and safety problems are identified. A second activity involves the energy efficiency assessment, where energy savings opportunities are identified and a determination is made, usually with the help of a computerized energy audit, as to what energy savings measures should be done to the dwelling. The third activity, and one that should be done throughout the entire home energy audit process, involves communicating with the client. Good communication with the client can help the energy auditor identify existing or potential health and safety problems, comfort issues, and weatherization opportunities. It is also a good opportunity for providing energy education to the client.

The final inspection is, perhaps, the most important part of the weatherization process. It is the agency's final opportunity to ensure it is not leaving a significant health and safety problem in the home. It is also the agency's final opportunity to ensure the measures offering the greatest energy savings potential were done and were done correctly. Final inspections must be conducted by a certified QCI.

5.10 SHPO COMPLIANCE

Per the Programmatic Memorandum of Understanding (PMOU) signed by the Division of Community Action Agencies (DCAA) and the State Historic Preservation Office (SHPO) on April 7, 2010, agencies are required to conduct a SHPO review of each unit to be weatherized.

Houses to be weatherized with federal funds must have a SHPO review completed before work can begin. The SHPO review moves forward in one of two ways: the house is determined to be exempt, or the house will need a Section 106 review. Upon completion of the home energy audit, but before work begins on the house, the energy auditor will need to compare the measures planned on the house with the measures that are exempt on the PMOU and determine if the house is exempt from SHPO review or if a Section 106 review is required. **WORK CANNOT BEGIN** on a house until this determination has been made.

Exempt Houses
If the house is 45 years old or newer, if the house is a manufactured home, or if all of the measures to be completed are included as exemptions in Exhibit A and/or B of the PMOU, the house would be exempt from Section 106 review. The energy auditor must complete the Exempt from SHPO Review, Project Determination Form. The form requires agency information (including contact name), a brief description of work to be completed using the checklist (use additional sheet to describe other work), the reason the house is exempt, a date, and a signature. Photos of the house from the front must accompany the Project Determination Form. The forms are available on the State of Iowa Weatherization Members Only

website https://humanrights.iowa.gov/dcaa/weatherization for download and completion. DCAA designates each local weatherization agency as the local certifying official for signature on this form.

Houses Needing a Section 106 Review
If the house is determined to be not exempt, the house will require a full Section 106 review submitted to SHPO for their comment.

For each house requiring a full Section 106 review, agencies must provide the following items (at a minimum) to SHPO:

- Request for SHPO Comment form with Section I General Information completed
- Photos of the house from all sides
- Photos of the streetscapes of the house
- County assessor's printout of the house
- Detailed description of ALL work to be done on the house, not just the measures that are outside of the exemptions

The agency must send the completed Section 106 review packet to the SHPO for their comment.

After the agency receives comments back from SHPO, the entire packet must be maintained in the appropriate house file. Agencies will not begin work on the house until SHPO comments have been received.

Monitoring of SHPO Compliance
All house files must contain either the completed Exempt from SHPO Review form or a copy of the completed Section 106 review which are located on the Members Only website at https://humanrights.iowa.gov/dcaa/weatherization.

Should a state housing inspector see a measure completed on the house which is not included in the exempt list of Appendix A or B, they will review the house file to determine whether there was a review conducted on the house and whether the measure was allowed.

5.20 HEALTH AND SAFETY ASSESSMENT

While the primary purpose of the Weatherization Program is to reduce energy use in dwellings, it is important to ensure the energy efficiency work done does not create a health and safety problem or exacerbate an existing health and safety problem in the dwelling. Before beginning any work on a home, agencies must take into consideration the health concerns of the occupants and the possible effect any work will have on the health or medical condition of the occupants. Agencies must also identify any health and safety problems that could pose a threat to the occupants or workers or any problems that need to be corrected before weatherization activities can be started. A health and safety assessment must be done according to *Work Standards* Section 2010.

5.30 HEALTH AND SAFETY PROBLEMS/ISSUES

Program funds may be used to remediate a health and safety problem in the following instances:

- When the health or safety problem poses an immediate threat to the occupants and agency personnel or contractors.
- When the health and safety problem results from or is exacerbated by the weatherization activities.

If health and safety problems exist in the dwelling, they must be corrected before any energy efficiency measures are installed. Note: This does not apply to health and safety problems that will not interfere with weatherization activities. The party responsible for correcting the problem depends on whether the Iowa Weatherization Program allows program funds to be used to correct the particular problem.

5.31 Heating System Repair and Replacement

Heating systems include forced-air furnaces, boilers, and space heaters of all combustion fuel types.

All heating systems must be inspected prior to weatherizing the dwelling. Based upon the inspection, the energy auditor will decide whether a tune and clean should be performed. If a tune and clean is performed, it must be in accordance with the procedures described in the *Work Standards* Section 2023.03.

The program covers the cost of repairing and replacing heating systems, including boilers (repair costs up to specified expenditure limits of combined material and labor costs are paid by the program). If the repair cost is more than the limit, the agency may repair the heating system if other funds, such as ECIP funds or client funds, cover the amount that is over the limit. There is no expenditure limit on replacement heating systems. Refer to the Cost Limits and Allowances Section in the *Weatherization General Appendix* for information on current expenditure limits.

If justified, an existing heating system may be replaced with a heating system that uses a different fuel source. This requires the client's approval and approval from the DCAA. (See *Work Standards* Section 1022 for instructions on fuel switching approval.)

See *Work Standards* Section 2023 for more information regarding heating systems.

In situations where a client wants a more expensive brand of furnace than what the agency plans to install, the agency may install the more expensive furnace if the client pays the difference in cost between the two brands of furnaces.

5.32 Water Heater Repair and Replacement

If a water heater has minimal draft and/or spillage, a carbon monoxide alarm must be installed at the time of the energy audit. If after weatherization is completed, the water heater is spilling, the water heater must be repaired or replaced. See *Work Standards* Section 2024 for more information regarding water heater repair and replacement.

The program covers the repair and replacement of water heaters. Water heater replacement and repair is only allowed if the water heater presents a health and safety hazard to the client(s) or is an energy efficiency measure. The program covers the cost of repairing or replacing water heaters. The limit for water heater replacements includes the costs of the water heater and piping. There is no expenditure limit on water heater replacements. Refer to The Cost Limits and Allowances Section in the *Weatherization General Appendix* for information on current expenditure limits.

5.33 Space Heaters and Other Combustion Appliances

Space heaters and other combustion appliances must be checked for carbon monoxide and gas leaks. Program funds may be used to repair/replace space heaters, vent unvented gas clothes dryers to the outside, and to repair gas lines for cook stoves and clothes dryers. Program funds may not be used to repair/replace other appliances which include gas cook stoves and ovens. The procedures for checking these appliances are described in the *Work Standards*.

5.34 Carbon Monoxide, Smoke, and Propane Alarms

Carbon Monoxide Alarms

A working carbon monoxide (CO) alarm must be present in every home. Program funds may be used to pay for installed CO alarms if one does not exist. If installing a combination alarm, the alarm can only be used for one purpose or the other but not both. For example, a combination CO/LP alarm may be used for CO. A separate LP alarm would need to be installed. Refer to the *Work Standards* Section 2060 for information describing the standards for installing CO alarms.

Smoke Alarms

A maximum of two (2) smoke alarms, per dwelling, may be purchased and installed using program funds. Additional alarms may be installed using program funds if required by local codes for single

family residences (specific code requirement must be noted in file). If installing a combination alarm, the alarm can only be used for one purpose or the other but not both. For example, a combination CO/LP alarm may be used for CO. A separate LP alarm would need to be installed. See *Work Standards* Section 2060 for information describing the standards for installing smoke alarms.

Propane Gas Alarms
Propane alarms are required by weatherization in all houses using propane. Manufactured homes are exempt from this rule. There are different types of propane gas alarms – some are just alarms which sound when a leak is detected, others actually shut down the flow of gas into the house. The weatherization program will pay for propane alarms that detect the leak. If installing a combination alarm, the alarm can only be used for one purpose or the other but not both. For example, a combination CO/LP alarm may be used for CO. A separate LP alarm would need to be installed.

Refer to the *Work Standards* Section 2060 for information describing when propane alarms need to be installed and the standards for installing them.

5.35 Moisture/Mold/Mildew Problems

An assessment must be made as to whether a serious moisture problem exists in dwellings about to be weatherized or if a serious moisture problem may be created as a result of weatherization.

High levels of moisture promote the growth of molds, mildews, and other allergens that can cause health problems in some people. Excessive moisture can also cause rot and decay of the building structure.

Refer to the *Work Standards* Section 2070 for information about causes and remedies for moisture problems.

If existing mold is found in the home the agency must document this on the Health and Safety Assessment Form and indicate whether the mold must be cleaned up by the client/landlord before weatherization can proceed. Pictures of the mold must be maintained in the client/house file. The agency must also inform the client of the existing mold, have the client sign the Health and Safety Assessment Form and give the client a copy of the form. Moisture problems that could result in the growth of mold and mildew must also be documented on the Health and Safety Assessment Form.

If mold/mildew is found but weatherization work can be completed without disturbing the mold/mildew, cleanup of the mold/mildew is not required, but may be completed, within spending limits, at the discretion of the agency. If mold/mildew has to be cleaned up before weatherization work can begin, cleanup may be done by the agency but it must be done within spending limits and in accordance with the procedures described in the *Work Standards.* If the mold/mildew is too extensive be cleaned up within spending limits or if the agency chooses not to do the clean-up, weatherization activities must be deferred until the client/landlord or other party does the clean-up.

If the agency determines a serious moisture problem cannot be satisfactorily eliminated, weatherization work must not be started and the house must be closed incomplete.

Agencies may have to provide some client education with respect to potential moisture problems. For example, when auditing a house, if the energy auditor sees aquariums, numerous plants, or other sources of high levels of moisture in the house, the energy auditor should inform the client about the potential for moisture problems if the house is weatherized and the client continues to use the aquariums, etc. It is better to discuss this before the house is weatherized. If the client refuses to reduce the source(s) of moisture in the house by removing the aquariums, plants, etc., the agency can decide not to proceed with weatherizing the house. If the agency does not discuss the potential problem of excessive moisture with the client prior to weatherizing a house, the agency may end up with complaints about moisture problems after weatherization is completed.

Further information can be found in Section 2070 of the *Work Standards*.

5.36 Lead Paint

Lead paint protocol is included in the *Weatherization General Appendix*. All required forms must be in the client/house file.

5.37 Slate-Sided Dwellings

Procedures for slate-sided dwellings are addressed in Section 2110 of the *Work Standards*.

5.38 Other Health and Safety Measures and Issues

Unsanitary Conditions

Any unsanitary conditions, including insect pests, animal or bird feces/carcasses, or sewage leakage that may be in the work area must be recorded on the Health and Safety Assessment Form Part 1. Refer to Section 2120 of the *Work Standards* for more information.

Animal Feces or Raw Sewage

If animal feces or raw sewage are in the way of doing work or pose a health threat to workers, the feces/sewage must be removed by the client before work is begun or continued. If the client refuses to do this, the agency must defer the job. This must be documented on the Health and Safety Assessment Form Part 1 and the Deferral Documentation Form. Refer to Section 2120 of the *Work Standards* for more information.

Bird/Bat Droppings

Exposure to bat droppings only pose a risk if the droppings are dry and are disturbed so the spores become airborne and are inhaled. Refer to Section 2120 of the *Work Standards* for more information.

Animals

If there is an animal in the house or on the house grounds that is menacing, or if a worker is uncomfortable being around the animal, require the client to restrain the animal before proceeding with any work. If the client refuses to do this, defer work on the house. Document this on the Health and Safety Assessment Form Part 1 and the Deferral Documentation Form. Refer to Section 2190 of the *Work Standards* for more information.

Electrical Hazards

Correcting electrical wiring problems is generally not an allowable weatherization measure. Wires are inspected to ensure they are not bare or frayed. Service boxes are inspected to ensure they have secure covers. Fuses and breakers are inspected to ensure they are properly sized. Unless prohibited by local codes, S-type fuses must be installed in homes having knob and tube wiring, to provide over-current protection, before insulating in the attic or walls. If it is determined a hazardous situation exists, the problem must be corrected before weatherization work is started. Agencies may use General Health and Safety Repair funds (within expenditure limits) and/or the Knob & Tube Special Project funds (within expenditure limits). A licensed electrical contractor will be used to perform electrical work needed to correct a problem. Agencies may also have an electrical inspection completed for knob & tube to determine whether safe to blow insulation over.

Refer to Section 2130 of the *Work Standards* for more information regarding electrical hazards.

Fire Hazards

The program requires a minimum of three feet clearance around combustion appliances. If this requirement is not met, the agency must move items away from the appliance and explain the potential safety problem to the client. Refer to Section 2023.02 of the *Work Standards* for more information.

Asbestos in the Home

Weatherization work will not be completed on homes where friable asbestos may pose a health threat to weatherization workers. The program does not pay for total asbestos abatement; however it may pay for minor abatement such as removal of asbestos tape on the furnace if completed by an AHERA qualified contractor. Clients will be provided with the Asbestos in Homes handout anytime materials

with presumed asbestos are present in the house. The handout can be found on the Members Only page of https://humanrights.iowa.gov/dcaa/weatherization.

Minimum Ventilation Levels
Agencies must determine air tightness limits on dwellings to ensure there is enough fresh air intake. Refer to Section 2080 of the *Work Standards* for information on minimum ventilation levels.

Air Leakage between Attached or Tuck-Under Garages and the Living Area of a Home
Zone pressure diagnostics must be done on all homes that have an attached or tuck-under garage. This is called garage leakage testing and is done to determine the extent of air leakage between the garage and the living area of the house and must be documented on the Wx Audit/Inspection Form. Refer to Section 5034 of the *Work Standards* for more information.

Volatile Organic Compounds (VOC's)
Volatile Organic Compounds (VOCs) are widely used as ingredients in many household products, such as paints, varnishes, fuels, and many cleaning, disinfecting, cosmetic, and hobby products. These products can release the organic compounds as vapor when they are used and, to some extent, when they are stored. Refer to Section 2160 of the *Work Standards* for more information.

Radon
Radon abatement is not an allowable activity under the program. Where there is a previously identified radon problem in a dwelling, work that may exacerbate the problem should be limited. Refer to Section 2170 of the *Work Standards* for more information. Major radon problems should be referred to the appropriate local environmental agency.

Mechanical Ventilation
Agencies may need to install mechanical ventilation, such as exhaust fans, in homes that are "too tight" or have significant moisture problems. In rare cases, air-to-air exchangers may need to be installed. Air-to-air exchangers require prior approval by the DCAA. Refer to Section 2073.01 of the *Work Standards* for more information.

Building Structure
Building rehabilitation and renovation is beyond the scope of the Weatherization Program. Homes whose structural integrity is in question should be referred to a housing rehabilitation program, if possible. Incidental repairs necessary for the effective performance and preservation of weatherization materials are allowed. An example of a limited repair would be sealing minor roof leaks to preserve attic insulation. Weatherization services should not be performed on dwellings whose structural integrity is in question, which could pose a safety hazard to workers, or are in such a state of disrepair that failure is imminent and the conditions cannot be resolved in a cost-effective manner. Refer to Section 2180 of the *Work Standards* for more information.

Refrigerants
Refrigeration appliances that are replaced must be disposed of according to the environmental standards in the Clean Air Act (1990), Section 608, as amended by the Final Rule, 40 CFR 82, May 14, 1993. The party recovering the refrigerant must possess an EPA-approved Section 608 Type II license or an approved universal certification. Refer to Section 2200 of the *Work Standards* for more information.

Manufactured Home Doors
Agencies must ensure all manufactured homes weatherized have two operable doors. This is a fire safety measure but is to be entered as an incidental repair cost in the MHEA Audit. Energy auditors must record the number of operable doors on the Wx Audit/Inspection Form. Refer to Section 7010 of the *Work Standards* for more information.

5.39 Health and Safety Problems Occurring After Weatherization

If, after weatherizing an owner-occupied or rental unit, it becomes evident a health and safety problem has developed (e.g. back-drafting of a combustion appliance or a moisture problem) due to the weatherization work that was done, program funds may be used to address the problem. The likelihood of health and safety problems occurring after weatherization can sometimes be reduced if clients are informed of the potential for problems prior to weatherizing their homes.

5.40 ENERGY EFFICIENCY ASSESSMENT AND MEASURES

An energy efficiency assessment must be performed on all dwellings, whether single-family, multi-unit, or manufactured homes. The energy efficiency assessment generally includes the following:

- Visually inspecting the dwelling.
- Assessing and recording the existing conditions of the dwelling, including its mechanical systems.
- Collecting and recording certain information about the dwelling, including information needed to run the energy audit on the dwelling.
- Conducting various diagnostic tests on the dwelling, such as air leakage tests and pressure tests.
- Talking with the client about dwelling use, comfort issues, and weatherization opportunities.
- Identifying energy saving opportunities in the dwelling.
- Metering refrigeration appliances in the dwelling.
- Running the NEAT/MHEA Audit on the dwelling (for single-family homes).
- Providing energy education to the household when appropriate.

Prior to completing any energy efficiency measures, the health and safety procedures, as described in Sections 5.20 and 5.30, must be completed and all serious health and safety hazards must be mitigated, as allowed by the program. Energy efficiency measures must not be done if existing serious health and safety problems cannot be mitigated, either by the program or by the client or landlord.

5.41 Energy Efficiency Assessment for Single-Family and Multi-Unit Dwellings

NEAT/MHEA Energy Audit

A site-specific energy audit must be performed on all single-family dwellings. The site-specific energy audit must be the most current version of the Department of Energy's National Energy Audit (NEAT/MHEA) authorized by the DCAA. The audit is one tool that with two sections; NEAT is used for stick-built homes, whereas, MHEA is used for manufactured homes.

Agencies must comply with the following when using the NEAT/MHEA Audit:

- Use the local weather data authorized by the DCAA for the agency's service area.
- Use only the candidate measures authorized by the DCAA.
- Use the average fuel costs authorized by the DCAA.
- Use the agency's agency-specific average material and labor costs, when available.

The agency must file each dwelling's NEAT/MHEA Audit's Input and Recommended Measures Reports in the house file, which are to be printed at the time the audit is run.

In the *General Appendix*, refer to the NEAT and MHEA Audit User's Manuals for detailed information on operating the MHEA Audit.

