

Arkansas Energy Office

Weatherization Subgrantee Operations Manual



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II. Front Materials

A. Table of Acronyms

AASIS	Arkansas Administrative Statewide Information System
ACPU	Average Cost per Dwelling Unit
ADEQ	Arkansas Department of Environmental Quality
AEDC	Arkansas Economic Development Commission
AEO	Arkansas Energy Office
AHERA	Asbestos Hazards Emergency Response Act
ANSI	American National Standards Institute
ARWAP	Arkansas Weatherization Assistance Program
ASHRAE	American Society of Heating, Refrigeration, and Air Conditioning Engineers
ASTM	American Society for Testing Materials
AWAP	Arkansas Weatherization Assistance Program
BABA	Build American, Buy American
BCJOS	Building Check & Job Order Sheet
BPI	Building Performance Institute
CAA	Community Action Agency
CAZ	Combustion Appliance Zone
CDBG	Community Development Block Grant
CEU	Continuing Education Units
CFL	Compact Fluorescent Lights
CFM	Cubic Feet per Minute
CFR	Code of Federal Regulations
CI	Capital Intensive
CO	Carbon Monoxide
CPG	Comprehensive Procurement Guideline
DBA	Davis-Bacon Act
DFA	Department of Finance & Administration
DOE	U.S. Department of Energy
DOEPO	DOE Project Officer
DOL	U.S. Department of Labor
ECM	Energy Conservation Measure
ECOS	Energy Conservation Online System
EPA	Environmental Protection Agency
FIFO	First in, First Out
FR	Federal Register
GHW	General Heat Waste
H&S	Health & Safety
HCS	Hazard Communication Standard
HEP	Home Energy Professional
HHS	U.S. Department of Health and Human Services
HUD	Department of Housing & Urban Development
HVAC	Heating, Ventilation & Air Conditioning
IR	Incidental Repair
IREC	Interstate Renewable Energy Council
IRM	Incidental Repair Measure
JAI	Joseph Associates, Inc.

JTA	Job Task Analysis
JTPA	Job Training & Protection Act
KSA	Knowledge, Skills & Abilities
KTW	Knob-and-Tube Wiring
LIHEAP	Low Income Home Energy Assistance Program
LIHTC	Low Income Housing Tax Credit
LRRPP	Lead Renovation, Repair, and Painting
LSW	Lead Safe Weatherization
MF	Multifamily
MOU	Memorandum of Understanding
MSDS	Material Safety Data Sheets
MWBE	Minority or Women Owned Business Enterprise
NAECA	National Appliance Energy Conservation Act
NASCSP	National Association for State Community Services Programs
Network	Seven (7) agencies around the state providing Weatherization services
NFPA	National Fire Protection Association
NHPA	National Historic Preservation Act
NIOSH	National Institute for Occupational Safety and Health
NREL	National Renewable Energy Laboratory
OMB	Office of Management and Budget
OSHA	Occupational Safety & Health Administration
PAC	Policy Advisory Council
PM	Program Monitor
POI	Project Officer
POI	Pollution Occurrence Insurance
PY	Program Year
QA	Quality Assurance
QCI	Quality Control Inspector
QWP	Quality Work Plan
RESNET	Residential Energy Services Network
RFP	Request for Proposals
RRP	Renovation, Repair & Painting Program
SEP	State Energy Program
SHPO	State Historic Preservation Officer
SIR	Savings-to-Investment Ratio
SPF	Spray Polyurethane Foam
SWS	Standard Work Specifications
T&TA	Training and Technical Assistance
US DHHS	US Department of Health & Human Services
USPS	United States Postal Service
VOC	Volatile Organic Compounds
WAP	Weatherization Program-Weatherization Assistance Program for Low-Income Persons
WAPTAC	Weatherization Assistance Program Technical Assistance Center
WIA	Workforce Investment Act
WPN	Weatherization Program Notice
WRF	Weatherization Readiness Funds
WTC	Weatherization Training Center

