



Department of Energy
Washington, DC 20585

WEATHERIZATION PROGRAM NOTICE 24-6
EFFECTIVE DATE: January 25, 2024

EXECUTIVE SUMMARY: This document clarifies guidance provided by the Department of Energy (DOE) for vehicle and equipment purchases and disposition using Weatherization Assistance Program (WAP) funds for all WAP Grantees.

- Grantees must use, manage, and dispose of vehicles and equipment acquired under a federal award in accordance with state laws and procedures per [2 CFR 200.313 Equipment](#).
- Per [10 CFR 440.18\(c\)\(3\)](#), for the purposes of determining the average cost per dwelling unit (ACPU), costs for the purchase of vehicles or other certain types of equipment may be amortized over the useful life of the vehicle or equipment.
- Any purchase of vehicles must receive prior approval per [10 CFR 440.18\(d\)\(6\)](#).
- When a Grantee includes anticipated vehicle/equipment purchases (including anticipated Subgrantee purchases) and their Plan is approved, the prior approval requirement is satisfied without the need for subsequent approvals.
- Procurement requests can be expedited when Subgrantees include an option to use the Grantee's pre-negotiated vehicle procurement agreements in their respective policies/procedures.
- Procedures for managing vehicles and equipment, whether acquired in whole or in part under a federal award, until disposition takes place, must meet the minimum requirements per [2 CFR 200.313\(d\)](#).

SUBJECT: Vehicle and Equipment Purchases and Disposition Using Weatherization Assistance Program Funds

APPLICABLE TO: Annual WAP Grants, Bipartisan Infrastructure Law (BIL) Grants, Enhancement and Innovation Grants (E&I)

INTENDED AUDIENCE: WAP Formula and BIL Grantees and Subgrantees; WAP E&I Grantees and Subgrantees

PURPOSE: Provides Grantees with guidance on vehicle and equipment acquisitions and dispositions for use in WAP.

SUPERSEDES: Weatherization Program Notice (WPN) 24-6 supersedes WPN 17-6, Property Acquired Under the Weatherization Assistance Program Including Vehicles and Equipment Purchases.

SCOPE: The provisions of this guidance apply to Grantees and Subgrantees of financial assistance under DOE WAP.

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

PROCEDURES: The procedures outlined in this WPN apply to all DOE-funded WAP grants including annual formula, BIL, and competitive innovation funds. Grantees shall comply with applicable law including regulations contained in [2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) and other guidance applicable to these regulations as DOE may, from time-to-time, prescribe for the administration of financial assistance.

Per [2 CFR 200.1 Definitions](#), Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-federal entity for financial statement purposes, or \$5,000.

WAP Grantees, including States, the District of Columbia, five U.S. Territories, and Native American Tribes named in the Notification of Grant Award as the recipient of DOE WAP dollars as well as E&I Grantees must use, manage, and dispose of equipment acquired under a federal award in accordance with state laws and procedures per [2 CFR 200.313 Equipment](#).

Subgrantees, including Community Action Agencies, other public or non-profit entities, and tribal organizations shall follow the “Property Standards” section found in [2 CFR 200.310-316](#). Any potential discrepancies between guidance contained in this document and [2 CFR 200](#) shall be resolved in favor of [2 CFR 200](#).

Amortization: Consistent with [10 CFR 440.18\(c\)\(3\)](#), for the purposes of determining the average cost per dwelling unit (ACPU), costs for the purchase of vehicles or other certain types of equipment, as defined above, may be amortized over the useful life of the vehicle or equipment. Amortizing these costs over the useful life of the vehicle or equipment provides the Grantee with a reasonable approach in determining the average cost per home, even though the full purchase price is reported in the year in which it occurs. For example, if a Subgrantee purchases a new vehicle for \$55,000 with an expected useful life for the vehicle of 5 years (60 months), the cost of that vehicle could be amortized at the rate of \$11,000 per year or about \$1,000 per month.

Prior approval requirements: [10 CFR 440.18\(d\)\(6\)](#) requires that any purchase of vehicles receives prior approval. In addition, per [2 CFR 200.439\(b\)\(2\)](#) “Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5,000 or more have the prior written approval of the federal awarding agency or pass-through entity.” See [2 CFR 200.1 Definitions](#) for the definitions of capital expenditures, equipment, general purpose equipment, acquisition cost, and capital assets.

Steps to obtaining approval: Grantees should follow one of the two options below to obtain approval from DOE:

- 1) Grantees may submit plans and budgets that include all estimated vehicle and equipment purchases in their grant application. **When a Grantee includes anticipated vehicle/equipment purchases (including anticipated Subgrantee purchases) where DOE has a vested interest into their Grantee Plan, and their Plan is approved, the prior approval requirement is satisfied without the need for subsequent approvals.** Grantees must estimate the maximum purchases possible and reallocate to other budget items if those purchases ultimately are not needed.

E&I Grantees shall identify needs when developing the Budget Justification during grant negotiations. Upon approval of the award by the DOE Contracting Officer (CO), the prior approval requirement is satisfied without the need for subsequent approvals.