Water Heating Measures

Water heating measures include water pipe insulation, low-flow showerheads, and faucet aerators. Water pipe insulation must be installed, when appropriate, (refer to Section 4030 of the *Work Standards* for information on when to install those measures). Cost limits are addressed in the Cost Limits and Allowances section of the *General Appendix* as well as the utility contracts. These measures must be entered in the NEAT/MHEA audit.

Compact Fluorescent Light Bulbs
Compact fluorescent light bulbs (CFLs) may be installed using DOE, secondary utility, or HEAP funds. Cost limits are addressed in the Cost Limits and Allowances section of the *General Appendix* as well as the utility contracts. CFLs must be entered in the NEAT/MHEA audit.

Refrigeration Appliance Policies and Standards
Refrigerator and freezer meter readings are to be entered into WAMS. If an appliance will not be replaced, the reading and "no action taken" are to be entered into WAMS. Refrigerators and freezers may be installed when they are determined to be a cost-effective replacement choice by the BART Program.

Refrigerator replacements may be charged to DOE, the secondary utility, or HEAP.

Freezer replacements are not allowed by DOE. Therefore, freezer replacements must be charged to the HEAP Contract or to a utility contract that covers the measure. All freezers located in intentionally or unintentionally conditioned areas must be metered and those readings are to be entered into WAMS. If the freezer will not be replaced, the reading and "no action taken" is to be entered into WAMS. Because there is no look-up table available, freezers that cannot be metered are not eligible for replacement. Freezers may be installed when they are determined to be a cost-effective replacement choice by the BART Program. Replacement freezers must be Energy Star® rated only if charged to a utility contract.

Refer to the *Refrigeration Appliance Replacement Operations Manual*, in the *Weatherization General Appendix* for information regarding refrigeration appliance policies and standards.

Refrigerator/Freezer Removal
Program funds may be used to pay for the straight removal and disposal of refrigerators and freezers. This is the more cost-effective of the two refrigeration appliance measures since the only cost to the program is for the removal and disposal of the appliance. There is no replacement cost.

Utility-Funded Measures
Utility companies provide funding to the program for many energy efficiency (EE) measures. While program funds can be used to pay for most of the same measures as the utilities pay for, it is important to charge the costs of these measures to utility contracts whenever the client is a customer of one of the funding-eligible utility companies. This will help to ensure utility funds are spent each year.

Although the "utility-funded measures" are, for the most part, integrated into the "regular weatherization program", there are a few differences. The utilities have some cost limits that the regular program does not have or are different than the regular program's cost limits. Refer to the Cost Limits and Allowances section in the *Weatherization General Appendix* for information on the current utility measure/product prices and limits. In most cases, costs which exceed the limit established by utility companies may be charged to DOE or HEAP.

5.43 Energy Efficiency Assessment for Multi-Unit Dwellings

Multi-Unit Dwellings Containing Fewer than 5 Units
The entire structure (all units and common areas) of a multi-unit dwelling containing fewer than five units may be weatherized if 50% of the units in the dwelling are eligible units (i.e. contain eligible households). If fewer than 50% of the units are eligible units, only the eligible units may be weatherized.

Prior to completing any energy efficiency measures, the health and safety procedures, as described in Sections 5.20 and 5.30 must be completed and all serious health and safety hazards must be remedied.

Units eligible for weatherization service should be weatherized according to the protocol for single-family dwellings described in Section 5.41. This includes running the NEAT Audit on the units.

The cost of work done to common areas must be prorated among the units.

Multi-Unit Dwellings Containing 5 or More Units
Weatherization of multi-unit dwellings containing five or more units requires prior approval from the DCAA and DOE. The appropriate Multi-Unit Dwelling Approval Form must be submitted to DCAA for approval prior to beginning work. There are two separate forms to be used, depending upon the characteristics of the buildings. One is for buildings containing at least five, but not more than 24 individually heated units. The NEAT Audit can be used on this type of building. The second form is for any buildings containing more than 24 units or with heating systems serving more than two units (any heating system serving more than two units is the property owner's responsibility). The NEAT Audit cannot be used on these buildings. Approval for these larger buildings will be a two-part process. Copies of the forms are included in the *Weatherization General Appendix* and are available on the State of Iowa Weatherization Members Only website:
https://humanrights.iowa.gov/dcaa/weatherization.

A description of how the benefits of weatherization will accrue primarily to tenants, in accordance with DOE WPN 10-15A, can be demonstrated in the approval forms in a number of ways.

In instances in which tenants of multi-family buildings pay directly for energy, the accrual of benefits requirements can be assured by demonstrating a reduction in the tenants' energy bills.

In instances in which a tenant does not pay for energy directly, a combination of several categories of benefits could be used to demonstrate that the benefits of the weatherization accrual primarily to the tenant. Benefits that could be combined include, but are not limited to:

- Longer term preservation of the property as affordable housing;
- Continuation of protection against rent increases beyond that required under the WAP regulations (10 CFR 440.22(b)(3)(II));
- Investment of energy savings in facilities or services that offer measurable direct benefits to tenants;
- Investments of energy savings for the weatherization work in specific health and safety improvements with measurable benefits to tenants;
- Improvements to heat and hot water distribution and ventilation to improve the comfort of residents; and
- Establishment of a shared savings program.

Generic assertions such as "tenant services will be improved" or "weatherization will improve health and safety" are not sufficient to demonstrate that the accrual of benefits requirement is met.

Program funds are limited by the number of eligible tenants living in the project. If only 66% of the tenants are income eligible for the program, then that number times the current DOE average is the maximum that may be spent on the project. (For example: The project has 50 units and 66% (33 units) are eligible, so 33 x $6,500=$214,500 is the most to be spent on the project.)

For a multi-unit rental dwelling that does not contain the required number of eligible units, as described above, only those units containing eligible households, or will contain eligible households within 180 days, may be weatherized.

Refer to Section 5.60 for information on what constitutes a completed home when dealing with multi-unit dwellings.

Prior to completing any energy efficiency measures, the health and safety procedures, as described in Sections 5.20 and 5.30, must be completed and all serious health and safety hazards must be remedied.

Energy Audits for Multi-Unit Dwellings
Energy audits for multi-unit dwellings must meet the requirements of this section of the *Policies and Procedures Manual*.

NEAT can be used on a dwelling with four or fewer units without concern as to whether the units are individually heated.

The NEAT Audit may be used as the tool for multi-family dwellings that have 24 or fewer individually heated units. Each dissimilar unit type must be audited. If the audit shows a savings-to-investment ratio (SIR) of at least 1:1, those similar units may be weatherized. If the SIR is not 1:1, none of the similar units may be weatherized.

Projects for which the NEAT Audit is not an allowable audit tool, the agency must provide as part of the approval request, its plan for alternative auditing protocols. This may require that the agency contract with a qualified energy audit professional to perform these services. There are currently two (2) DOE approved audits for multi-unit buildings with more than 24 units or buildings with single heating systems; EA-Quip and TREAT.

A Landlord Agreement between the agency and property owner must be in place prior to submission of a project plan. The Landlord Agreement must comply with the provisions of the Iowa Weatherization *Policies and Procedures Manual* Section 4.33.

All weatherization work performed on multi-unit dwellings must be done in accordance with the Weatherization Program's rules and standards. The Weatherization Program does not provide for housing rehab work, including roof replacements, foundation work, etc. Weatherization Program energy audits seldom determine that it is cost-effective to replace windows and doors.

The NEAT Audit must be used as follows, to establish the weatherization measures to be applied to all units.

- A separate audit must be run on each different type of unit in the dwelling unit. A separate audit must be run for first floor units, units that do not have a foundation or attic, and top floor units.
- The energy efficiency measures recommended by the audit for each different type of unit will be applied to all units of the same type.
- The heating system input and output should be determined by dividing the total input and output of the heating plant(s) by the total number of units.
- Common areas are be weatherized according to the measures determined for the most similar unit.

Blower door tests must be done either for each different type of unit or for the entire dwelling and divided among the units.

Water-heating measures (low-flow showerheads, pipe wrap, faucet aerators, etc.) and energy efficient light bulbs should be installed when appropriate and allowed by the client.

The cost of work done to common areas must be prorated among the units.

Utility-Funded Measures
Utility companies provide funding to the program for energy efficiency (EE) measures. While program funds can be used to pay for most of the same measures as the utilities pay for, it is important to charge the costs of these measures to utility contracts whenever the client is a customer of one of the funding-eligible utility companies. This will help to ensure utility funds are spent each year.

Although the utility-funded measures are, for the most part, integrated into the "regular weatherization program", there are some policy differences when measures are being charged to utility funds. The utilities have some cost limits that the regular program does not have or have cost limits that are different than the regular program's limits. Refer to the Cost Limits and Allowances section in the

Weatherization General Appendix for information on the current utility measure/product prices and expenditure limits.

5.50 REPAIRS

5.51 Incidental Repairs

Incidental repairs are defined as repairs necessary (1) for the installation of weatherization measures and (2) to maintain the integrity of weatherization materials. Repairs not specifically listed as General Health and Safety Repairs (see below) are considered Incidental Repairs. A partial list of allowed incidental repair measures is in the *Work Standards*.

For single-family dwellings and multi-unit dwellings having fewer than five units, the amount that can be spent on incidental repair is limited to what is allowed by the NEAT Audit's Savings to Investment Ratio (SIR). The cost of these repairs must be entered in the NEAT Audit and included in the audit's SIR calculation. The incidental repairs may be done if the cumulative SIR (with the incidental repair costs included in the SIR calculation) is 1.0 or greater. For multi-unit dwellings having five or more units, estimated incidental repairs must be included in the prior approval request that is reviewed by the DCAA.

For manufactured homes, the amount that can be spent on incidental repairs is limited to what is allowed by the MHEA Audit's Savings to Investment Ration (SIR) calculation. The cost of these incidental repairs must be entered in the MHEA Audit and may be completed only if the MHEA Audit's cumulative SIR is 1.0 or greater. Incidental repairs now include repair/replacement of doors. Minor incidental repair work must be done in accordance with the *Work Standards*, where described.

Incidental repair costs must be included in the NEAT/MHEA Audit and in the audit's SIR calculation.

5.52 General Health and Safety Repairs

General Health and safety repairs are defined as repairs necessary to eliminate health and safety problems in a dwelling so weatherization measures can be installed or to eliminate health and safety problems created by or exacerbated by weatherization work.

General health and safety repairs are limited to: plumbing repairs, electrical repairs, Energy Star-rated dehumidifiers, sump pumps, gutters and downspouts, banking and grading, mold/mildew cleanup, minor asbestos removal, and pest removal. These are described in more detail in the Repairs section of the *Work Standards.* There is a cost limit for General Health and Safety Repairs. The cost limit is for the cumulative cost of all health and safety costs that fall under the General Health and Safety Repair definition. Refer to the *Weatherization General Appendix* for information on the expenditure limit.

5.60 REQUIREMENTS FOR A COMPLETED HOME

5.61 Completed Homes

For a dwelling to be reported to the state as complete, it must meet the requirements in Section 1026 of the *Work Standards* and be inspected by a certified QCI.

Multi-Unit Dwellings

In the case of multi-unit dwellings where the entire dwelling is weatherized, all units, including ineligible units, may be counted as completions. For example, a 6-plex contains four eligible units. This qualifies the entire dwelling for weatherization service because 66% of the units are eligible units. If the entire dwelling is weatherized, all six units may be counted as completions even though two of the six units do not contain eligible households.

In the case of multi-unit dwellings that do not qualify for weatherization of the entire dwelling (i.e. do not meet the criteria described in Section 5.43) only those units containing eligible households may be weatherized and only those units may be counted as completions.

5.62 Incomplete Homes

An incomplete home is one the agency has physically traveled to in order to begin the weatherization process but could not begin or complete work due to one or more of the factors described in Section 3.30.

If the agency determines that a home cannot be weatherized without actually traveling to the home (e.g., the home has already been weatherized, the client stated the home was for sale, etc.), the home cannot be considered an incomplete home.

5.70 OTHER WEATHERIZATION WORK RELATED REQUIREMENTS AND ISSUES

5.71 Energy Auditor/Inspector/Crew/Contractor Health and Safety

Agencies must comply with Occupational Safety and Health Administration (OSHA) requirements in all activities. This is an agency responsibility, as OSHA requirements apply to all agency personnel; not just weatherization. The portion of OSHA standards which apply to weatherization field staff can be found in Construction Industry OSHA Safety and Health Standards (29 CFR 1926/1910).

Local agencies must provide personal protective equipment to agency weatherization personnel on operations in which there is a known hazard. Personal protection equipment includes, but is not limited to, eye and face protection and respirator protection. The agency is responsible for requiring the wearing of appropriate personal protective equipment in all operations where there is an exposure to hazardous conditions.

Because of the wide range of activities involved in weatherizing a house, ensuring crew health and safety requires a broad knowledge of the appropriate OSHA requirements. Some of these requirements include, but are not limited to: personal protective equipment, techniques for safe lifting, electrical equipment safety, ladder safety, and general worker protection. OSHA standards should be consulted for further details. OSHA Standards can be obtained by contacting:

Iowa Division of Labor
1000 East Grand
Des Moines, Iowa 50319

Health and Safety Plan

An organization-specific Health and Safety Plan must be developed by each agency. The Health and Safety Plan must incorporate a written Hazard Communication Policy and Training Plan, which includes educating employees regarding the new format for Safety Data Sheets (SDS). A copy of the agency's Health and Safety Plan must be provided to all agency weatherization personnel. In addition, all agency weatherization personnel are to receive orientation training on the safety plan.

Contractor-based agencies must stipulate in their contracts with contractors (refrigeration appliance vendors are excluded from this requirement) that the contractor must have a written Hazard Communication Policy and Training Plan which includes providing education for their employees on the new format for the SDS.

Monitoring Agencies' Health and Safety Plans

DCAA will monitor both job-sites and agency files for compliance with OSHA requirements.

Safety Data Sheets (SDS)

Crew-based agencies must have SDS on file at the agency for all weatherization materials used by their crews. SDS can be obtained by requesting them from the material supplier or by contacting the manufacturer of the material.

Contractor-based agencies must stipulate in their contracts with contractors that the contractors will be responsible for supplying SDS to the agency upon request by the agency.

5.72 Materials Requirement

Materials used for energy efficiency measures must meet or exceed the specifications described in 10 CFR 440, Appendix A, "Standards for Weatherization Materials". Materials used for health and safety purposes, repairs, or materials that are required by and paid by utility companies, are not required to meet or exceed the specifications described in 10 CFR 440, Appendix A.
All materials shall be installed according to the National Uniform Building Code, local building codes, and/or the *Work Standards*.

5.73 Fuel Switching

Situations may arise when the agency should consider changing fuels for the furnace or water heater. This is referred to as fuel switching. Any fuel switching being considered, must be explained to the client and the agency must obtain the client's written approval before making the switch. For more information regarding fuel switching and documentation requirements, refer to Section 1022 of the *Work Standards*.

5.74 Disaster Relief Activities

In instances when an area of the State of Iowa has been declared a disaster by either the Governor of the State or the President, HEAP funds may be used for disaster relief. In those cases the following disaster relief plan will be implemented.

In order for a dwelling to be eligible for assistance under this disaster relief plan, it:

- Must be occupied by an eligible household.
- Must be located in a county that has been designated by the Governor or by the President as being a disaster area.
- Must be a habitable structure.
- Was an in-progress unit at the time of the disaster where already installed materials were damaged or destroyed by the disaster or was a unit that was previously weatherized by the program. For purposes of this plan, previously weatherized homes may be re-weatherized without regard to the date of the original weatherization. The date for re-weatherization will be suspended for a period of one year.
- Insurance payments or other funding sources, if available, have been applied to the repair of the dwelling, including the repair or replacement of any materials or mechanical equipment that weatherization funds normally cover.

NOTE: Disaster services are restricted to HEAP funds only. Even if an area of the state is declared a disaster causing clients to be eligible for re-weatherization, DOE funds cannot be used to provide those services.

Walk Away

Some disaster-affected dwellings may be beyond the scope of the program due to structural integrity issues, extent of damage, health and safety risks or other reasons. Local agencies may have to walk away from such dwellings or defer assistance until the problems/issues have been addressed.

Priority Service

Disaster-damaged homes meeting the criteria listed above may be given priority over other eligible dwellings at the discretion of the local agency.

Eligible Activities

All dwellings must have an energy audit performed (NEAT/MHEA Audit) to determine which of the following activities are needed.

- Limited clean-up in those areas of the dwelling where weatherization and/or health and safety materials will be installed. Costs for this activity must be entered in the NEAT/MHEA Audit and

included in the NEAT/MHEA Audit's savings to investment calculation. Clean-up activity will only be allowed if the audit's cumulative savings to investment ratio is 1.0 or greater. Allowable clean-up costs will be charged as Incidental Repairs.

- Removal of previously installed weatherization and/or health and safety materials that are damaged beyond repair, and will be replaced as part of the current activity.
- Installation of weatherization materials called for by the energy audit or allowed by the Iowa Weatherization Program.
- Repair or replacement of mechanical systems and appliances, including but not limited to, heating plants, water heaters, and refrigerators.

Work Quality
All work must be completed according to the *Work Standards*, as well as building, mechanical or other relevant codes. No unit will be counted as complete until all materials are installed in a quality manner and have passed a final inspection by local agency staff.

Coordination with Other Funds
It is expected that weatherization activities will be coordinated with other funded activities to the maximum extent practicable. This will not only help make the most prudent and non-duplicative use of all funds, but will also help to ensure that service to eligible households will be maximized. However, weatherization funds will not be used to supplant other funds such as FEMA and insurance dollars, which must be applied first in renovating disaster-damaged dwellings.

Tracking/Reporting
Flood-damaged dwellings that are re-weatherized will be reported as completions. Disaster-related completions and expenses will be tracked and reported as disaster-related completions in the Iowa Weatherization Program's reporting system.

5.75 Dwellings Used for Commercial Purposes

There are sometimes instances when clients live in dwellings that are also used for commercial purposes. It is difficult to design a policy that can be applied to these situations on a consistent basis because the situations and conditions can vary so much.

Generally, if the dwelling is a "normal" house and the client also uses the house for day care or some other business that still maintains the entire dwelling as a home, the dwelling can be weatherized without concern about the commercial use. However, there are some situations where a client lives in a dwelling designed for commercial purposes. An example is a client who owns a tavern and lives in a room or rooms above the tavern. Those instances are usually treated differently because the main purpose of the dwelling is for business. In those instances an agreement may have to be reached with the client whereby the program pays for a percentage of the cost of weatherizing the dwelling based on some criteria, such as a percentage of total square footage used for living purposes. Agencies should discuss these situations with DCAA staff before providing any service to the client.