B. References

1. [Arkansas WAP State Plan](#)
2. [Arkansas Standard Work Specification \(SWS\)](#)
3. [Weatherization Program Notices and Memos](#)
4. [Arkansas SHPO Programmatic Agreement](#)
5. [Arkansas SHPO Amendment to the Programmatic Agreement](#)
6. [10 CFR 440: Weatherization Assistance for Low Income Persons Rules](#)
7. [10 CFR 600: Financial Assistance Rules](#)
8. [2 CFR 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)

C. Table of AEO WAP Forms

Number	Name	Purpose	Frequency
WAP 02*	Application	New Client intake	As needed
WAP 03	Advance Request	Request advance payment of anticipated expenses	Monthly
WAP 04	Production Reports	Report unit completion, training and equipment purchases	Monthly
WAP 06	Request to Purchase Vehicles/Equipment	Request to purchase vehicles and equipment over \$5,000	As needed
WAP 07	Monitoring Report	Record observations and findings of compliance monitors	As needed
WAP 08*	QCI Inspection	Record condition of home after weatherization	As needed
WAP 09*	Client Response	Allow Clients to confirm completion of work and provide feedback	As needed
WAP 09B*	WRF Client Response	Allow Clients to confirm completion of work and provide feedback for WRF projects	As needed
WAP 10*	H&S Checklist	Record all H&S test results before and after weatherization	As needed
WAP 11*	Pressure Pan Duct Leakage Test	Record major source(s) of air leaks in home	As needed
WAP 12*	Fair Hearing Withdrawal	Record Client choice to withdraw from the waiting list/weatherization program	As needed
WAP 13*	Client Education Checklist	Verify Client was informed about energy-saving measures and weatherization work	As needed
WAP 14	ECOS Tool	Record unit data for entry into ECOS Audit	As needed
WAP 16*	Building Check and Job Order Sheet	Record work to be done and materials to be used on a unit	As needed
WAP 17A*	Single Family Lessor/Rental Plan Agreement	Document landlord/property owner agreement with three-year rental/property sale restrictions for single family projects	As needed
WAP 17B*	Multifamily Lessor/Rental Plan Agreement	Document landlord/property owner agreement with three-year rental/property sale restrictions for multifamily projects	As needed
WAP 19	Refrigerator Replacement Agreement	Document procedures for removing and disposing of obsolete refrigerators	As needed
WAP 20	Sample Client Notification Letter re: Income Documentation	Notify Clients of income documentation requirements	As needed
WAP 22	Weatherization Plan	Used to apply for WX Funding	Annually
WAP DOE 21-B	DOE WAP Budget	Starting DOE WAP budget for program year	Annually
WAP DOE 21-I	DOE WAP Invoice	Subgrantee reimbursement invoice for DOE WAP expenditures	Monthly