Approval requirements at the time of award:

- Provide a basis of cost (e.g., contractor quotes, catalog prices, prior invoices, etc.).
 - Provide a vendor quote for vehicles and/or equipment over \$5,000 in price. If the vendor quote is not an exact price match, provide an explanation in the additional explanation section of the budget justification.
 - Additional requirements below, may be requested by DOE at the time of purchase and will be reviewed during desk/on-site monitoring.
- 2) Purchases not included in the approved Grantee’s annual plan or E&I Budget Justification need to submit a request to DOE for review and approval on a case-by-case basis. The DOE Project Officer (PO) will review the relevant material and send their recommendation to the CO for review and official approval.

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

Minimum information required: The following information must be submitted to DOE:

- A copy of the procurement request (a description of what is to be purchased) identifying the Grantee/Subgrantee.
- A statement of where the vehicle(s) and/or equipment will be used and how it will be used – specify full or part-time use in WAP.
- Identification of funding source(s) and budget category that will be used for purchase (e.g., DOE Weatherization - Program Operations funds) and a statement of whether the vehicle(s) is a replacement or for ramping-up for program expansion. If this is a replacement, address the trade-in value in your explanation. Please indicate the amount of any non-DOE WAP cost sharing, especially if part-time usage is proposed.
 - Note that Grantee purchases of vehicles or equipment which are directly related to specific training and technical assistance activities (T&TA), such as monitoring, may be charged to T&TA. However, T&TA funds shall not be used to purchase vehicles or equipment for Subgrantees to perform weatherization services. The cost of these vehicles or equipment to support the Program must be charged to the Vehicle/Equipment or Program Operations categories.
- Provide a brief description of the procurement approach:
 - Grantees: The procurement request must include an affirmation that the procurement complies with the Grantee policies and procedures.
 - Subgrantees: The procurement request must include the Grantee's affirmation that the Subgrantee followed their respective procurement procedures/requirements, and Grantee and federal procurement guidelines in [2 CFR 200.317-326](#) – ensuring Financial Assistance Rules were met.
- If applicable, copies of the bid specification (vehicle/equipment description with required features) and a bid analysis indicating at a minimum, each bidder, their bid price, and a determination whether each proposal met the bid specification.
- The analysis of lease versus purchase alternative, if applicable, such as when the grant is limited in duration (e.g., E&I awards).
- Statement that the lowest responsive bid was selected or provide a sufficient justification of the “best value selection” if lowest bid is not recommended for DOE approval.
- Documentation or analysis that the proposed purchase request avoids purchase of unnecessary or duplicative items.

As indicated in [2 CFR 200.318-326 Procurement Standards](#), Grantee and Subgrantee procedures must provide for a review of proposed procurements to avoid purchase of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase, affirmative steps to assure inclusion of Minority Owned and Women Owned enterprises when possible, and domestic preferences to the greatest extent practicable.

Subgrantee Vehicle/Equipment Procurement: Procurement requests can be expedited when Subgrantees include an option to use the Grantee's pre-negotiated vehicle/equipment procurement agreements in their respective policies/procedures. This typically provides a better price/value than the Subgrantee can achieve on their own.

Expedited Vehicle/Equipment Procurement Requests: Per 2 CFR 200.318(e), "To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal Government, the non-federal entity [Subgrantee] is encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services."

Leasing: DOE does not need to approve a vehicle lease that does not include a "purchase option." However, if a lease-purchase option is proposed regardless of purchase price, DOE needs to approve the purchase of the vehicle. Grantees and Subgrantees may not pre-pay leases that exceed the end of the award project period.

Management Requirements and Recordkeeping: Procedures for managing equipment, whether acquired in whole or in part under federal award, until disposition takes place must meet these minimum requirements per [2 CFR 200.313\(d\)](#):

- Vehicle and equipment records must be maintained that include a description of the vehicle/equipment, a serial number or other identification number, the source of funding for the vehicle/equipment (including the Federal Award Identification Number (FAIN)), who holds title, the acquisition date, and cost of the vehicle/equipment, percentage of federal participation in the project costs for the federal award under which the vehicle/equipment was acquired, the location, use and condition of the vehicle/equipment, and any ultimate disposition data including the date of disposal and sale price of the vehicle/equipment.
- A physical inventory of the vehicle/equipment must be taken, and the results reconciled with the vehicle/equipment records at least once every two years.
- A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the vehicle/equipment. Any loss, damage, or theft must be investigated.
- Adequate maintenance procedures must be developed to keep the vehicle/equipment in good condition.
- If the non-federal entity is authorized or required to sell the vehicle/equipment, proper sales procedures must be established to ensure the highest possible return.

Disposition: Grantees must use, manage, and dispose of vehicles and equipment per requirements which are dependent on multiple facets including present-day value, how the vehicle/equipment was acquired, and intended purpose. Depending on the value and whether the

vehicle/equipment is held by a Grantee or Subgrantee will also determine tracking requirements. As such, please refer to Attachment 1 – Vehicle/Equipment Disposal Tree for additional information on disposition.

CONCLUSION: For regulations and guidance regarding equipment, please review [2 CFR 200.313](#). If you have further questions regarding vehicle and equipment acquisition, use, or disposition, please do not hesitate to contact your DOE PO.

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Attachment 1 – Vehicle and Equipment Disposal Decision Tree