Note: If the commercial portion of the home cannot be separated from the residence or there is only one heating system for both portions of the home, work must be deferred.

5.76 Other Issues

Expenditure Limits and Allowances
Refer to the Cost Limits and Allowances Section in the *Weatherization General Appendix* for information on expenditure limits and to the current weatherization contracts for information on allowable costs.

Production
Agencies must complete homes within six months of the date the home was audited. If the work cannot be completed within six months of the energy audit, the home must be re-audited before proceeding. Agencies must also ensure they do not audit more homes than they can reasonably weatherize in a year.

Quality of Work
The quality of all materials and work performed for weatherization must be guaranteed to be free from defects in workmanship for a period of one year after date of completion.

An agency's continued inability and/or refusal to comply with the *Work Standards* is grounds for DCAA to suspend, terminate, or otherwise apply special conditions to the agency's contract to provide weatherization services.

Other Funding Sources
Due to expenditure limits, problems beyond the scope of the program, and other situations, some health and safety problems and repair problems cannot be mitigated by the program. In these situations, other sources of funds may be available and could be used to mitigate the problem.

Energy Crisis Intervention Payment (ECIP) Funds
A percentage of each agency's LIHEAP funds are designated for the LIHEAP Crisis Program. The purpose of the Crisis Program is to assist eligible households that are in a crisis situation. This is normally done by using Crisis Program funds, (referred to as Energy Crisis Intervention Payment (ECIP) funds for certain specified uses. One of the specified uses of ECIP funds is to pay for the cost of repair or replacement of unsafe heating systems or heating systems that are not working. ECIP funds may be combined with weatherization program funds to pay for heating system repair and replacement. A particularly important use of ECIP funds is to cover heating system repair and replacement costs above the Weatherization Program limit.

Client Funds
There may be situations where a client may have to pay for something before the client's house can be weatherized. An example would be if the client's oven was putting off large amounts of carbon monoxide and the client's house cannot be weatherized until the oven is repaired or replaced. Since the Weatherization Program does not cover the cost of repairing or replacing ovens, the client would have to pay for the repair or replacement of the oven before the agency could weatherize the house.

In situations where a client wants a more expensive brand of furnace than what the agency plans to install, the agency may install the more expensive furnace if the client pays the difference in cost between the two brands of furnaces.

Other Funds
Housing program funds are sometimes available to pay for repairs that need to be done before a house can be weatherized. If the client is elderly, he/she may qualify for repair funds from programs targeted to elderly persons.

Client On-Site
Agencies must have a written policy regarding when a client cannot be home when an agency staff person is on-site. In addition, agencies must have a written policy addressing when a minor is home alone when an agency staff person is on-site.

5.80 INSPECTIONS

5.81 Final Inspections by Agencies
Every effort should be made to fully inspect all homes receiving weatherization. Repeated efforts to inspect a home may have to be made. If a client or landlord refuses to allow the final inspector in the home to conduct the inspection, the agency must document the efforts made to conduct the inspection. This documentation must be filed in the house file.

Many agencies utilize ongoing inspections during the weatherization process. These might include inspections of furnace work, water heater work, attic by-pass sealing, etc. Each inspection visit must be recorded in the file, along with the date, the inspector's name, and the results of the inspection

(with a clear corrective work required (Y/N) line for each inspection visit and an explanation regarding corrective work required).

Every home completed by the local agency must have a final inspection performed by a certified QCI who is not the same individual who performed the energy audit on the home unless the agency has only one person who serves as both auditor and inspector. A home cannot be considered complete or reported as complete until a final inspection has been done. The final inspection consists of an inspection of both the energy efficiency work done on the home and any health and safety work, including furnace or water heater work. The final inspection should not only look at the work done to the home but should also look to see if anything else should be done to the home (i.e. missed opportunities). The final inspection must not be done until all work on the home has been completed.

The final inspection is, perhaps, the most important part of the weatherization process. It is the agency's final opportunity to ensure it is not leaving a significant health and safety problem in the home. It is also the agency's final opportunity to ensure the measures offering the greatest energy savings potential were done and were done correctly.

If the agency's certified QCI finds a quality of work problem, finds missed opportunities, or finds a significant health and safety problem with the home, the problem(s) or deficiency(s) must be corrected before the home is reported as a completion by the agency. If the certified QCI does not or cannot correct the problem or deficiency, the agency's crews or contractors must return to the home to correct the problem or deficiency. Under no circumstance should an agency close a home, either as a completion or an incompletion, without correcting all health and safety problems caused by the work done on the home.

To ensure the final inspection is objective and serves as a tool for determining the adequacy of the initial energy audit, the person performing the final inspection must be certified QCI and not be the same person who did the energy audit of the home. Due to funding reductions, some agencies may not have sufficient funds to employ both an energy auditor and a certified QCI. If an agency does not have sufficient funds to employ both an energy auditor and a certified QCI, the DCAA will allow the same person to perform both the energy audit of the home and the final inspection. The certified QCI's responsibilities include the following:

- Ensure the initial energy audit was adequate in identifying what measures should be done on the home. This includes identifying opportunities for saving energy that were missed in the initial energy audit.
- Ensure the work called for by the energy audit and the NEAT/MHEA Audit was done, including both health and safety and energy efficiency work.
- Ensure the work performed is in accordance with the Iowa Weatherization Program *Policies and Procedures Manual* and *Work Standards,* the *Weatherization General Appendix,* and the NEAT/MHEA Audit recommended measures.
- Ensure the materials used, other than for health and safety, repair, and/or utility funded measures, meet or exceed Federal specifications as described in the most current version of 10 CFR 440, Appendix A, "Standards for Weatherization Materials."
- Ensure all materials were installed according to the National Uniform Building Code, local building codes, and the Iowa Weatherization Program *Work Standards*.
- Ensure the work is complete and is of high quality.
- Ensure adequate photographic evidence of complete work.
- Ensure the materials charged to the home were applied to or installed in the home.
- Ensure the agency is not leaving a significant health and safety problem in the home.

Final Inspection Form

The certified QCI is to complete the Final Inspection portion of the Wx Audit/Inspection Form only after the final inspection is completed, including the satisfactory completion of any and all re-work. This form demonstrates that SWS requirements were followed during weatherization, has a clear corrective work required (Y/N) line with an explanation about required rework. The Wx

Audit/Inspection Form must be signed and dated by the client or landlord and the certified QCI conducting the final inspection. The following language must be included on the Wx Audit/Inspection Form: *"I have completed an on-site inspection of this weatherized unit. I certify that the Weatherization measures were followed, quality work was performed, materials meet minimum standards listed in the state plan, and a post weatherization safety check was completed on this unit."* The Wx Audit/Inspection Form must be filed in the appropriate house file.

5.82 Final Inspections by the State

Certified QCI State staff inspects a percentage of each agency's completed homes. Refer to Section 12.10 for information on inspections by the state.

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6.00 DOCUMENTATION AND RECORDKEEPING REQUIREMENTS

This section describes the program documentation agencies must maintain in the client and contractor files and other documentation requirements.

6.10 REQUIRED PROGRAM DOCUMENTATION

Following are the requirements agencies must follow regarding documentation of program related information. The required documentation is grouped into client, contractor, and procurement files. The agency may choose to group the documentation differently. This is acceptable as long as all of the required documentation is maintained.

6.11 House (Client) File

House files must be set up with a separate file folder for each house (or client). Each house file must contain a checklist of all required documentation. Documentation in the files must be in the order of the checklist. A list of required documentation is available on the Members Only page of the Iowa Weatherization website https://humanrights.iowa.gov/dcaa/weatherization.

6.12 Contractor Files

Contractor files must be set up with a separate file folder for each contractor. The agency must have a checklist of all required documentation (registration, licenses, permits, insurance, training, etc.) for each contractor and subcontractor. Each contractor file must contain a checklist of all required documentation. Documentation in the files must be in the order of the checklist. A list of the required documentation is available on the Members Only page of the State of Iowa Weatherization website https://humanrights.iowa.gov/dcaa/weatherization.

6.13 Bidding Documentation

The following describes the information needed in the client file to fulfill the work documentation for each weatherization project.

Procurement files must contain documentation regarding procurement of contractor services and goods. The file must contain the following information:

- Invitation to Bid, which must include:
  - A description of the work to be completed (including the Heat Loss Calculation Worksheet or Manual J full calculation, if applicable)
  - The format for submitting bids
  - The method to be used for submitting bids (e.g. mail, electronic online bidding system, etc.)
  - The date and time by which bids are to be submitted
  - The date, time, and location the bids are scheduled to be opened
  - A statement indicating that the agency has the right to accept or reject any and all bids
  - An explanation regarding the circumstances under which a bid will be considered ineligible (i.e. submitted bid past the deadline). It is strongly recommended that mathematical errors in a bid will cause the bid to be ineligible. Circumstances causing a submitted bid to be ineligible must be documented on the bid.
  - An explanation regarding the criteria that will be used in determining the winner

  Agencies must take all necessary affirmative steps to assure minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

  It is strongly recommended that bids are submitted to a person who is not part of or supervised by the Weatherization Program. It is also strongly recommended that they are sealed and kept in a secure location until the date and time of the stated bid opening.

- Bid Tabulation Sheet, which must include:
  - To whom the invitations to bid were sent, including the date the bids were sent
  - Bidder names, including the date and time the bids were received

- The dollar amount submitted by each bidder, including any add-on costs
- A description regarding how the winner was determined
- Witness signatures (it is preferable to have a minimum of three witnesses, with at least two of those witnesses who are not part of or supervised by the Weatherization Program)
- The date and time by which bids were to be submitted
- The date, time, and location the bids were scheduled to be opened
- The actual date and time of the bid opening, including an explanation if there is a delay in openings bids
- An explanation regarding the criteria used in determining the winner

Note: Contracts must be awarded only to those contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

- Notification of Bid Results, by one of the following methods:
  - Post the bid results in a prominent place within the agency for viewing by the bidders and other interested parties
  - Email, fax, or mail the results to the bidders

- Emergency bid situations – phone bids
  In cases where the client is in a hazardous situation because of faulty equipment, the agency may choose to do emergency phone bids. The following items are required in these cases:
  - Bid Tabulation Sheet, which must include:
    - A description of work to be completed and the date and time the bid is due
    - Who was called and the date and time called
    - Bidder names, including the date and time the bids were received
    - Manufacturer, model number, fuel source, and size of unit bid
    - The dollar amount submitted by each bidder, including any add-on costs
    - A description regarding how the winner was determined
    - Witness signatures – at a minimum, signature of person requesting bids

Emergency situations as described above are the only time phone bids are allowed.

6.14 Previously Weatherized Homes File

Agencies must maintain a file of all previously weatherized homes. The file needs to contain, at a minimum, the address and date of completion for each home weatherized. This file needs to be checked prior to weatherizing any new home to ensure the home has not been previously weatherized and updated each time a new home has been weatherized. Although there are instances when the re-weatherization of a home is allowed, the agency still needs to check for this to ensure a home is eligible for re-weatherization.

6.15 Grant File

The agency must maintain a "grant file" that includes, at a minimum, all the weatherization contracts, all the Iowa Weatherization Program manuals, the Iowa Weatherization State Plan, and the federal rules and regulations related to the Weatherization program.

6.16 Other Required Information

NEAT/MHEA Audit Information

Agencies must keep the NEAT/MHEA Audit on each house in an electronic format. Refer to Section 6.30 for record retention information.

Safety Data Sheets

Crew-based agencies must have Safety Data Sheets (SDS) on file for all weatherization materials used by their staff.

6.20 MANAGEMENT OF FILE DOCUMENTATION

It is important to establish a system or process ensuring the required documentation is obtained and filed in the proper files. It is required that agencies use a checklist form to ensure all required documentation is in each file. The checklist form must list all required documentation for that file and the documentation in the file must be placed in the same order as the checklist. The person(s) responsible for ensuring the documentation is in the file can check off the documentation as it is put into the file. Copies of file checklists are on the Weatherization Members Only website:
https://humanrights.iowa.gov/dcaa/weatherization.

6.30 RETENTION OF PROGRAM RECORDS AND DOCUMENTATION

Per 10 CFR 600.236, agencies must retain all program records and documentation for a minimum of three years after the date the DOE grant period ends and all of the records or documentation relating to the grant period, including final payments and all other pending matters, is closed out. Note: The DOE grant normally runs for three to five years. Therefore, records may have to be kept for six to nine years. All records retention procedures shall conform to current weatherization contract requirements.

6.40 CONFIDENTIALITY OF PROGRAM RECORDS AND INFORMATION

All client information, relative to individuals who have received program services, must be held confidential:

Client information may only be used by the agency for purposes of administration of the Weatherization Program or other programs administered by the agency, and must not be disclosed to or used by another agency except upon the consent of the client as evidenced by a signed release. If an agency receives a written request from public officials for client information, the agency should contact DCAA.

Agencies may disclose or use general and statistical information regarding aggregate or average numbers such as total or average costs of services, total number of clients served, etc., as long as the information does not identify specific client information.

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7.00 REPORTING REQUIREMENTS

This section lists the reports and data agencies are required to submit to the DCAA. It also describes the submission requirements. The section also lists the reports agencies are to keep in client/house files.

7.10 REPORTS

7.11 Fiscal Reports

Agencies are required to submit the fiscal reports, listed in Section 7.30 to the DCAA.

The fiscal reports, serve the following purposes. First, they serve as the mechanism to provide the documentation needed for the state to make payments to agencies for delivering weatherization services. Second, information from the expenditure reports is input into the DOE Reporting System for required reporting by the DCAA to DOE. Third, information from the utility expenditure reports is used to produce reports for the utility companies. Finally, the reports provide information used by the DCAA to respond to inquiries and to use for planning.

Separate General Accounting Expenditure (GAX) Forms and Weatherization Expenditure Summary Reports (Forms 101, 101H, or 101U) must be submitted for each contract for which the agency is requesting payment.

Any contract reporting completed homes must also submit the Weatherization Expenditure Detail Report forms (Forms 102, 102H and 102U).

The reports and data must be emailed to DCAA@iowa.gov by the eighth (8th) calendar day of the month following the month for which the reports are covering. For example, reports covering expenditures and homes weatherized in May must be received by the DCAA by June 8th.

The financial reports are computer generated from the WAMS System. The reports are linked so data on some reports is automatically transferred to other reports. For example, much of the data on the 102 Report is transferred to the 101 Report. Refer to the *Weatherization Automated Management System (WAMS) Instruction Manual* for instructions on producing the computer generated fiscal reports.

This section describes the various financial reports in detail. Although the reports are computer generated, it is important to understand where the figures on the reports come from and how the reports work.

8.64 Weatherization Expenditure Detail Report (102 Report)

The Weatherization Expenditure Detail Report (102 Report) will, hereafter, be referred to as the 102 Report. The 102 Report is used for the DOE Contract, the 102H Report is used for the HEAP Contract, and the 102U Report is used for the utility contracts. The 102, 102H, and 102U Reports will be referred to here as the 102 Reports. The 102 Reports are the reports used by agencies to report the homes completed during the month for which the costs are reported on the 101 Report. The 102 Report lists the file numbers, dates of completion, and health and safety, support, labor, material, and total costs, of the homes reported. The report also shows the amount of landlord contributions received for the homes.

The 102 Report must be submitted, but only if there are homes being reported for the month.

102 Report for DOE Contracts

The 102 Report contains current month expenditure information for each home reported for the month. The report also includes calculations to determine how much of the current month expenditures can be charged to the DOE Contract and how much, if any, must be augmented and charged to the HEAP Contract.

The 102 Report is computer generated. Much of the information on the 102 Report comes from the information the agency enters in WAMS. If no homes were completed for the month, a 102 Report will not be produced for the month.

102H and 102U Reports for HEAP and Utility Contracts
There is also a computer generated 102H Report and a 102U Report. These reports are used to report the cost of homes (completion and incompletion) charged to the HEAP and utility contracts, respectively. The 102H Report is only generated if homes are charged to the HEAP Contract. If HEAP funds were only used for the month for augmenting purposes, a 102H Report will not be generated. The 102H and 102U Reports are the same as the 102 Report for DOE except for the following:

- There is no average cost per home calculations. All the cost for the home goes to the current expenditure column.
- There is no augmenting of HEAP expenditures.

The amounts for support, labor, and materials on the 102H Report are transferred to the Current Month Expenditure column (Section A, Column C) on the 101H Report. The number of homes is also transferred from the 102H Report to the 101H Report. Similarly, the amounts for support, labor, and materials on the 102U Report are transferred to the Current Month Expenditure column (Section A, Column C) on the 101U Report.

8.62 Weatherization Expenditure Summary Report (101 Report)

The Weatherization Expenditure Summary Report (101 Report) will, hereafter, be referred to as the 101 Report. The 101 Report is used for the DOE contract, the 101H Report is used for the HEAP contract, and the 101U Report is used for the utility contracts. All three types of 101 reports will be referred to as the 101 Report. The 101 Report is the form used by agencies to report current monthly expenditures. The form also reports cumulative expenditures, the amount of HEAP funds used for augmenting purposes, the balance of contract funds available, the number of completed homes for the month, the number of homes re-weatherized for the month, and the number of homes closed incomplete for the month.

The 101 Report must be submitted each month of the contract period, even if there was no activity for some of the months. (This is a state auditor requirement.)

101 Report for DOE Contracts
The 101 Report is computer generated. Much of the information on the 101 Report is transferred from the 102 Report. However, some of the information must be manually input by the agency.

- Contract Budgets in Section A, Column B must be entered at the beginning of the contract period and will remain in place for the duration of the contract. If an amendment is received changing the budget, the new figures must be manually entered.
- Section A, Column C reports the current month expenditures. WAMS automatically completes the current monthly expenditure for health and safety, support, labor and materials. Administration, insurance and other costs must be manually input for the month by the agency.
- Lines 14, 16, 18 and 19 must be manually input each month by the agency.

101H Report for HEAP Contracts
There is also a computer generated 101 Report for HEAP. This is the 101H Report. This report is used to report the monthly amount of HEAP funds used to augment the DOE Contract and/or for reporting the cost of homes (completion and incompletion) charged to the HEAP Contract. The 101H Report is generated if HEAP funds are used for augmenting. The 101H Report is also generated if homes are charged to the HEAP Contract.