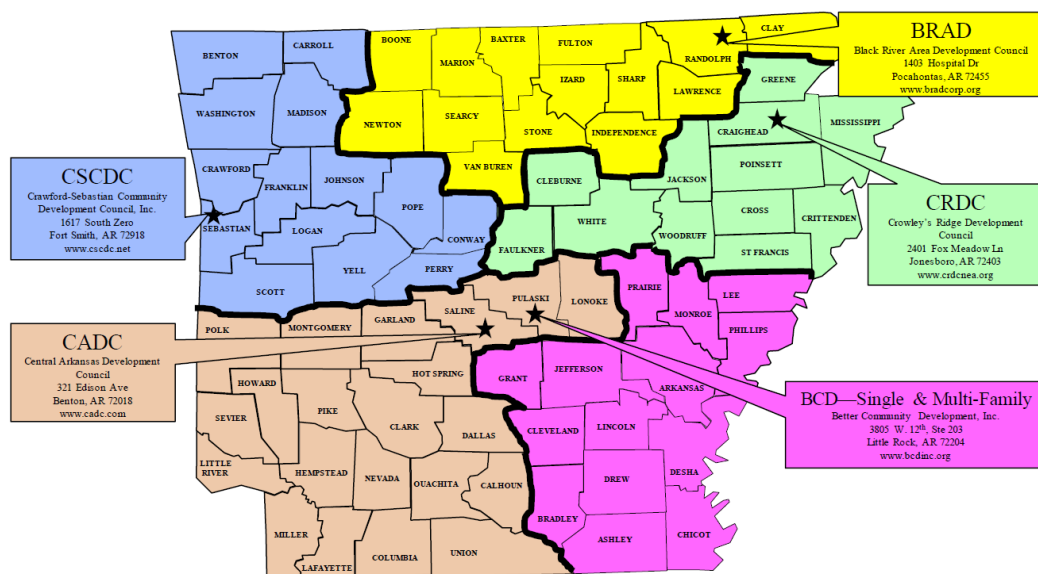
WAP DOE 21-R	DOE WAP Budget Revision	Revisions for DOE WAP budget	As needed
WAP LIHEAP 21-B	LIHEAP WAP Budget	Starting LIHEAP WAP budget for program year	Annually
WAP LIHEAP 21-I	LIHEAP WAP Invoice	Subgrantee reimbursement invoice for LIHEAP WAP expenditures	Monthly
WAP LIHEAP 21-R	LIHEAP WAP Budget Revision	Revisions for LIHEAP WAP budget	As needed
WAP 23*	Fair Hearings Notice and Request	Notifies Clients of Fair Hearing Rights and allows them to request a Fair Hearing	As needed
WAP 24	Contractor Retention Agreement	Agreement for training contractors and retaining them for at least 12 months	As needed
WAP 26*	Lead Test Kit Documentation Form	Used to document lead tests and results	As needed
WAP 27	Lead-Safety Training Log	Used to document training of non-EPA-certified workers	As needed
WAP 35*	Deferral Documentation	Documentation of unit deferral	As needed
WAP 36	Multifamily Application	New multifamily project intake	As needed
WAP 37	Multifamily Project Preparation	Form to prepare for starting a multifamily project	As needed
WAP 38	Multifamily Landlord Permission for Assessment and Inspection	Agreement to allow multifamily project to be assessed and inspected	As needed
WAP 40	Training Plan	Training plan for subgrantee staff	As needed
WAP 46	Inventory of Fixed Assets	List of vehicles and equipment in possession of the subgrantee	Monthly
WAP 52	Conflict of Interest Disclosure	Allows subgrantee staff to document potential conflict of interests	As needed
WAP 55*	Client Complaint	Allows clients to submit a formal complaint	As needed
WAP 56	Guidance and Communication	Allows documentation of specific guidance provided by AEO to subgrantees	As needed
WAP 59	Subgrantee Risk Assessment	Allows assessment of subgrantee risk level	Annually or As needed
WAP 61*	Third Part QCI	Documentation for Third Party QCI inspections of subgrantees	As needed
WAP 62	Pollution Control Insurance	Listing of contractors working for subgrantees	As needed
WAP 65*	Radon Consent Form	Client acknowledgement of radon information and agreement to receive WAP services	As needed
WAP PROC A	Bidder Checklist	Used to inform bidders what documents are needed to complete the application process	As needed
WAP PROC B	General Instructions	Used to explain general terms and conditions of procurement process	As needed

WAP PROC C	Bidder/Contractor Application	Used by Bidders to submit bids	As needed
WAP PROC D-H	Materials and Labor Bid Response Sheets	Used by bidders to submit bids	As needed
WAP PROC I-M	Bid Evaluation and Certification Sheets	Used by agency staff to review/evaluate bids	As needed
WAP PROC N	Procurement Procedures	Template for creating subgrantee procurement policy and procedure.	As needed
WAP PROC O	Legal Notice/Advertisement	Template for advertising procurement opportunity.	As needed
WAP PROC P	Procurement Checklist	Used to manage and ensure compliance with procurement process.	As needed

III. Overview

A. Subgrantee Service Areas

1. Better Community Development, Inc. (BCD)
2. Black River Area Development Corporation (BRAD)
3. Central Arkansas Development Council (CADC)
4. Crowley's Ridge Development Council (CRDC)
5. Crawford-Sebastian Community Development Council, Inc. (CSCDC)