The 101H Report is very similar to the 101 Report for DOE. The transfer of data from the 102H Report to the 101H Report works the same way as the transfer of data from the 102 Report for DOE to the 101 Report for DOE. In addition to the manual inputs listed for the DOE 101 report, HEAP 101

requires Section B, Column A manual inputs for current month augmenting expenditures. This input will normally match the augmented amounts from the DOE 101 report.

101U for Utility Contracts
The 101U Report is used to report utility expenditures. The 101U Report is computer generated. Column C of the 101U Report shows current monthly expenditures. Column D shows cumulative expenditures since the beginning of the contract. Column E is the balance of the contract that is available. WAMS generates or calculates the figures in Columns C (except Line 1), D, and E and on Lines 15, 17, and 19. Agencies must manually input the figures in Column B and on Lines 14 and 18.

8.76 General Accounting Expenditure (GAX) Form

The State of Iowa General Accounting Expenditure (GAX) Form is the document used by agencies to show the amount of contract funds being requested. The General Accounting Expenditure (GAX) Form serves as an invoice.

A signed, dated, and scanned copy of the General Accounting Expenditure (GAX) Form must be submitted with a Weatherization Expenditure Summary Report (Form 101), for each contract, including utility contracts, and for each month of the contract period, even if there was no activity for some of the months. (This is a state auditor requirement.)

A signed, dated, and scanned copy of the General Accounting Expenditure (GAX) Form must contain a signature of the agency's Executive Director, or his/her designee. The Iowa Department of Revenue will not process claims that do not have a signature. All General Accounting Expenditure (GAX) Forms must be submitted to DCAA@iowa.gov.

This form is computer generated. WAMS prints information into the following fields:

- Vendor Name and Address: WAMS prints the agency's name and address in this field.
- Bill To: WAMS prints the name and address for the Department of Human Rights in this field.
- Description: WAMS prints the contract # and the month in this field.
- Total Price: WAMS prints the amount of funds being requested.
- Coding: WAMS prints the coding information at the bottom of the form in the LINE, FUND, AGENCY, ORG, AND OBJT fields.

The General Accounting Expenditure (GAX) Form is used for the following purposes:

- Cash advance. The General Accounting Expenditure (GAX) Form is used to obtain a cash advance. At the beginning of a contract the agency may submit a General Accounting Expenditure (GAX) Form with the contract number on it. The agency may request 1/6th of their DOE Contract and 1/12th of their HEAP Contract. The agency must email a signed, dated, and scanned copy of the General Accounting Expenditure (GAX) Form for advance payment.
- Monthly reimbursement. The General Accounting Expenditure (GAX) Form is used to request monthly reimbursement. WAMS will generate a General Accounting Expenditure (GAX) Form. The amount requested must agree with the amount shown on the 102 reports Line 19. The agency must email a signed, dated, and scanned copy of the General Accounting Expenditure (GAX) Form for payment. If there is no request for payment or a zero amount on the General Accounting Expenditure (GAX) Form, it still must be emailed to DCAA@iowa.gov. (This is a State of Iowa Audit Office requirement.)

8.77 Close-Out Reports

The close-out reports are due 45 calendar days following the end of the contract.

Any unexpended funds remaining in a contract are due with the close-out package. Any agency that does not submit a close-out report for a contract will not be issued the next contract until it is received. Refer to Section 8.23 for more information regarding close-out reports.

8.78 Corrections and Adjustments to Reports

Corrective Work Required and Go-Backs

Corrective Work Required (CWRs) and Go-Backs: If an agency is required to return to a home due to additional work required from an inspection (CWR) or a client complaint (Go-Back), the agency is reimbursed for labor and materials only. The labor and material expenses associated with the CWR or Go-Back should be charged to the current month expenses under the HEAP Contract. Support is not allowed on CWRs and Go-Backs because support was already paid when the home was reported as a completion.

Corrective Work Listed as Warranty Work

Corrective work listed as warranty work (warranty) is not reimbursable with weatherization program funds. Warranty work is a result of poor workmanship or improperly installed measures. Because proper installation of these measures was paid for originally, additional program costs will not be allowed.

Year-End Adjustments

The automated 102 Report only recognizes augmenting on a monthly basis. It will augment if the average expenditure per home is greater than the DOE average expenditure per home limit. If the average expenditure per home is less than the DOE average expenditure per home limit, augmenting is not needed. At the end of a contract, an agency may have augmented for the contract but the agency's average expenditure per home is less than DOE average expenditure per home limit. (This information appears on the 101 Report).

There are several scenarios an agency will have to consider at the end of a contract.

Scenario #1: If an agency has $300 left on the contract, and it's average expenditure per home was $6,500 which is less than DOE average expenditure per home limit of $6.987 (for Program Year 2014), the agency would manually enter $300 in the 101 Report CURRENT MONTH EXPENDITURES column (Section A, Column C) for support on the 101 Report and reduce augmenting by $300 in the CURRENT MONTH HEAP AUGMENT Column (Section B, Column A) for support on the 101 Report. This would bring the DOE average up but it would still be under the DOE average expenditure per home limit.

Scenario #2: If an agency has $300 left at the end of a contract and it's average expenditure per home was $6,987, which is equal to the DOE average expenditure per home limit (for Program Year 2014), the agency would have to report another home on the 102 Report and then on the 101 Report. The house should be reported as a DOE completion. The entire cost of the house would be charged to the DOE contract. Any costs over the $300 balance would be manually augmented to HEAP funds. WAMS will not automatically augment contract over expenditures.

There could also be a scenario where the total health and safety expended exceeds 25% of the sum of Support, Labor, and Materials. In that situation the agency would manually augment Health and Safety to lower those costs to the approved 25% limit.

The adjustment at the end of the contract has to be put in manually. A 102 Report should be generated to determine the amount needed to be adjusted.

WAMS automatically does the augments dealing with health and safety first, then support, then labor and finally materials. The end of year adjustment is a manual adjustment but the same principles apply. If an adjustment is made to augmenting under DOE Contract, the same adjustment must be manually done to the Heap Contract under augmenting.

If an agency has a problem with year-end adjustments they may call the DCAA for assistance.

7.12 Other Reports

In addition to the fiscal reports listed above, the program also has the following reports that are not submitted to the DCAA. These reports must be filed in the agency's client/house files.

- House Data Report (WAMS)
- MatList Report (WAMS)
- NEAT/MHEA Audit Input Summary and Recommended Measures Reports

The House Data Report contains information about the house; including the energy audit and completion dates, contractor name(s), primary and secondary utility information, and diagnostic test results. MatList Report contains a list and the costs of the materials installed or measures completed on the house.

The NEAT/MHEA Audit Input and Recommended Measures Reports are produced from the computerized NEAT/MHEA Audit.

7.20 MONTHLY COMPLETION FILE INFORMATION

Agencies are required to submit house and materials data to the DCAA with their fiscal reports. This is called the Monthly Completion File and is submitted electronically. The Monthly Completion File information must reconcile with the support, labor, and material figures on that month's fiscal reports.

The Monthly Completion File information is used in a number of ways. The DCAA produces reports from the information to send to the utility companies. The Monthly Completion File information is also used by a contractor to do the annual evaluation of the Iowa Weatherization Program and for other program analysis.

7.30 SUBMISSION REQUIREMENTS

The following table lists the frequency, due date, number of copies, and medium for the reports and data agencies are required to submit to the DCAA.

Report/Data	Frequency/ Due Date	No. of Copies	Medium
General Accounting Expenditure (GAX) Form	Monthly – 8th	2	H
DOE/OC Expend. Summary Report (101)	Monthly – 8th	2	H
DOE/OC Expend. Detail Report (102)	Monthly – 8th	2	H
HEAP Expenditure Summary Report (101H)	Monthly – 8th	2	H
HEAP Expenditure Detail Report (102H)	Monthly – 8th	2	H
Utility Expenditure Summary Report (101U)	Monthly – 8th	2	H
Utility Expenditure Detail Report (102U)	Monthly – 8th	2	H
Contract Close-out Reports	45 days after contract end	2	H
Monthly Completion File	Monthly – 8th	1	EL

Codes
H: Hardcopy
EL: Electronic

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8.00 FINANCIAL MANAGEMENT

INTRODUCTION

This section provides information and instructions on financial management activities and issues relative to the administration of the Iowa Weatherization Program.

The section refers to a number of expenditure limits and allowances established by the Department of Energy (DOE) or by the DCAA. Some of the expenditure limits and allowances are updated annually and others are changed periodically. Because of the frequent updating and changing of the limits and allowances, it would be impractical to continually revise this section in order to list the most current expenditure limits/allowances. Therefore, a current listing of all expenditure limits and allowances is included in the *Weatherization General Appendix*. This allows for easier and timelier manual revisions.

Fiscal reporting for the Weatherization Program is done through the computerized Weatherization Automated Management System (WAMS). Instructions on running WAMS are addressed in the *WAMS Instruction Manual.*

Examples of the financial reports are located at the end of this section.

8.10 FUNDING: SOURCES, ALLOCATION, AND CONTRACTS

8.11 Funding Sources

There are currently three funding sources for the Iowa Weatherization Program. They are: Department of Energy funds, HEAP funds, and utility funds.

Department of Energy (DOE) funds are allocated to the state in the form of a grant from the Department of Energy.

HEAP funds come from the state's LIHEAP funds. State legislation requires that up to 15% of the state's annual LIHEAP allocation be given to the Weatherization Program. HEAP funds do not have to be used in accordance with DOE Weatherization rules and regulations. However, the DCAA requires HEAP funds to be used in accordance with DOE rules and regulations with some exceptions (e.g. DOE will not pay for freezers, but HEAP will).

Utility funds come from the state's investor-owned utility companies. The utility companies contract with the DCAA. The DCAA then issues utility contracts to the agencies. Some agencies may also receive direct funding from municipal utilities or rural electric cooperatives (REC). The utility companies prescribe what their funds may be used for.

8.12 Allocation of Funds

Program funds are allocated to agencies according to a formula based on the number of households at, or below, 200% of the poverty level in each county in each agency's service area. The total number of households at, or below 200% of the poverty level in each agency's service area is divided by the total number of households at, or below, 200% of the poverty level in the state to arrive at each agency's percent of the state total. Each agency's percent of the state total is the percent of total funds each agency receives.

In addition to the allocation formula, a minimum or base agency funding level exists. Agencies that would receive less than the base funding level according to the allocation formula have their funding set at the base level.

8.13 Contracts

The DCAA contracts with agencies for the provision of weatherization services using separate contracts for each different funding source. Therefore, there is a DOE Contract, a HEAP Contract,

and separate contracts for each utility company. (Each utility requires a separate contract for their funds. Therefore agencies may receive more than one utility contract.)

The contract is the legal document between the DCAA and the agencies. Failure of an agency to comply with a contract requirement may result in disallowed costs.

The first page of the contract is the Signature Page. After the first page are the Special Conditions. Page 1 of the Special Conditions contains the contract budget. The contract budget always consists of the following line items: administration, support, labor, and materials. Contracts may also contain a health and safety line item. If funds are provided to agencies for special purposes, such as liability insurance or a special project, additional line items are added to the contract. The remainder of the Special Conditions describes the contract requirements specific to the Weatherization Program.

The final part of the contract is called the General Conditions. The General Conditions describe requirements general to all contracts involving funds from the DCAA.

The executive director and agency board chairperson must sign and date the contracts.

8.20 OVERVIEW OF THE FISCAL PROCESS

This section provides an overview of the activities involved in the entire fiscal process, including issuance and execution of contracts, submission of fiscal reports, and the close-out of contracts. Detailed information regarding the various components of the process is provided in following sections.

8.21 Issuance of the Contract Package

The weatherization fiscal process begins with the issuance of the weatherization contracts. Prior to the beginning of the each contracts program year, the DCAA sends agencies contract packages for the upcoming program year. The contract package for each of the contracts consists of the following:

- Signature Page
- Special Conditions
- General Conditions

The agency's executive director and agency board chairperson must sign and date three copies of the Signature Page for each contract. The agency must then return the signed and dated signature page for each contract to the DCAA.

The agency should retain the General and Special Conditions.

The DCAA Administrator then signs and dates the Signature Pages for the contracts and returns to the agency, one fully executed copy.

8.22 Obtaining Contract Funds

Agencies can request a cash advance at the beginning of the DOE and HEAP contract. After the initial cash advance, agencies obtain additional contract funds through the submission of monthly fiscal reports.

States are required to monitor the amount of cash on hand at the agency level. Cash advances to a recipient organization will be limited to the minimum amounts needed and are to be timed to be in accordance with the actual, immediate cash requirements of the recipient organization in carrying out the purpose of the program or project. The timing and amount of cash advances will be as close as is administratively feasible to the actual disbursement by the recipient organization for the program or project costs. Because of this, the DCAA has restricted the amount of cash agencies may request as an advance.

Cash Advance Procedures
Agencies may request up to one-sixth (1/6th) of their DOE Contract and up to one-twelfth (1/12th) of their HEAP and Utility Contracts as a cash advance. A State of Iowa General Accounting Expenditure (GAX) Form is used to request a cash advance. Agencies must fill in the dollar amount requested as an advance, not to exceed the percentage amounts listed above. The form must be dated and signed by the executive director, or designee in the box called "Claimant's Certification." Two copies (both with original signature) of the cash advance form (General Accounting Expenditure (GAX) Form) needs to be submitted to the DCAA.

Reimbursement During the Contract Period
After the initial cash advance has been requested, the DCAA will only reimburse for actual expenses on completed homes, 30-day projected expenses, and for work in process on homes. Work in process is defined as actual expenses paid by the agency for work done on homes not yet complete (Line 16 of Summary Report). Projected expenses are defined as anticipated expenses for work completed in the next 30 days (Line 19 of Summary Report). **Both projected expenses and work in process must be documented with the monthly reports.** Reimbursement is done through a General Accounting Expenditure (GAX) Form and 101 Fiscal Reports completed by the agencies and submitted monthly to the DCAA. If an agency, at any time, shows an excessive amount of cash on hand due to low production (not completing homes), the DCAA may request the agency to return a portion of the cash on hand.

8.23 Contract Close-Out
Every weatherization contract, including utility contracts, must be closed out at the end of the contract period. The method of closing out contracts is through the completion and submission of close-out reports by the agency.

Close-Out Reports
Agencies are to complete and submit close-out reports to the DCAA via email no later than 45 calendar days after the end of the contract.

It is very important agencies submit close-out reports by the due date. If there are carryover funds from a contract, those funds cannot be reallocated to agencies until all agencies' close-out reports have been submitted and the DCAA is able to reconcile all contract funds.

Note: If a payment is requested with the close-out report, a General Accounting Expenditure (GAX) Form must be submitted with the close-out report.

8.24 Monthly Claims Processing Process
When the reports are received by the DCAA, the process below is followed:

- Weatherization Bureau staff review the claims (reports) for accuracy and then input information from the correct claims into a computerized reporting system. If errors are found, the staff will work with the agency in attempting to correct the claim. If the staff can correct the errors, the claims will be corrected and sent to the next step of the review process. If the errors can only be corrected by the agency, the agency will have to resubmit the claims.
- The claims are then sent to the department's fiscal division, where information from the claims is input into the state's financial accounting system.
- The fiscal division then sends the claims to the Iowa Department of Revenue where they are again reviewed and processed. Claims denied by Revenue, for whatever reason, are returned to the Department of Human Rights (DHR) and have to be corrected and resubmitted. Once approved, Department of Revenue processes the claims and issues warrants or completes the electronic transfer of funds.
- The warrants or electronic transfer notices are sent from Department of Revenue to the DHR. DHR sends the warrants or notices to the agencies.

Barring circumstances outside the control of DCAA, claims (reports) received by the eighth (8th) calendar day of the month will be processed by the end of the month. Claims received after the eighth

(8th) calendar day of the month will be processed as soon as possible. However, there is no guarantee claims received after the due date will be paid by the end of the month.

8.30 ALLOWABLE EXPENDITURES

Section 22.0 of the Special Conditions of the weatherization contracts describes what expenditures are allowed within the administration, support, labor, and materials budget categories. Section 22.0 also describes other expenditure requirements. It is very important agencies understand and follow the requirements described in that section of the contact.

8.31 Budget Line Items:

Administration

DOE/HEAP CONTRACTS

For a specific contract, agency administrative expenditures cannot exceed a specified percentage of the total support, health and safety, labor, and materials expenditures charged to that contract. The percentage is stated in the specific contract. Therefore, the amount of administration funds an agency may charge to a contract may not equal the amount listed in the contract's administration budget line item, if the agency does not spend all of the support, labor, and materials (and health and safety) funds in the contract.

DOE rules allow states the option of giving additional administration funds to agencies. Only agencies receiving less than $350,000 in DOE funds are eligible for the additional administration funds. The amount of the additional administration funds provided to an agency is combined with the regular administration funds for the agency in the administration budget line item in the contracts.

UTILITY CONTRACTS

Combined administration and support costs in the utility contracts may not exceed a specified percentage of the total expenditures charged to the contract.

Support

The amount of support an agency is allowed per completed home, under the DOE and HEAP contracts, is 35% of the sum of the DOE, HEAP, Utility, and ECIP expenditures for health and safety, labor and materials. Support is charged to each house.

The amount of support an agency is allowed per incomplete home, under the DOE and HEAP contracts, is $200. The definition of completed homes is described in Section 5.60.

Agencies are allowed to keep only the amount of "earned" support cost that is equal to the amount of support charges or expenditures for the contract. For example, if an agency has "earned" $65,000 in support for the contract period but only has $60,000 of actual support expenses during the contract period; the remaining $5,000 ($65,000 - $60,000) must be transferred to health and safety, labor, or materials or returned to the DCAA.

Health and Safety

The DOE and HEAP Contracts contain a health and safety budget line item. For DOE, the amount allocated for the health and safety budget line item in the contracts is based on 25% of the DOE average expenditure per home. The amounts reported as health and safety expenditures must reflect actual expenditures.

Labor and Materials

The contract amount for labor and materials is split equally. Therefore, the amounts listed in the labor and materials budget line items are the same. This allocation is arbitrary. Agencies may spend more or less than the amounts shown in the labor and materials budget line items as long as they do not spend more than the total amount of the contract.

The amounts reported as labor and material expenditures must reflect actual expenditures.

Equipment/Training (HEAP Contract Only)
In some cases an item may be charged to the Equipment/Training line item with a statement of waiver, obtained from the Grantee.

Allowable Equipment/Training costs include the following:

- The initial purchase of equipment and certain supplies used in the Weatherization Program. This includes personal computers and printers used to operate the WAMS System or the NEAT/MHEA Audit, software that is used directly by the Weatherization Program, diagnostic equipment and supplies used in the energy audit of homes, equipment and supplies used to install weatherization measures, and crew health and safety equipment and supplies for use by crew workers and energy auditors/inspectors. The cost of maintaining equipment and supplies used in the Weatherization Program cannot be charged to this line item (admin or support only).
- The initial purchase of vehicles used by weatherization energy auditors/inspectors and crew workers. This also includes trailers used to transport weatherization materials. The cost of maintaining vehicles used in the Weatherization Program cannot be charged to this line item (admin or support only).
- Training for Sub-grantee staff as it relates to the administration of the Weatherization Program. This may include attending training to develop technical and/or computer skills, earn Healthy Homes CEU's, earn Home Energy Professionals (HEP) CEU's, which includes QCI, health and safety training, attending Weatherization Program state, regional or national workshops, and conferences. Training costs may include salary, fringe benefits, travel, and registration for weatherization training. Funds will be used to provide weatherization training to agency staff only. Exception: Contracted energy auditors and inspectors attending state required training may have related costs charged to this line item.
- Training and study materials for Sub-grantee staff as it relates to the operation of the Weatherization Program. This may include attending training to obtain or renew an electrical license or plumbing and mechanical license. Brand new licensure costs may be charged to this line item. License renewal costs must be charged to the Support line item.
- Training funds may also be used for Sub-grantee Contractors to attend Grantee-required trainings.

8.33 Budget Line Item Flexibility

Under the DOE and HEAP contracts, funds may be transferred from Administration to Support, Health and Safety, Labor, and Materials and between Support, Health and Safety, Labor, and Materials without prior approval. Under the utility contracts, funds may be transferred from Administration and Support, to Labor or Materials or between Materials and Labor without prior approval.

8.34 Average Expenditure per Home Limit

DOE rules (10 CFR 440.18) state the expenditure of DOE funds for support, labor, and materials cannot exceed a specified average expenditure per home limit. The average limit is adjusted annually by DOE. Refer to the *Weatherization General Appendix* for the current average expenditure per home limit.

The average expenditure per home limit applies to the DOE Contract. The limit does not apply to HEAP contracts or utility contracts. The average expenditure per home limit applies to the aggregate total of homes charged to the DOE Contract. It does not apply to each individual home charged to the Contract. Therefore, the total DOE expenditures for support, labor, and materials divided by the total number of completed homes are charged to the DOE Contract cannot exceed the average expenditure per home limit.

8.35 Health and Safety Expenditure Limit

DOE requires states to limit the amount of health and safety costs charged to DOE. If a state intends to use DOE funds for health and safety purposes, DOE requires the state to specify what percentage of DOE funds will be spent for abatement activities. The Iowa Weatherization Program has specified that 25% of support, labor, and materials will be used for health and safety activities. The cost of health and safety in excess of the 25% is augmented with HEAP funds (refer to Section 8.40). The health and safety expenditure limit is "outside" the calculation of the average expenditure per home limit. This requirement applies only to DOE.

8.36 Other Expenditure Limits

The DCAA imposes other limits on expenditures of program funds. Limits may apply to furnace work, water heater work, repair work, individual measure cost, etc. The expenditure limits are described in the *Weatherization General Appendix*.

8.40 AUGMENTING FUNDS

The Iowa Weatherization Program allows for the combining of HEAP funds with DOE funds to cover the cost of a home(s) while, at the same time, complying with DOE's average cost per home limit. This is referred to as "augmenting" funds. Utility funds may also be combined with DOE or HEAP funds to cover the cost of work on a home. However, utility funds are not used in the automated augmenting process.

8.41 Augmenting the Average Expenditure per Home

One of the benefits of augmenting is it allows agencies to spend more than the average expenditure per home limit that applies to the DOE Contract. This allows the program to install more measures or to weatherize higher cost homes than the program would be able to do if it was limited to the average expenditure per home limit.

When augmenting funds, expenditures up to the average expenditure per home limit are charged as DOE expenses and the balance of the expenditures (i.e. expenditures in excess of the average expenditure per home limit) are charged as a HEAP augmenting expense. If a home uses any DOE funds, that home will be reported as a DOE completion. That way there is no double counting of completed units. If only HEAP funds are used (or HEAP and utility combination), the completion is charged to HEAP.

8.42 Augmenting Health and Safety Costs

In order to comply with the H&S limit, but still cover the costs of necessary health and safety abatement activities, the Iowa Weatherization Program also augments health and safety costs. WAMS automatically augments health and safety costs charged to the DOE Contract. This is done by charging a calculated health and safety amount to the DOE Contract. The remaining balance of the health and safety costs is augmented to the HEAP Contract.

8.43 The Augmenting Process

WAMS automatically calculates augmenting when it is needed.

Augmenting of health and safety costs works as follows. WAMS multiplies the number of completed homes for the month by the maximum health & safety average. The resulting number is the maximum health and safety cost that can be charged to DOE for the month. If the total amount of actual health and safety costs for the month is less than the calculated maximum, the entire health and safety amount for the month is charged to the DOE Contract and none of the health and safety cost is augmented. If the total amount of actual health and safety cost for the month is more than the calculated maximum, the calculated maximum is charged to the DOE Contract and the balance is augmented to the HEAP Contract.

After augmenting health and safety costs, WAMS then considers whether the total cost of the homes for the month will exceed the DOE average limit. If augmenting is required in order to comply with the

average limit, support cost is augmented first, followed by labor cost, and finally, material cost, if needed.

8.50 CHARGING COSTS

There are some restrictions on when contract funds may be spent. Homes must be charged to the DOE Contract first. The reason for this is if a state does not spend the majority of its DOE grant for the year, DOE may reduce the state's future funding allocation. Therefore, it is important to ensure each year's DOE grant is spent. When any DOE funds are spent on a completed home, the home is reported as a completion under the DOE Contract.

When DOE funds are available, HEAP funds may only be used for the following reasons:

- To charge measures not covered by DOE
- To re-weatherize a home in an area declared a disaster by Presidential or Gubernatorial declaration
- To do additional work on a home that has been closed complete (i.e. go-backs/reworks)

After all DOE funds have been spent, homes may then be charged to the HEAP Contract.

If a house is eligible, available utility funds must be utilized. Utility funds can be used to cover the cost of some measures that cannot be charged to the DOE and HEAP contracts. Because utility funds can be charged to the same home DOE or HEAP funds are charged to, it would be possible to have DOE, HEAP, and utility funds all used to cover the costs of one home.

Allowable costs must be charged to the appropriate contract and to the appropriate line item of that contract. Weatherization contracts define what allowable costs may be charged to each of the line items.

All weatherization work on a home, including the final inspection (performed by a certified QCI), must be completed by the last day of a contract in order to charge the home to that contract. Only the payment of expenses incurred during a contract term may take place after the last day of the contract.

8.51 Costs on Incomplete Homes

The costs of incomplete homes must be charged to the contract in force at the time the expenditures were incurred. The cost of the incomplete homes should be added to the cost of the completed homes to determine the average cost per completed home for that contract.

8.52 Costs on Homes In-Process

Homes in-process are defined as homes for which the agency has incurred actual expenditures but the home cannot yet be reported as complete because either all of the weatherization work has not been completed or the final inspection has not been done. Work on homes in-process that cannot be completed by the end of a contract cannot be charged to that contract. These costs must be charged to a weatherization contract in effect at the time the home is completed. The completed home also would be reported as a completion under the contract in effect at the time the home is completed.

8.53 Go-Back, Corrective Work Required (CWR) Costs and Correcting Data

There are times when an agency has to go back to a home, after it has been closed as a completed home, to either correct work done to the home or to do additional needed work. Going back to a home after it has been completed may be as the result of a client complaint to the agency ("Go-Backs") or an inspection finding from a state inspector regarding corrective work required (CWR). There are also times when the data originally submitted must be corrected.

Go-back and CWR costs can only be charged to a HEAP contract. The costs must be charged to whichever HEAP contract is currently in effect. If correcting data results in additional charges to the house, those additions must be charged to HEAP. If correcting data results in a reduction of costs, the credit must be applied to the program originally charged, if possible.

Support is not allowed on CWRs and Go-Backs because support was already paid when the home was reported as a completion. The home must not be counted as a new completion.

8.54 Rebates

When a rebate is used, the agency should reduce the line item expenditure, by the amount of the rebate, in the contract the expenditure was charged to. For example, if a rebate of $500 is obtained from a utility company or manufacturer, the agency should reduce the material line item by $500.

Rebates offered by utilities for installing energy efficient equipment/materials must not be used when the equipment is installed with utility funds through the WAP Program. If utility funds are used to pay for the equipment and a rebate is obtained, it would have the effect of the utility paying for the equipment twice. (Also the utility would get credit for the savings twice; once under the low-income weatherization program and once under their residential rebate program.)

8.55 Weatherization Equipment Rental

If weatherization equipment is used by an agency for non-weatherization activities the agency must fairly compensate the Weatherization Program for the use of the equipment. Also, if private contractors use weatherization equipment, the contractors must fairly compensate the Weatherization Program for the use of the equipment. Refer to Section 9.71 for more detailed information about this.

Agencies must determine which method of reporting funds received as rental fees will be used:

1. Agencies may report 100% of the funds received as rental fees as a credit to the HEAP Equipment/Training line on the 102 Report.
2. Agencies may also choose to split the compensation between the HEAP Equipment/Training line and the support line. Doing this will allow the agency to recover the maintenance costs associated with that vehicle (gas, repair, insurance, registration, etc.) which are paid with support funds.

8.57 Funds Received through the Sale of Weatherization Equipment and Vehicles

Funds received through the sale of equipment or vehicles purchased with HEAP funds must be reported as a credit to the HEAP – Equipment line item in the current HEAP contract. Funds received through the sale of equipment or vehicles purchased with DOE funds must be reported as an expenditure reduction to the support line item in the current DOE contract.

8.58 Funds Received through the Sale of Weatherization Materials

Funds received through the sale of materials must be reported as an expenditure reduction to the Materials line item. Refer to Section 9.50 for more detailed information.

8.80 OTHER FINANCIAL ISSUES

8.81 Disallowed Costs

The weatherization contracts define costs that cannot be charged to the Weatherization Contracts. Examples of these are finance charges, late fees, and interest expense. Refer to the weatherization contracts for more information on disallowed costs.

If a cost, incurred under a contract still in-force is disallowed, the disallowed cost must be reported as an expenditure reduction to the relevant line item in the contract. If a cost is disallowed in a closed contract, the amount of the disallowed cost must be returned to the DCAA by check.

8.82 Insurance

Commercial General Liability Insurance

Agencies must carry commercial general liability insurance coverage for weatherization activities. Coverage amounts are listed in the current weatherization contracts.

Pollution Occurrence Insurance (POI)
DCAA will reimburse agencies for POI insurance, for those agencies who request reimbursement. Only the portion of the insurance premium that applies to coverage of the weatherization project will be reimbursed by the DCAA. Agencies wishing to be reimbursed for the "weatherization portion" of the POI insurance premium must send a reimbursement request to the DCAA that includes a copy of the insurance premium which clearly indicates the portion pertaining to coverage of the weatherization project. Agencies will be reimbursed through a "POI insurance" line item added to a current weatherization contract. Although DOE no longer requires that agencies maintain POI coverage, it is strongly recommended.

Vehicle Insurance
Agencies must carry sufficient vehicle insurance on all weatherization vehicles. Vehicle insurance is a support cost and is reimbursed through program support.

Agencies must require their contractors to have sufficient vehicle insurance and provide proof of the coverage.

Worker's Compensation Insurance
Private contractors doing any type of weatherization work for the agency must carry Worker's Compensation insurance on their employees, in the minimum limits required by Iowa law, unless exempt from the law. If a private contractor is waived from carrying Worker's Compensation insurance, a statement of waiver is to be signed and dated by the private contractor and maintained in the file. The waivers must be updated whenever annual contracts are signed.

8.83 Reimbursement of Travel Costs by the DCAA

The DCAA may reimburse agencies for travel costs associated with attending certain bureau-sponsored meetings and bureau-sponsored or approved training sessions. Normally, reimbursement will cover mileage, meals, and lodging. For certain training sessions, the DCAA will also provide a $20 per hour allowance to some attendees.

The DCAA sends agencies written notices of the bureau-sponsored meetings and training sessions. The notices will state whether the DCAA will reimburse agencies for their travel costs, and if so, which of the items (i.e. mileage, meals, lodging) will be reimbursed. The notices will also indicate whether the training qualifies for the $20 per hour allowance.

Mileage, Meals, and Lodging Reimbursement
Reimbursement for mileage, meals, and lodging will be according to the State of Iowa allowances in effect at the time. Reimbursement for meals and lodging will be the lower of actual cost or the State of Iowa allowance. Reimbursement for mileage will be at the State of Iowa per mile allowance. The current State of Iowa allowances for these items are included listed in the *Weatherization General Appendix*.

Allowance for Attending Training
The DCAA may provide an allowance of $20 per hour for agency technical staff and contractors for time spent at certain training sessions. The conditions for receiving the allowance are as follows:

The allowance will only be provided for Bureau of Weatherization - sponsored training. This includes training conducted by bureau staff or contractors hired by the bureau. The allowance will not be provided for state on-site training, for agency in-house training and staff development, or for attendance at conferences.

The allowance will be $20 per hour for each hour of training. The allowance will only cover actual training hours.

Reimbursement of the per-hour allowance is usually restricted to agency technical staff and contractors.

It will only be provided if the trainee attends the complete training (i.e., if a person attends 4 hours of 6-hour training, no allowance will be provided).

The DCAA may limit the allowance to a certain number of attendees per agency for some qualified training sessions.

Trainees who complete a qualified training session will be given a form signed by the trainer. The form will be used to request reimbursement from the DCAA for the training allowance and can be submitted with travel/meal reimbursement requests.

Procedures for Requesting Reimbursement

For those occasions where the DCAA has agreed to provide reimbursement for travel costs, it is the agency's responsibility to submit a reimbursement request to the DCAA. The reimbursement request must consist of the following:

- Two copies of a completed and signed State of Iowa General Accounting Expenditure (GAX) Form
- Two copies of a completed Iowa Weatherization Program Training Allowance Reimbursement Form

The DCAA will provide copies of the Training Allowance Reimbursement Form to attendees at the training sessions. The Training Allowance Reimbursement Form is to be used to request reimbursement for both travel expenses (e.g. mileage, meals, lodging) and the $20 per hour allowance (when applicable). The form must include an itemized list of costs for which reimbursement is being requested. Reimbursement requests for mileage must show the number of miles traveled times the State of Iowa allowance per mile. Receipts for meals are not required. Receipts for a hotel/motel stay are required and must be included with the reimbursement request.

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9.00 PROCUREMENT AND CONTRACTING REQUIREMENTS

INTRODUCTION

This section covers procurement and disposition requirements for, materials, equipment, vehicles, and services. It also covers contract requirements for weatherization and furnace services.

The section is divided into the following subsections:

9.10 Procedures for Procuring Vehicles, Equipment, Materials, and Services
9.20 Special Requirements for Purchasing Vehicles, Equipment, and Materials
9.30 Special Requirements for Procuring Any Weatherization Services
9.40 Flat Rate Contracting
9.50 Procedures for Disposing of Materials, Equipment, and Vehicles
9.60 Procedures for Renting and Leasing Equipment and Vehicles
9.70 Special Requirements Regarding the Use of Equipment and Vehicles

Procurement involves the acquisition of products or services. For the Weatherization Program, products include supplies, materials, equipment, and vehicles. Services include any weatherization work. All procurements using federal funds must be done in accordance with federal procurement standards and procedures. Agencies are responsible for developing their own procurement standards and procedures with respect to the procurement of products and services using federal funds. These procurement standards and procedures must be in writing, must cover all aspects of the procurement process, and must be based on the federal requirements. Agencies are responsible for ensuring their procurements are conducted according to their established standards and procedures and in a manner that provides for fair and open competition.

The information in this section is meant to provide guidance when procuring services, purchasing materials, equipment, and vehicles, and leasing or renting equipment and vehicles with Weatherization Assistance Program funds or when disposing of equipment and vehicles purchased with Weatherization Program funds. This document does not replace federal rules and regulations.

9.10 PROCEDURES FOR PROCURING VEHICLES, EQUIPMENT, MATERIALS, AND SERVICES

When purchasing vehicles, equipment, materials, and services using Weatherization Program funds, agencies will use their own procurement procedures which must comply with the provisions of applicable federal procurement requirements. In addition, there are special requirements involving procurements using Weatherization Program funds. Those special requirements are described below. Note: With respect to the requirements contained in this section, equipment means any equipment other than vehicles, unless otherwise noted.

9.11 Procurement Process

Written Procedures and Standards of Conduct

Agencies must have written procurement procedures that cover all aspects of the procurement process including applicable Federal, State and local laws and regulations. Agencies must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

Agencies must maintain written standards of conduct governing the performance of employees, officers, or agents (includes Board members) engaged in the selection, award, and administration of contracts. The standards of conduct must, at a minimum, state no employee, officer, or agent (includes Board members) will participate in the selection, award, or administration of a contract if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent (includes Board members), any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties previously mentioned, has a financial or other interest in or a tangible benefit from the party (contractor) selected

for the award. The standards of conduct must also state agency employees, officers, or agents (includes Board members) will neither solicit nor accept gratuities, favors, or anything of monetary value from the contractors.

The Agency's purchasing procedures must avoid acquisition of unnecessary or duplicative items and promote cost effectiveness. Agencies are encouraged to enter into state and local intergovernmental or inter-entity agreements where appropriate and to use Federal excess and surplus property in lieu of purchasing new equipment when feasible.

Full and Open Competition
All procurement transactions must be conducted in a manner that provides, to the maximum extent possible, full and open competition. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, and invitations for bids or requests for proposals must be excluded from competing for such procurements.

Agencies must ensure their procurement procedures do not restrict or eliminate competition. Agencies must not place unreasonable requirements on the procurement process that would unjustifiably favor or exclude specific products, suppliers, or contractors (e.g., specifying only a "brand name" product instead of allowing "an equal" product to be offered, imposing geographical preferences unless mandated by statute, etc.).