B. Subgrantee Selection

1. Pre-award Solicitation
 - a. The AEO, as the grantee, is mandated by 10 CFR 440.15 to ensure that each subgrantee is a CAA, public organization, or nonprofit organization. If additional WAP subgrantees are deemed necessary, interested organizations will be solicited through a competitive RFPs issued by the AEO.
 - b. Subgrantees are required to abide by program regulations, including:
 - i. 10 CFR 440,
 - ii. 2 CFR 200 as amended by 2 CFR 910,
 - iii. Retrofitting Arkansas SWS - Aligned Field Guide,
 - iv. 168-00-17 Ark. Code R. § 3 "V.5.2 Energy Audit Procedures" for multifamily housing complexes,
 - v. ASHRAE 62.2-2016, and
 - vi. This subgrantee Operations Manual in administering the program.
2. Required Documentation
 - a. An organization must submit a detailed plan describing how it will operate the program. It must also meet basic program requirements to qualify as a potential candidate. The basic criteria include, but are not limited to:

10 CFR 440.15:
Subgrantees

10 CFR 440:
Weatherization Assistance
for Low-Income Persons

2 CFR 910: Uniform
Administrative
Requirements, Cost
Principles, and Audit
Requirements for Federal
Awards

- i. Proof of adequate bonding,
- ii. Proof of adequate liability insurance or ability to secure adequate insurance,
- iii. Completed Certificate Regarding Debarment, Suspension and Other Responsibility Matters, and Drug-Free Workplace Requirements,
- iv. Signed lobbying disclosure form SF-LLL,
- v. The organization's Articles of Incorporation, its organizational chart and names of persons authorized to sign on its behalf,
- vi. Certificate of good standing from the Arkansas Secretary of State's Office and documentation supporting its legal status, and
- vii. Credit references and proof of financial solvency.

3. Evaluation Criteria

- a. Weatherization/Renovation Experience
 - i. Number of years of organization experience with weatherization/renovation projects and descriptions of projects completed,
 - ii. Performance records including the number of single family weatherization/renovation projects completed by the organization and documentation of successful completion, and
 - iii. Number, qualifications, and experience of organization employees in rating energy conservation measures and/or residential weatherization/renovation activities.
 - iv. Program Management Experience
 - v. Description and number of years of management experience of the organization,
 - vi. Qualifications and experience of organization management employees,
 - vii. Organization's contract/subcontract management experience,
 - viii. Organization's ability to secure volunteers and/or public service employment workers in accordance with the Workforce Investment Act (WIA) formally known as the Job Training and Protection Act (JTPA) if such employees are available.
- b. Fiscal Accountability
 - i. Organization's ability to demonstrate sound fiscal and accounting procedures, including:
 - ii. Methods for tracking income, expenditures, disbursements,
 - iii. Audit review process, results of past fiscal audits, if applicable,
 - iv. Accounting software in use, if applicable,
 - v. Separation of duties which promotes checks and balances in the internal accounting system.
- c. Client Outreach
 - i. Experience including the documented ability of the organization in areas of outreach, educating the public about its program services, and identifying clients.

- d. Assisting Low-Income Populations
 - i. Organization's record in assisting low-income families in the planned service area.
 - e. Organization Capacity
 - i. Organization's ability to provide sufficient resources to the WAP including, but not limited to:
 - (1) Administrative support,
 - (2) Personnel, office space,
 - (3) Equipment,
 - (4) Supplies,
 - (5) Tools, and
 - (6) Other related assets.
 - f. Supplemental Funds
 - i. The organization's ability to obtain and use non-WAP funds in conjunction with WAP funds in servicing eligible homes. Supplemental funds can be used to implement renovation both for WAP eligible and non-WAP eligible energy conservation measures.
4. Public Hearing Requirements
- a. The AEO will evaluate all proposals, make a preliminary selection, and hold a public hearing. After reviewing comments from the public hearing, a final decision based on the results will be announced. The federal funding source (DOE) has final decision-making authority in this selection process.
5. Post-award Probation Period
- a. A new organization selected to provide weatherization services in a defined area of Arkansas will be placed on a six (6) month probation review period by AEO. Probation periods may be extended at the discretion of the AEO.