List of pre-qualified persons, firms, or products must be current and include enough qualified sources to ensure competition.

In order for the procurement to be competitive, efforts must be made to obtain an adequate number of bids or price quotations. Depending on the item being purchased, the number of vendors an agency attempts to get bids or price quotations from may vary and still be considered competitive. For example, if an agency wishes to purchase a blower door, there may only be two vendors that manufacture blower doors. If the agency requests bids or price quotations from both vendors, the procurement would be considered competitive. On the other hand, if an agency wishes to purchase a pick-up truck and requests bids or price quotations from only two vendors, the procurement most likely would not be considered competitive because there are more than two dealerships that sell pick-up trucks.

Procurement Methods
Following are accepted procurement methods. These methods are based on the State of Iowa's procurement policies. Agencies should follow their own procurement methods/policies if they are more restrictive than these.

- ***Unit acquisition cost is less than $5,000*** – When purchasing goods where the unit acquisition cost is less than $5,000 every effort should be made to obtain a minimum of three (3) price quotes. At the very least, a minimum of three potential vendors must be contacted. The price quotes may either be verbal or written.
- ***Unit acquisition cost is $5,000 - $50,000*** – When purchasing goods where the unit acquisition cost is between $5,000 and $50,000, every effort should be made to obtain a minimum of three written bids. At the very least, a minimum of three potential vendors must be contacted. The bids must be in writing.
- ***Unit acquisition cost is more than $50,000 or more than $50,000 of like goods will be purchased, in aggregate, over a one year period of time*** – When purchasing goods where the unit acquisition cost is more than $50,000 or when more than $50,000 of like goods will be purchased, in aggregate, over a one year period of time, a sealed bid process must be used. This requires public solicitation accomplished through advertising. The bids must be in writing. The bid is awarded to the lowest bidder meeting the submission requirements.
- ***Cost of a service will be more than $50,000, in aggregate, over a one year period of time*** – When purchasing services where the cost of the services will be more than $50,000, in

aggregate, over a one year period of time a sealed bid process must be used. This requires public solicitation accomplished through advertising. The bids must be in writing. The bid is awarded to the best proposal where all factors, including price, are considered.

Purchase price or total amount, in aggregate, in a year	Bid/Price Quote	Number of potential bidders	Award decision
< $5,000	Price quote – verbal or written	Contact minimum of 3 bidders	Lowest bid
$5,000 - $50,000	Written bids	Contact minimum of 3 bidders	Lowest bid meeting submission requirements
Goods - > $50,000 (or like goods or goods from same vendor of > $50,000 in aggregate in a year)	Public solicitation Written bids	N/A Public Solicitation	Lowest bid meeting submission requirements
Services - > $50,000 (or like services or services from same vendor of > $50,000 in aggregate in a year)	Public solicitation Sealed Written bids/proposals	N/A Public Solicitation	Best proposal where all factors, including price, are considered

Where Non-Competitive or Sole-Source Purchasing Must be Used
Non-competitive or sole source purchasing may be used when a good is available from only one (sole) source and in emergency situations when the awarding agency so authorizes.

Cost and Price Analysis
Some form of cost or price analysis must be done and documented in connection with every procurement action. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocation, and allowability.

Procurement Documentation
Documentation must be maintained for all procurements. Documentation should include, at a minimum, the basis for bid selection, a justification for lack of competition when competitive bids or offers are not obtained, and the basis for award cost or price.

Protest and Appeal Procedures
The agency is the responsible authority without recourse to DOE or the DCAA regarding the settlement and satisfaction of all procurement and contractual issues arising out of procurements. This includes disputes and protests of awards. There must be written procedures for handling and resolving disputes related to the procurements and subsequent contract administration.

DCAA Prior Approval
Agencies must obtain prior approval from the DCAA when they wish to purchase vehicles and equipment using Weatherization Program funds and the vehicle or equipment has a unit acquisition cost of $5,000 or more.

Procedures for Requesting DCAA Prior Approval
If the purchase requires DCAA approval, the agency must complete and submit a DCAA Purchase Request Form, submit the invitation to bid, including advertisements, a copy of all bids received, and

the bid tabulation sheet. The agency must include the following information on the form: description, quantity, and price of the equipment/vehicle the agency wishes to purchase and the source of funds that will be used for the purchase. The agency must also indicate the number of vendors from whom the agency requested bids/price quotes, the number of bids/price quotes received, and whether the selected vendor was the low bidder. A copy of the Purchase Request Form is included in the *Weatherization General Appendix* and is also in the Members Only section of the Weatherization Website https://humanrights.iowa.gov/dcaa/weatherization . Note: Agencies must retain copies of the bids/price quotes received.

The DCAA will notify the agency of the request approval or disapproval on the DCAA Purchase Request Form.

Note: If an agency plans to purchase a vehicle at a public auction and believes the purchase price might be $5,000 or more, the agency needs to notify the DCAA, in advance of the auction. Agencies may purchase a vehicle at an auction if the purchase price is less than or equal to the Blue Book value (retail amount) of the vehicle.

Agencies are responsible for ensuring they have sufficient funds to cover the cost of the vehicles, equipment, or materials they are requesting to purchase. DCAA approval of a purchase request does not guarantee the agency has the funds to cover the cost of the purchase.

Note: The purchase of equipment and vehicles requires prior approval from DOE when any DOE funds are used toward the purchase. The DCAA will notify the agency if DOE prior approval is required. If the purchase requires DOE approval, the DCAA will send the approval request to DOE.

Debarred or Suspended Contractors/Suppliers
Agencies must not make any contract award to any contractor or supplier who is debarred or suspended or is otherwise excluded from, or ineligible for, participation in federal assistance programs. Executive Order 12549, “Debarment and Suspension,” (as specified in 10 CFR Parts 600.27 and 600.435 and 10 CFR Part 1036) provides that a person who is debarred or suspended shall be excluded from federal financial and non-financial assistance and benefits under federal programs.

DOE maintains a list of persons (contractors/suppliers) who have been debarred or suspended from federal assistance programs on www.sam.gov. Agencies must make sure they do not contract with anyone on the list during the period the person is debarred or suspended. The period of time each person is debarred or suspended is indicated in the website. Agencies are to review the list each time a contract is renewed. Proof of the review, signed by the researcher, must be maintained in the contractor files.

9.20 Special Requirements for Purchasing Vehicles, Equipment, and materials

9.21 Special Requirements for Purchasing Vehicles

Vehicle Purchase Involving a Vehicle Trade-In
If the purchase will involve a trade-in of a vehicle previously purchased with program funds, the agency must indicate this on the Purchase Request Form. The agency must identify what vehicle(s) will be involved in the trade-in and include the VIN Number, model, and year of the “trade-in”, and the dollar value of the “trade-in.” The agency must also include a justification for why the vehicle(s) is being traded in. This may be the same justification for the purchase of the new vehicle (i.e. high mileage on the existing vehicle(s) being traded in). A vehicle intended for trade-in must have a minimum mileage reading of 100,000 miles or be 10 years old to be considered for replacement. The DCAA may waive this requirement under special circumstances.

The Purchase Request Form must show the price of the new vehicle, the dollar value of the trade-in, and the net price of the new vehicle.

Purchasing a Vehicle for Weatherization with Non-Weatherization Funds
Prior approval from the DCAA is also required if an agency plans to purchase a vehicle with non-weatherization funds and then charge the Weatherization Program a usage fee for the use of the vehicle.

Vehicle Inventory and Maintenance
Agencies must implement an inventory control system to ensure adequate safeguards to prevent loss, damage, or theft of vehicles. Any loss, damage, or theft must be investigated and fully documented. Agencies must also implement adequate maintenance procedures to ensure vehicles are kept in good condition.

Vehicle Insurance
Agencies must carry sufficient insurance on vehicles used to transport weatherization materials, equipment, or personnel.

9.22 Special Requirements for Purchasing Equipment

Equipment Inventory
Agencies must keep an inventory of all equipment purchased with Weatherization Program funds and has a unit acquisition cost of $5,000 or more. The inventory records must include the following:

- Description of the property
- Manufacturer's serial number, model number, VIN number, or other identification number
- Funding source of the property, including the FAIN (Federal Award Identification Number)
- Title holder
- Acquisition date
- Cost of the property (unit acquisition cost)
- Information from which one can calculate the percentage of Federal participation in the cost of the item
- Location, use and condition of the property
- Disposition information, including date of disposal, method of disposal, and sales price (when equipment is disposed)

Inventory Control
Agencies must implement an inventory control system to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated. Agencies must conduct a physical inventory of equipment and reconcile the results with the equipment inventory records at least once every two years.

Property Maintenance
Agencies must implement adequate maintenance procedures to ensure equipment is kept in good condition.

9.23 Special Requirements for Purchasing Materials

All materials that are purchased for installation in a building that are anticipated to have a direct impact on saving energy, must comply with the applicable standards contained in the most current edition of 10 CFR Part 440, Appendix A. Other materials used for repair and health and safety, are not typically included in 10 CFR Part 440, Appendix A.

Where federal specifications for materials are lacking, materials must meet applicable requirements in the *Work Standards,* if applicable.

Priority must be given to suppliers of insulation materials supplied as "recycled" materials, in accordance with Section 6002 of the Resource Conservation and Recovery Act (RCRA), as identified in 40 CFR, Part 248.

RCRA requirements are by weight, 75% post-consumer recovered paper products for cellulose, 23% post-consumer recovered paper products for perlite composite board, and 50% recovered materials for rock wool.

Refer to the Utility Contracts for information on utility measures.

9.30 SPECIAL REQUIREMENTS FOR PROCURING WEATHERIZATION AND FURNACE SERVICES

AGENCIES MUST ACCEPT ALL ELIGIBLE CONTRACTORS FOR INCLUSION ON THE BIDDERS LIST.

9.31 General Requirements

Contractor Registration

The State of Iowa requires contractors to register with the state's labor commissioner. For purposes of this requirement, contractor means a person who engages in the business of construction. A contractor who earns less than $2,000 annually is exempt from this requirement. Contract registration is handled by the Division of Labor Services in the Iowa Department of Workforce Development. The Division of Labor Services will issue the contractor an Iowa Contractor Registration Certificate that includes a Contractor Registration Number. The contractor registration requirement is addressed in Chapter 91c of the Code of Iowa.

Only contractors who have State of Iowa contractor registration certificates may be awarded contracts by agencies. The Contractor Registration Certificates must be renewed annually. When contractor registrations are renewed, the Division of Labor Services issues a new certificate.

If a contractor has applied for a registration but has not yet received it, the agency may contact the Division of Labor Services to verify this. Contractor registration information can also be obtained on-line at www.iowaworkforce.org/labor/contractor.htm. Locate the contractor information, print the registration, which includes the expiration date, and file it in the contractor's file.

General Liability, Vehicle and Workers' Compensation Insurance

Refer to the current weatherization contract for all insurance requirements.

Contractor Licensures

- **Electrical License**
  Contractors are required to furnish a copy of an Iowa Electrical License (Class A or B, Residential Electrician or Residential Master, or Special Electrician License with Disconnect/Reconnect Endorsement, as applicable) to the Agency. Electrical contractors and contractors performing electrical work are required by Iowa law to obtain an Electrical License through the Iowa Department of Public Safety.
- **Plumbing & Mechanical License**
  Contractors are required to furnish a copy of an Iowa Plumbing & Mechanical License (Master or Journeyman HVAC, Master or Journeyman Hydronics, Master or Journeyman Mechanical (covers HVAC and Hydronics work), Master or Journeyman Plumbing, or Disconnect/Reconnect Plumbing Technician Specialty, as applicable) to the Agency. Contractors performing plumbing and mechanical work are required by Iowa law to obtain a Plumbing & Mechanical License through the Iowa Department of Public Health.

Contractor Selection

When procuring contractor services to perform any weatherization, more than one contractor may be used. In this case, there must be a procedure for awarding or assigning jobs (or job packets). Options could include assigning jobs on a rotating basis or on a geographic area basis.

Contract Administration and Documentation
A system of contract administration must be maintained to ensure contractor compliance with the terms and conditions of the contract. Agencies must evaluate contractor performance and document, as appropriate, whether contractors have met the contract's terms and conditions. Refer to Section 6.00 for contractor documentation requirements.

9.32 Contract Content Requirements
Contracts must contain the following provisions.

Contract Period
Contracts with contractors performing work for the agency must state the contract period. Contract periods can vary depending on what works best for the agency.

For weatherization work, some agencies have a separate contract for each job or packet of jobs. In this case, a new contract is executed each time a job or packet of jobs is awarded to a contractor. Others have an annual contract with all the contractors who are interested in bidding on jobs during the year. Each job or packet of jobs is still bid out but separate contracts do not have to be executed for each job or packet because the annual contract covers the jobs the contractor works on during the year (contract period). AGENCIES MUST ACCEPT ALL ELIGIBLE CONTRACTORS FOR INCLUSION ON THE BIDDERS LIST.

For HVAC work contracting, agencies may use an annual contract for furnace tune and clean work; not for repair or replacement work. Agencies may have an annual contract with all the contractors who are interested in bidding on jobs during the year. Each replacement heating system will be bid out but separate contracts do not have to be executed because there is an annual contract. Or, agencies may bid out each replacement and have separate contracts for each replacement. The same holds true for water heaters. AGENCIES MUST ACCEPT ALL ELIGIBLE CONTRACTORS FOR INCLUSION ON THE BIDDERS LIST.

At the agency's discretion, up to $500 in repair work identified by the HVAC contractor at the time of tune and clean may be completed without bid. This would allow the tune and clean contractor to make minor repairs while on-site, with agency approval, and without having to bid out the work. Agencies should have a policy in place to handle the situation where the tune and clean contractor determines the furnace needs replaced.

Sole source purchasing may be used in well-documented emergency situations where a client has no heat in winter weather.

Contracts must be for a maximum of one year. Contracts may contain a provision giving the agency the option to extend it for one additional year. If an agency wants the option to extend for one additional year, this provision must be stated in the original contract. If the optional year provision is in the original contract, it does not mean the agency must extend the contract for the optional year. The decision whether or not to extend the contract rests with the agency. Exercising the optional year extension must be in done by written amendment to the original contract with the involved contractors. This amendment must be signed and dated by both the contractor and agency.

Insurance Requirements
Contracts must state the type and coverage amounts of insurance the contractor is required to have.

Licensure Requirements
Contracts must state the type of licenses the Plumbing & Mechanical contractor and/or Electrician is required to maintain. Each contractor must have the appropriate Plumbing & Mechanical License and Electrical License. If the Plumbing & Mechanical contractor does not have an electrician on staff, then a subcontractor must be named. A separate file for the subcontractor must be maintained by the agency.

Lead Safe Work Practices
Contracts must indicate that the contractor agrees to have a Certified Lead Renovator on staff, within 60 days of contracting with the agency, provide proof of Lead Renovator Certification, provide proof of Firm Certification, follow Lead Safe Work (LSW) Practices, and provide written and photo documentation to the agency for each home on which LSW occurs. New hires are to complete training within 60 days of hire. Documentation must be maintained in each contractor's file and/or the appropriate home file, as applicable.

There is an exception to the lead safe requirements in regard to electrical, plumbing, mechanical, and specialty subcontractors.

1. Electrical, plumbing, mechanical, and specialty contractors are not required to have a Lead Renovator on staff IF they are a subcontractor for another qualified contractor who is willing to serve as the "renovator of record", if lead safe work practices is required. A note must be made in the subcontractor's file indicating the qualified contractor that will serve as the "renovator of record".
2. Electrical, plumbing, mechanical, and specialty contractors, who are contracting directly with an agency, are not required to have a Lead Renovator on staff IF the agency is willing to have an agency crew member, auditor, or inspector serve as the "renovator of record", if lead safe work practices is required. A note must be made in the subcontractor's file indicating the crew member, auditor, or inspector that will serve as the "renovator of record".

Contractor Warranty on Materials and Work
Contracts must contain a provision whereby the contractor warrants or guarantees all work performed and materials installed to be free of defects of workmanship for a period of one year after completion of work.

Note: When a furnace is tuned and cleaned, the fact the furnace was not found to be unsafe does not mean the contractor guarantees the furnace will not develop problems for a year.

Safety Data Sheets
Contractor-based agencies must stipulate in their contracts with contractors (refrigeration appliance vendors are excluded from this requirement) that the contractor must have a written Hazard Communication Policy and Training Plan which includes providing education for their employees on the new format for the SDS. Contracts must also contain a statement indicating that contractors are responsible for supplying Safety Data Sheets (SDS) to the agency upon request by the agency.

See Section 5.71 for additional information.

Noncompliance with Contract Terms
Contracts must state the terms for resolution of noncompliance with the contract's terms, conditions, and requirements.

Non-Availability of Funds
Contracts must state that the contract may be terminated due to "non-availability of funds."

Change Orders
Contracts must describe the method used for issuing and approving change orders, including who to contact at the Agency for approval. This could include whether or not there is a dollar threshold requiring agency's approval, whether the agency approval has to be in writing or can be verbal, etc.
Change orders must identify the item added or deleted, the cost of the item added/deleted (broken out by measure for material and labor categories), the reason for the change, and the total dollar amount of the change.

Change orders are to be signed and dated, at a minimum, by the contractor and the agency representative approving the change. It is recommended that the weatherization coordinator also sign

and date the change orders. Change orders must be used to document deviations from the original work order.

Contract Modifications
Contracts must describe how modifications to the contract are handled. Modifications are considered to be a written change in the terms of the contract.

Contract Termination
Contracts must describe the circumstances under which the agency may terminate a contract with a contractor. Examples of such circumstances are:

- If the contractor fails to perform the services within the specified time requirements.
- If the contractor fails to perform any other provisions of the contract.
- If the materials used are of inferior quality or do not meet federal specifications.
- If the contractor does not comply with any of the non-discrimination clauses or other federal or state laws and regulations.

Statement of Federal Stewardship
DOE and its representatives will exercise normal Federal stewardship in overseeing the project activities performed under this award. Stewardship activities include, but are not limited to, conducting site visits at the Agency and the Contractor's/Subcontractor's Business and/or work site; reviewing performance and financial reports; providing technical assistance and/or temporary intervention in unusual circumstances to correct deficiencies which develop during the project; assuring compliance with terms and conditions; and reviewing technical performance after project completion to ensure that the award objectives have been accomplished.

Site Visits
DOE authorized representatives have the right to make site visits, with or without notice, at the Agency and Contractor's/Subcontractor's Business and/or work site at reasonable times to review project accomplishments, management control systems, and to provide technical assistance, if required. The Agency and Contractor/Subcontractor must provide reasonable access to facilities, office space, resources, and assistance for the safety and convenience of the government representatives in the performance of their duties. All site visits and home energy audits must be performed in a manner that does not unduly interfere with or delay the work.

Debarment and Suspension Requirements
A statement indicating the contractor certifies that it has not been suspended or debarred from doing business with any Federal Agency, as per 10 CFR Section 600.235 of the Federal Regulations, "Grantees and sub-grantees must not make any award or permit any award (sub-grant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension."

Compliance with Laws and Other Requirements
Contracts must contain a statement whereby the contractor acknowledges receipt of the items listed in this section. The contractor also acknowledges responsibility to perform in a satisfactory manner, as determined by the DCAA, the activities and services authorized by the agreement in accordance with these documents:

- Contract (between the agency and the contractor)
- *Iowa Weatherization Program's Policies and Procedures Manual*
- *Iowa Weatherization Work Standards Manual*
- *Iowa Weatherization General Appendix*
- Weatherization Program Notices
- DCAA directives
- Federal, state, and local laws and regulations

Contracts must state who to contact with questions regarding the contract.

Compliance with Materials Standards
Contracts must contain a statement whereby the contractor agrees to comply with the Department of Energy's material standards described in 10 CFR 440, Appendix A, which can be found on the Weatherization Assistance Program Technical Assistance Center (WAPTAC) website http://www.waptac.org/Rules-and-Regulations/Federal-Regulations.aspx.

Confidentiality Requirements
Contracts must contain a statement whereby the contractor agrees to keep confidential the names and other information pertaining to clients including life style, financial status, and housing conditions.

Subcontractors
The contractor must list any and all subcontractors that will be working on a weatherization job.

Contractor Liability
Contracts must include a statement whereby the contractor agrees to hold harmless the agency for any injuries or accidents suffered as a result of the contractor's negligence or poor judgment or the negligence or poor judgment of its employees in the execution of their work and agrees to assume those obligations and liabilities customarily assumed by one holding the position of an independent contractor.

Indemnification
Contracts must include a statement whereby the contractor agrees to protect, defend, and indemnify the property owner and the agency from claims for unpaid work, labor, or materials. The contractor must also agree to indemnify and hold harmless all clients of the program, the State of Iowa, and the agency and its officers, employees, and agents from any and all loss or damage occasioned wholly or in part by any negligent act or omission of the contractor or any of the contractor's employees, agents, or subcontractors arising out of or in any way connected to the contractor's performance or work and services under the contract regardless of whether or not such loss or damage is caused in part by one of the indemnified parties. The contractor's obligation to indemnify, save, and hold harmless must include the obligation to pay all reasonable expenses incurred by any party indemnified in defending itself with regard to any claims or in enforcing the provisions of the contract.

Equal Employment Opportunity (EEO)
Contracts must include a provision requiring compliance with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity" and as supplemented by regulations at 41 CFR Part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor", and all relevant provisions of the Iowa Civil Rights Act of 1965, as amended, and Iowa Executive Order 9 of 1967.

In the event of the contractor's noncompliance with the non-discrimination clauses of the contract or any of the aforesaid rules or regulations, the contract will be canceled, terminated, or suspended in whole or in part.

Agencies may want to include the following language whereby the contractor certifies that:

The contractor will not discriminate against any employee employed in the performance of the contract or against any applicant for employment in the performance of the contract, because of race, religion, sex, color, national origin, disability, or age. The contractor will take affirmative action to assure employment without regard to race, religion, sex, color, national origin, disability, or age. The requirement will apply to, but not be limited to: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The contractor agrees to post in

conspicuous places, available to employees and applicants for employment, notices setting forth provisions of this non-discrimination clause.

The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, disability, or age.

Copeland Anti-Kickback Act
Contracts must include a provision requiring compliance with the Copeland Anti-Kickback Act (18 U.S.C. 874 and 40 U.S.C. 276c). The Copeland Anti-Kickback Act provides that contractors are prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. Note: The inclusion of the Copeland Anti-Kickback Act language in contracts is a federal requirement.

Contract Work Hours and Safety Standards Act
Contracts must include a provision requiring compliance with the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333). (Required for contracts awarded in excess of $2,000.)

Contractor Payment Process
Contracts must include a description of the method and conditions of payment to the contractor. This would include a statement that contractors will not be paid for work on a home until all work has been satisfactorily completed, as verified by the agency. The contractor must present any warranties, guarantees, or rebates owed the homeowner or agency at the time the invoice is submitted. The contractor must submit an itemized invoice, as described below, to the agency. The invoice must break out costs into labor and materials categories. The elements of an invoice include:

1. Original Invoice
    - A copy of the invoice that any customer would normally receive from the vendor/contractor. The acceptable invoice received from the vendor/contractor may be labeled “customer’s copy”, “original invoice”, “payee copy”, or any other designation to denote the invoice is presented by the vendor to the customer.
    - The original invoice shall indicate in detail the items of service, expense, goods furnished (includes manufacturer, model number, and serial number of new heating systems, water heaters, and exhaust fans installed), or contract upon which payment is sought, as well as the date the goods/services were received. Each item must be clearly identified and broken out by measure for material and labor categories (e.g., pounds of insulation installed, number of weatherstrips, etc.).
    - If the claimant submits a “generic invoice” (i.e. no typeset letterhead, no company name and address), the invoice must include the following, either handwritten or stamped: company name, address, city, state, zip code, phone number, and be signed and dated, in ink, by the claimant.

2. Materials List
    A materials list which has been properly certified by the vendor/contractor may be substituted for the original invoice. “Properly certified” includes original signature and title of the person signing the materials list as well as the date the claim is certified.

NOTE: To be considered a proper invoice, the materials list should also contain the name and address of the vendor/contractor, dates of service and contractor signature.

Warranty
A statement indicating that contractors must offer to the client an option for annual inspection and renewal of warranty and service agreement for new heating systems up to 10 years at a cost (requirement for installers). Contractors must offer to the client an option for annual inspection and renewal of warranty and service agreement for new water heaters up to 6 years at a cost (requirement for installers).

Contractor Acknowledgement
The contract must contain the following statement: By affixing a signature to this contract, the contractor acknowledges receipt of the items listed in the contract. The contractor also acknowledges responsibility to perform in a satisfactory manner, as determined by the agency and DCAA, the activities and services authorized by this agreement in accordance with the rule and regulations of the program.

9.33 Recommended Contract Provisions
It is recommended contracts contain the following provisions.

Start Time and Completion Time
Agencies may want to include in their contracts a statement that the contractor must begin work within a specified number of days after the date the contractor is awarded the job and must have all materials installed and work completed within a specified number of days after the date the contractor is awarded the job. Failure of contractors to start or complete work according to the time requirements may result in termination of the contract and the contractor being removed from an agency's bidders list.

Pollution Occurrence Insurance
Pollution Occurrence Insurance (POI covers environmental pollutants such as lead paint dust). Although POI coverage is no longer required, it is recommended by the U.S. Department of Energy (DOE).

State Housing Inspections
Agencies may wish to include a statement that the contractors agrees that the State Housing Inspector may inspect all work performed by the contractor. If the work does not meet the *Work Standards*, the contractor will be required to return to the home and perform rework until such time as the rework meets program standards. All rework will be done at the cost of the contractor.

Re-Inspection Costs
Agencies may want to include in their contracts a statement that the contractor is responsible for the costs (staff time and travel) of re-inspecting the contractor's work. For instance, the cost of the initial inspection and the first re-inspection would be covered by the agency and the contractor would pay all additional re-inspections required. (This could be handled by subtracting the cost of the re-inspection(s) from the final contractor payment.)

Additional Contractors
Agencies may want to include in their contracts a statement that if the agency determines additional work is required, the agency has the right to sign contracts with other contractors for the completion of the additional work.

Lien Waivers
Agencies may want to include in their contracts a statement requiring the contractor to provide lien waivers signed by all material suppliers.

9.34 Other Contracting Issues
Contractor Payment
Agencies must not pay contractors for work or re-work that is done until that work or re-work has been final inspected and approved by the agency, which must be documented and maintained in the applicable house file.

Qualified Plumbing & Mechanical Contractors
When contracting with contractors to do Plumbing & Mechanical work it is very important to ensure the contractors are well qualified to perform the work. Plumbing & Mechanical contractors are required to maintain Plumbing & Mechanical and Electrical Licenses for the work they perform. If a

contractor does not have an electrician on-staff, the contractor must identify the subcontractor who will perform work needing a licensed electrician.

All required licenses, insurance, permits, and warranties are the responsibility of the Plumbing & Mechanical contractor performing the work. The legal liability for the retrofit work and installation of equipment rests with the contractor performing the work.

Heating System and Water Heater Replacement Cost
Bid solicitations for heating system and water heater replacements should make it clear the scope of work includes the removal and disposal of the "old" heating systems and/or water heater appliance and contractors' bids must include the cost for performing this service.

9.40 FLAT RATE CONTRACTING (FLAT RATE will be eliminated effective October 1, 2016)

Flat rate contracting is a method of contracting for weatherization work without using the normal competitive bid process for each house or packet of houses. The flat rate method of contracting is based on predetermined fixed labor rates and material prices for the weatherization work required by the Iowa Weatherization Program. These predetermined labor rates and material prices are based on price quotes from contractors and suppliers. By agreeing to work under the flat rate contract method, contractors must accept the fixed labor rates and material prices for their work.

The use of flat rate contracting eases the administrative burden on agencies using it because they do not have to go through the competitive bid process of contracting for weatherization work for each house or packet of houses. However, the flat rate method is only successful if the predetermined rates and prices are reasonable and if contractors are willing to accept the rates and prices. A basic requirement of flat rate contracting is that reimbursement under flat rate contracting cannot be more than what the reimbursement would be under the normal competitive bid process.

The use of flat rate contracting requires prior approval from the DCAA.

9.41 Flat Rate Contracting Overview

Under flat rate contracting, reimbursement to contractors for labor is based on a *labor rate* (as an hourly rate) times a *time factor* representing the amount of time it should take to install/complete the measure. Reimbursement to contractors for materials is based on fixed material prices determined from price quotes obtained from material suppliers.

The labor rates and material prices differ among agencies; however, the time factors are standard for all users.

Time Factors
A significant piece of the flat rate contracting method is the time factor. The time factor represents the amount of time it would normally take to install a particular material or to complete a measure. The time factors are set up as fractions of an hour. Time factors have been established for all of the normal weatherization measures and were arrived at through consultation with local agencies and contractors. The time factors are standard for all users of the flat rate system and may not be adjusted by an agency.

Labor Rates
Each agency deciding to use the Weatherization Flat Rate must determine a labor rate for weatherization work. The labor rate represents the labor cost for installing/completing weatherization measures. The labor rate is set up as an hourly rate. Each agency's labor rate is initially determined through quotes received from contractors or from the agency's historical contractor labor costs. The quotes are based on the labor cost to install/complete the measures listed on the Weatherization Contract Labor List. The labor rate can be adjusted, for subsequent contract periods, by the use of an inflation factor.

Material Prices
Each agency must also determine material prices for a list of materials developed by the DCAA. The material prices are determined through price quotes received from material suppliers.

Flat Rate Example
The following example shows how reimbursement under Flat Rate contracting is determined.

If the time factor for installing a pound of insulation in an attic is .012 and the hourly labor rate is $20.00, the reimbursement to a contractor for the labor involved in installing 1,200 pounds of insulation in an attic would be $20.00 x .012 x 1,200 pounds = $288. If the "flat rate" material price per pound of insulation is $0.25, the contractor would be paid $0.25 x 1,200 pounds = $300 for the material cost of the insulation. Total reimbursement to the contractor would be $288 (labor) + $300 (materials) = $588.

9.42 Weatherization Flat Rate Procedures

Flat Rate Forms
Following is a list of forms used in Weatherization Flat Rate contracting. Two (2) of the forms are required. The other forms are optional and are meant to be tools for users of the flat rate contracting system. For example, the Weatherization Supplier Price List and Contract Labor List are designed to assist agencies in obtaining material prices quotes from suppliers and labor quotes from contractors. Agencies may, however, use their own forms for this.

Required

Weatherization Flat Rate Price List	Is submitted to DCAA when requesting approval
Flat Rate Adjustment Form	Is used when requesting approval of changes

Optional

Weatherization Supplier Price List	Is used to obtain material prices from suppliers
Weatherization Contract Labor List	Is used to obtain quotes for an hourly labor rate
Weatherization Flat Rate Price Summary	Is used to compute average prices/rates

Determining the Weatherization Flat Rate Labor Rate
Agencies may determine the Weatherization Flat Rate labor rate by using either of the following methods.

- The agency may use historical agency contractor labor prices to calculate a Flat Rate labor rate.
- The agency may calculate a Flat Rate labor rate from labor rate quotes obtained from contractors. Agencies must obtain hourly labor quotes for weatherization work from a minimum of two (2) contractors. The Weatherization Contract Labor List may be used do this. The form contains a list of measures and the time factor for each measure. This is meant to provide a reference to contractors when they are determining their hourly rate quote.
- Contractors are to quote one labor rate that represents the hourly rate for installing/completing the measures listed on the Weatherization Labor List. Agencies may either use the low quote for determining the flat rate labor rate or they may average the quotes to determine the flat rate labor rate. If the averaging method is used, all quotes must be included in the averaging with the following exception. If a quote is unreasonably high or low, it can be excluded from the averaging calculation. The Weatherization Flat Rate Price Summary is designed to assist agencies in calculating the average.

The labor rate is good for the entire period of the contract.

Determining the Weatherization Flat Rate Material Prices
The agency must obtain material price quotes from a minimum of two material suppliers. The material suppliers are to provide a price quote for each weatherization material. The Weatherization Supplier Price List may be used to obtain the material price quotes. The form contains a list of all the weatherization materials.

When requesting material price quotes agencies should ask the suppliers to include any tax on the materials in the quotes or the agency may calculate the tax upon receiving the price quotes if tax has not already been included.

Agencies will average the quotes from each supplier to determine the flat rate material price for each item. If a quote on a certain item is unreasonably high or low, it can be excluded from the averaging calculation. In order to address contractors' handling costs and necessary consumables, agencies may increase the average material price for each material item by up to 15%. The Weatherization Flat Rate Price Summary is designed to assist agencies in calculating the average.

If the price for a certain material increases significantly before the time the agency updates the material prices, agencies may adjust the price to address the spike in cost.

Reality Check of Labor Rates and Material Prices

If the labor rate and/or material prices used by an agency are higher than what the prices would be under competitive bid contracting, the costs of weatherizing houses will be higher under the flat rate method than they would be under the normal competitive bid method. This would be unacceptable. In order to reduce the risk of having labor rates and material prices that are too high, agencies must conduct a reality check of the labor rate and the material prices they plan to use for flat rate contracting prior to submitting the flat rate approval request to the DCAA.

The reality check must be performed by picking a minimum of five homes that have already been weatherized and determining what the cost would be to do the same work on those houses under the flat rate system and using the proposed flat rate labor rate and material prices.

The agency will perform the reality check by picking a minimum of five homes that were completed under the competitive bid process and reported using WAMS. The agency must then determine what those same five homes would cost using the Weatherization Flat Rate contracting method with the proposed labor and material prices. The agency must then compare the cost of doing the houses using the proposed labor rate and material prices to the actual cost of the five houses. If the cost of the five houses under the flat rate system's proposed labor rate and material prices is greater (on average) than the actual cost (on average) of the five houses, the agency must adjust the labor rate downward.

DCAA Approval

Agencies wishing to use the weatherization flat rate contracting method must submit the following documentation to the DCAA for approval:

- A completed Weatherization Flat Rate Price List showing the proposed labor rate and the proposed material prices.
- The results of the reality check for the five homes.

Rate/Price/List/Time Factor Adjustments

Labor Rate Adjustment

The initial labor rate is good for the period of the contract. For subsequent contract periods, the agency may desire to update the labor rate. It would no longer be practical to update the rate based on quotes from contractors who have been working under the flat rate method because it would be in the contractors' interest to submit high quotes. Therefore, the labor rates may be adjusted using one of the following cost of living indices.

- The Consumer Price Index (CPI) for the Midwest Region – Expenditure Category: All Items. This is put out by the U.S. Bureau of Labor Statistics (BLS). *Website*: http://stats.bls.gov
- The U.S. Bureau of Labor Statistics – Employment Cost Index for Construction.
- The cost of living adjustment for Social Security. *Website:* http://www.ssa.gov/OACT/COLA/colasummary.html
- An across-the-board cost of living wage adjustment for agency employees.

The labor rate does not have to be adjusted from one contract period to another if the contractors are willing to continue accepting the rate.

The agency must obtain approval from the DCAA whenever the labor rate has been adjusted. Note: An agency should contact the DCAA if it plans to use the Bureau of Labor Statistics – Employment Cost Index for Construction for the cost of living adjustment.

Material Price Adjustment
The agency may update material prices whenever it determines a need. Material price updating requires new price quotes from suppliers. If the price for a certain material increases significantly before the time when new material quotes are obtained, agencies may adjust the price of the particular material(s) to address the cost spike.

The agency must notify the DCAA whenever a material price has been adjusted.

Measure/Material Adjustment
There may be times when the agency uses a material or measure that does not appear on the Flat Rate List. New measures/materials may be added upon notification to the DCAA.

The agency must notify the DCAA whenever a new measure/material is added to the Flat Rate List.

Time Factor Adjustment
If an agency does not agree with the time factor assigned to a particular measure or material, the agency should bring this to the attention of the DCAA. Consideration will be given to adjusting that time factor for all flat rate system users.

DCAA Notification
Agencies must notify the DCAA whenever labor rates or material prices are adjusted and whenever new measures/materials are added to the Flat Rate List. This is to be done using the Flat Rate Adjustment Form.

9.43 Contracting Under the Flat Rate Method

Contractors on the Flat Rate System
Agencies may have as many contractors as they wish on the flat rate system. However, agencies must ensure they have enough contractors to do all of the work for the year. Agencies must have a procedure for fairly allocating homes to their qualified contractors.

Contracts
Agencies must still have contracts with the contractors who are on the flat rate system. The only difference between contracting with contractors using the flat rate system and the competitive bid system is the contractors using the flat rate system agree to do the work for the predetermined flat rate prices rather than bid prices. The contracting requirements and recommendations, described in Section 9.30, apply to contracting under the flat rate method. Contracts with contractors under the Weatherization Flat Rate method must state the labor rate and the material prices. This can be handled as an appendix to the contract.

9.50 PROCEDURES FOR DISPOSING OF MATERIALS, EQUIPMENT, AND VEHICLES

9.51 DCAA Prior Approval

Agencies must notify the DCAA, in writing, of its intent to dispose of unneeded equipment or vehicles whose market value, at the time of the disposal, is $5,000, or more. The notification must include a description of the item to be disposed of and the method the agency plans to use to dispose of the item. The agencies should also indicate whether it wants to use the proceeds of the sale of equipment or vehicle to purchase another piece of equipment or a vehicle. In cases where the agency wishes to dispose of a vehicle, the notification should include what vehicle is to be disposed of, the

VIN Number of the vehicle and the reason the agency wants to dispose of the vehicle (e.g. high mileage).

The DCAA will notify the agency, in writing, of the request approval or disapproval.

Disposal Steps
Upon approval from the DCAA, the agency may proceed with the disposal using the appropriate method described below.

Funds received from the disposal of equipment or vehicles purchased with Weatherization Program funds must be credited back to the Weatherization Program. Funds received through the sale of equipment or vehicles purchased with HEAP funds must be reported as a credit to the Equipment line item of the current HEAP Contract. Funds received through the sale of equipment or vehicles purchased with DOE funds must be reported as an expenditure reduction to the support line item of the current DOE Contract. This has the effect of increasing the amount of funds for the support budget line item. The agency must keep documentation on file showing the amount of funds received from the sale of the supplies/materials/equipment.

9.52 DOE Approval
If the vehicle to be disposed of was purchased with DOE funds, the DCAA may have to request approval from DOE to dispose of the vehicle. The agency should not dispose of the vehicle until approval is received from DOE.

9.53 Methods of Disposal
The following methods may be used to dispose of unneeded materials, equipment, or vehicles.

- Use the vehicle or other equipment as a trade-in on the purchase of a replacement.
- If the materials or equipment can be used by another agency's weatherization program, they can be sold or transferred to the agency.
- Publicly advertise and sell the materials, equipment, or vehicle through a sealed bid or competitive proposal process. Money received through the sale of materials must be returned to the Weatherization Program as an expenditure reduction to the materials line item. Money received through the sale of equipment or vehicle must be returned to the Weatherization Program as either an expenditure reduction to the support line item or as a credit to the Equipment line item of the current HEAP Contract. The bid process and the adjustment of the materials or support line item must be documented by the agency.
- Sell the materials, equipment, or vehicle through a public auction. Money received from the auction must be returned to the Weatherization Program as described above.
- Retain the materials, equipment, or vehicle for use by other programs administered by the agency. If the agency wishes to do this, it must compensate the Weatherization Program at the fair market value of the materials, equipment, or vehicle. Money received as compensation must be returned to the Weatherization Program, as described above. If this is done, the agency must document how the fair market value of the materials or equipment was determined.
- Return materials to the supplier for a full refund. The money received for the refund must be added back to the materials line item in the contract. The refund of money and the adjustment of the materials line item must be documented by the agency.
- Donate the materials or equipment to a library, school, or a non-profit charity organization.

Any materials or equipment that cannot be disposed of through the methods listed above must be thrown away.

9.60 PROCEDURES FOR RENTING AND LEASING EQUIPMENT AND VEHICLES

9.61 DCAA Prior Approval
Renting or leasing equipment or vehicles must have prior approval from the DCAA when the total rental or lease cost of the equipment or vehicle would be $5,000, or more.

Prior approval from the DCAA is also required if an agency plans to purchase a vehicle with non-weatherization funds and then charge the Weatherization Program a usage fee for the use of the vehicle.

Although this is not the sole criterion for DCAA approval, the DCAA will strongly consider the following when reviewing requests for renting and leasing equipment or vehicles:

Where significant rental or lease costs are incurred which create "material equity" in the rented or leased equipment/vehicle, costs are allowable only up to the amount that would be allowed if the agency had purchased the equipment/vehicle outright with program funds. Example: If an agency purchases a vehicle with non-weatherization funds and charges the Weatherization Program a usage fee, no depreciation or use charge may be allowed on the vehicle once it is considered fully depreciated. However, reasonable use charges may be negotiated.

Request and Approval Procedures
When requesting approval for renting or leasing of equipment or vehicles, submit the following to the DCAA:

When Leasing: Submit a copy of the proposed lease agreement, a cost analysis showing the benefits of leasing over outright purchasing, and a completed DCAA Purchase Request Form to the DCAA. (The Purchase Request Form will serve as a lease request form.)

When Renting: If an agency is planning to rent equipment or vehicles from an entity other than itself, and the rental cost of the equipment/vehicle would be $5,000, or more, submit rental agreements and a completed DCAA Purchase Request Form. (The Purchase Request Form will serve as a rental request form.)

When Charging a Usage Fee: If an agency purchases a vehicle with non-weatherization funds and intends to charge the Weatherization Program a usage fee for the use of the vehicle, the following information is required, regardless of the acquisition cost of the vehicle:
- Description of the vehicle.
- Acquisition cost and the date acquired.
- Method used in determining the usage fee.
- Method used in determining the percentage use by the Weatherization Program.

A usage fee must be based on a schedule that corresponds substantially to the estimated useful life of the property.

9.62 DOE Approval
If equipment or vehicles are to be rented or leased using DOE funds, the DCAA may have to request prior approval from the DOE for the rental/lease.

9.70 SPECIAL REQUIREMENTS REGARDING THE USE OF EQUIPMENT AND VEHICLES

9.71 Use of Weatherization Equipment by Contractors
Private contractors cannot use equipment purchased with program funds, unless the contractors compensate the Weatherization Program fairly for the use of the equipment. Agency equipment may only be used by private contractors on homes where they are preparing a bid for the agency or have been awarded a contract by the agency.
If an agency wishes to rent equipment purchased with program funds to private contractors, it must do the following:
- Ensure all potential bidders are aware of the "rental" option and are allowed to rent the equipment if they are awarded the bid.
- Set up a procedure by which the private contractors would provide fair compensation to the Weatherization Program for the use of the equipment. The agency must describe how the "fair

compensation" amount was determined. The procedure for compensation and the compensation amount must have prior approval from the DCAA.

Agencies may also provide a rent-to-own rental system for contractors to purchase equipment through the program. This system must meet the same requirements listed above.

Agencies must determine which method of reporting funds received as rental fees will be used:

- Method 1. Agencies may report 100% of the funds received as rental fees as a credit to the HEAP Equipment/Training line on the 102 Report.
- Method 2. Agencies may also choose to split the compensation between the HEAP Equipment/Training line and the support line. Doing this will allow the agency to recover the maintenance costs associated with that vehicle (gas, repair, insurance, registration, etc.) which are paid with support funds.

9.72 Use of Equipment and Vehicles for Non-Weatherization Purposes – Agency

Equipment and vehicles purchased with Weatherization Program funds cannot be used for non-weatherization activities unless the Weatherization Program is compensated fairly for the use of the equipment and vehicles.

Agencies must request and receive prior approval from the DCAA before using equipment for non-WAP activities. This will be done by completing the Vehicle and Equipment User Fee Approval Form. This form is found on the Weatherization Members Only website.

Weatherization equipment and vehicles means equipment and vehicles that were purchased with DOE or HEAP funds. (This includes situations were agency "local" funds are used to purchase the vehicle and then DOE or HEAP funds are used to reimburse the local funds.) Non-WAP activities include weatherization activities provided to non-WAP eligible persons. Therefore, this applies to situations where an agency provides weatherization services to people who are not WAP clients.
Following are the user fees for use of equipment and a formula that must be used for the use of vehicles.

Equipment (includes blower doors, insulation blowers, etc.)

In order to keep this simple, a user fee has been established for the use of all equipment, including diagnostic equipment but excluding insulation blowers. The fee is for the group of equipment used, not for each separate piece of equipment used. The fee is applied to each job. Another user fee has been established for the use of insulation blowers. That fee is applied to each day the insulation blower is used.

- Equipment, other than insulation blower, group user fee: $25/job
- Insulation blower user fee: $25/day

Example:

An agency audits a non-weatherization house and uses an insulation blower at the house for two days. The fees for the use of the equipment and the insulation blower are:

Equipment fee = $25/job x 1 job = $25
Insulation blower fee = $25/day x 2 days = $50
Total user fees = $75

The Weatherization Program would be reimbursed $75 for the use of the equipment and insulation blower.

Vehicles

The method used for determining a user fee for vehicles is to calculate a "cost per mile" fee. A cost per mile fee is calculated by dividing the initial cost of the vehicle by the vehicle's useful life which determines a cost per year. Other annual costs of the vehicle, such as insurance, the cost of fuel, vehicle registration, and maintenance, are then added to the cost per year to determine the total

annual cost of the vehicle. The total annual cost is then divided by the number of miles the vehicle is driven per year. The result is a cost per mile for the vehicle. The agency would reimburse the weatherization program the cost per mile times the number of miles the vehicle is driven when used for non-WAP activities.

Formula:
Initial cost of vehicle / Useful life of vehicle = Cost per year. Cost per year + other annual costs (insurance, annual fuel costs, vehicle registration, and annual maintenance (oil changes, repairs, etc.) = Total cost per year. Total cost per year / Annual mileage = per mile rate.

10.00 CLIENT COMMUNICATION AND CLIENT EDUCATION

Client communication and education is very important throughout the entire process from the initial contact with the client to schedule the energy audit of the house through the time the work is being done on the house.

10.10 COMMUNICATION

Good communication with the client will help in the following ways:

- It can provide information to the agency that could prevent unnecessary trips to the house (e.g. the house is for sale, has extensive roof damage, is being remodeled, etc.).
- It can help to decrease the amount of time it will take to do the home energy audit by having the client move stored items ahead of time to ensure there is access to all areas of the house.
- It can make the weatherization process easier for energy auditors and crews/contractors by ensuring client understanding of the weatherization process and the services that will or will not be provided (e.g. will not replace all the windows, will not re-roof the house, etc.).
- It can reduce the chances of getting client complaints because the client knows what to expect.
- It can provide information that can assist the energy auditor in determining how the house is working (e.g. cold areas of the house, moisture on windows, etc.).
- It can help explain deferrals and provide the client with other possible sources of funding to help alleviate the reasons for deferral.

It is recommended that agencies use a screening process during the initial contact with the client to obtain useful information about the condition of the client's house. This is a way for the agency to find out if the client's house is for sale or whether it is being remodeled or has extensive roof damage. Agencies may learn from the screening process that work on the client's dwelling must be deferred and therefore save the agency from making an unnecessary trip to the house. Copies of agencies' client screening forms are available on the State of Iowa Weatherization Members Only website: https://humanrights.iowa.gov/dcaa/weatherization.

Agencies must have a written policy addressing the client complaint process and resolution.

Good communication with the client during the energy audit of the house can sometimes help determine energy-related trouble areas of the house.

10.20 ENERGY EDUCATION

Research shows that residential energy use per square foot of living space is higher for the low-income than for the general population. This is due, in part, to differences in housing stock. However, it is also due to energy-related behaviors. This suggests that low-income persons can benefit from information about how energy is used in their homes and what actions would make the most difference in controlling their energy bills. It is strongly recommended that agency energy auditors/inspectors provide some client energy education during the time they are at clients homes.

The *Weatherization General Appendix* contains information on energy education and other things to discuss with the client.

10.30 HAZARDOUS EDUCATION

Iowa has been determined to have the possibility of high radon levels in every county in the state. In order to educate clients on the possible hazards of radon, each client will be provided with either the EPA brochure titled "A Citizen's Guide to Radon" or Iowa's "Radon in Iowa" handout, both of which are available on the State of Iowa Weatherization Members Only website: https://humanrights.iowa.gov/dcaa/weatherization.

Clients with suspected asbestos in the home will be provided with a two-page informational sheet titled “Asbestos in Homes”. It identifies possible concerns of having asbestos in the home.

11.00 EXPENDITURE LIMITS AND ALLOWANCES

The Iowa Weatherization Program has several expenditure limits resulting from DOE rules or DCAA policies. The DOE expenditure limits relate to limits on the average expenditure per home. The DCAA expenditure limits relate to limits on the amount of program funds that can be spent for such things as furnace and water heater repairs and incidental repair work done on homes. There are also limits on how much the program allows for reimbursement for certain measures.

The DCAA also limits how much agencies are allowed as support for completed and incomplete homes.

Finally, there are limits as to how much the state will reimburse agencies for travel costs associated with attending meetings, training, etc.

Costs limits and allowances can be found in the *Weatherization General Appendix*.

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12.00 STATE MONITORING

DOE requires states to monitor all agencies annually. The monitoring includes the inspection of homes weatherized as well as administrative and fiscal monitoring of the agencies' program and fiscal operations. Although the main purpose of the monitoring is to monitor the agencies' compliance with program rules, regulations, and policies, the monitoring visits also provide an opportunity for the state staff to provide technical assistance.

12.10 HOUSE INSPECTIONS

The DCAA inspects a percentage of houses weatherized by each agency each year. This usually involves inspecting houses in a specific agency's service area at least a couple of times each year.

The house inspectors monitor the quality of the agencies' home energy audits and inspections as well as the quality of the work done to the house. Each house is inspected by a certified QCI for compliance, at a minimum, with the following:

- Iowa Weatherization Program completion standards
- Quality of work
- Quality of materials
- Client health and safety
- Client satisfaction
- Quality of the final inspection
- Documentation

Houses are inspected for missed energy efficiency opportunities. The inspectors check to ensure no significant energy efficiency measures were overlooked.

If the state inspectors find deficiencies, they may require that the agency go back to the home to correct the deficiency if the deficiency involves a health and safety problem or a major technical problem either involving quality of work or missed opportunities.

State monitoring staff will conduct an exit conference with the agency staff, if requested by the agency.

The state certified QCIs will complete inspection reports on each house inspected and will send the reports to the agency. If the inspection report requires corrective work by the agency, the corrective work must be completed within 45 days of receiving the report. The agency must send a formal written response on agency letterhead to the DCAA. The response must include either a copy of the original state house inspections with agency notations describing corrective work that was completed, or a list of homes that required corrective work and an explanation of the work that was completed. The full response may be sent to the DCAA electronically or via hard copy. Including photo documentation supporting the corrective work is recommended but not required. Explanations must be included regarding any corrective work that could not be completed. The written response is due within 45 days of receiving the inspection report from the DCAA. State inspection reports and responses to DCAA must be maintained in the appropriate client house file.

If serious work quality problems are found, the state may inspect up to 100% of an agency's production until work quality improves. Funding may also be suspended until proper remedies have taken place.

Refer to Section 8.53 for instructions on charging costs involved with corrective work requirements as a result of state inspections.

12.20 ADMINISTRATIVE PROGRAM MONITORING

Each monitoring review will be performed using both on-site and in-house reviews. Administrative program monitoring will include, at a minimum, the following:

- Review of client/house and contractor files to ensure compliance with documentation requirements.
- Review of NEAT/MHEA Audit reports.
- Review of required health and safety documentation.
- Review of contracts to ensure compliance with requirements.
- Review of contractor insurance coverage.
- Review of agency bid procedures.
- Determination of compliance with client priority and client service by county.
- Review of timeliness and accuracy of monthly fiscal and data reports.
- Review of general management and administrative practices.

The DCAA notifies each agency of the date(s) scheduled for each year's administrative program monitoring visit. The visit may be rescheduled upon the request of the agency or DCAA. State monitoring staff will conduct an entrance conference with the agency staff, if requested by the agency. The on-site monitoring consists of reviewing a sample of house files, reviewing all contractor files, and reviewing other relevant information. The monitoring may also consist of interviews with the weatherization coordinator and other agency staff.

The administrative monitoring staff will conduct an exit interview with the agency to discuss observations and findings from the on-site review. Written program monitoring reports will be sent to the agency within 30 working days of conclusions of the review. The report will include any findings, recommendations for improvements, and corrective action that needs to be taken. If the administrative program monitoring report requires a response, the agency must send a formal written response on agency letterhead to the DCAA within 45 days of receiving the report. The response may be sent to the DCAA electronically or via hard copy. An agency's failure to resolve noncompliance findings within 45 days from the date of the report may result in notice being sent to the DOE Support Office describing the problems at the agency. If significant problems are discovered during the monitoring process, funding may be placed under probationary status until the problems are resolved. Major findings from administrative program monitoring will be tracked by the state to final resolution.

12.30 FISCAL MONITORING

Each fiscal monitoring review will be performed using both in-house and on-site reviews. In-house fiscal monitoring consists of reviewing agencies' monthly fiscal reports and their most recent annual financial audits. On-site monitoring consists of reviewing fiscal operations for compliance with rules and procedures.

Fiscal monitoring will include, at a minimum, the following:

- Review the agency's procedures manual
- Review the checking account procedures
- Review the use of indirect cost pools
- Verify cash on hand with that reported on financial report
- Verify insurance coverage
- Review and verify a sample of voucher payments
- Review bank statements and journal entries
- Review administrative charges
- Review internal control procedures
- Cost allocation plan
- Inventory Procedures
- Financial Procedures Manual

The DCAA notifies each agency of the date(s) scheduled for each year's fiscal monitoring visit. The visit may be rescheduled upon the request of the agency or DCAA. Prior to the on-site visit, the DCAA may send the agency a monitoring survey to be filled out. State monitoring staff will conduct an entrance conference with the agency staff, if requested by the agency.

State monitoring staff will conduct an exit interview with the agency to discuss observations and findings from the on-site review. Written fiscal monitoring reports will be sent to the agency within 30 working days of completion of the review. The report will include any findings, recommendations for improvements, and corrective action that needs to be taken. If the fiscal monitoring report requires a response, the agency must send a formal written response on agency letterhead to the DCAA within 45 days of receiving the report. The response may be sent to the DCAA electronically or via hard copy. An agency's failure to resolve noncompliance findings within 45 days from the date of the report may result in notice being sent to the DOE Support Office. If significant problems are discovered during the monitoring process, funding may be placed under probationary status until the problems are resolved. Major findings from fiscal monitoring will be tracked by the state to final resolution.