C. Communications Between Subgrantees and State

1. State weatherization employee list:

Name	Role	Email	Phone
Vacant	Program Manager		
Wendy Ryan	Energy Program Coordinator	Wendy.Ryan@adeq.state.ar.us	501-682-0709
Angela Kelley	Financial Program Monitor	Angela.Kelley@adeq.state.ar.us	501-681-7382
Vacant	Administrative Program Monitor		
Vacant	Technical Program Monitor		
Vacant	Infrastructure Program Monitor		

2. When and Who to Contact at AEO

- a. Subgrantee organizations should feel free to communicate with the state regarding any problems or issues that arise regarding WAP plans or implementation.
- b. If the subgrantee requires clarification or is seeking guidance, contact the reviewing monitor as the first point of contact. Following this process will help expedite the process. The outlined chain of command is below.
- c. For technical matters, contact your assigned technical program monitor. If matters cannot be resolved contact the WAP Program Manager, if the issue(s) are still unresolved contact the Senior Manager.
- d. For administrative matters, contact your assigned administrative program monitor. If matters cannot be resolved contact the WAP Program Manager, if the issue(s) are still unresolved contact the AEO Senior Manager.
- e. For fiscal matters, contact the financial monitor. If matters cannot be resolved contact the AEO Senior Operations Manager, if the issue(s) are still unresolved contact the WAP Program Manager or AEO Senior Manager.
- f. When subgrantee employees are resolving deficiencies found during the review process, upon resolution, immediately report to the appropriate WAP program monitor of resolution via email. Failure to contact the program monitor could result in reimbursement delays.

D. Complaints, Appeals, and Fair Hearings

1. Policy Basis and General Rules

- a. AEO's policy for hearings is based on 42 U.S. Code § 8624(b)(13) , also known as WAP Assurance 13, which requires that grantees "provide an opportunity for a fair administrative hearing to individuals whose claims for assistance...are denied or are not acted upon with reasonable promptness."
- b. Based on Assurance 13, AEO acknowledges that the following are reasons that applicants can file an appeal:
 - i. If the household is determined ineligible for services,
 - ii. If the benefit amount is less than anticipated, or
 - iii. If the benefit is delayed because the subgrantee did not process the application in a timely manner as required by this policy manual.
- c. During any phase of the complaint/appeals process, the applicant may designate a representative to assist them.
- d. The applicant's written statement, included on the Request for Appeal Hearing form, will be sufficient to designate a representative to speak for them.
- e. Upon request for legal counsel, the subgrantee will refer applicants to Legal Aid, Arkansas Legal Services (www.arlegalservices.org), or other similar resources within the community.

2. Notification of Right to Appeal

42 US Code § 8624(b)(13):
Home Energy Assistance

- a. Subgrantees must ensure that applicants are made aware of the appeals and hearing process by various means, including:
 - i. Providing onsite postings of the appeals and hearing process,
 - ii. Verbally conveying the process to the applicant at the time of application,
 - iii. Providing the information in other languages spoken by applicants if necessary, and
 - iv. Ensuring that the hearings information is included with the application as well as any other effective place such as the subgrantee website.
 - b. The subgrantee must also inform the applicant that a complaint may be submitted in writing to the subgrantee within thirty (30) calendar days of receiving notification of a decision about the application.
 - c. A formal appeal is submitted to the subgrantee or to AEO in writing using the Request for Appeals form, or by written statement that includes an explanation of the action(s) taken by the applicant and by the subgrantee concerning the application.
 - i. If received by the subgrantee, the appeal will be sent by the subgrantee to AEO within five (5) business days.
3. Complaint and Appeal Phases
- a. It is AEO's intent that any complaint be dealt with promptly to provide a resolution as quickly as possible so that benefits are forthcoming if the applicant is deemed eligible.
 - b. A formal appeal hearing is considered the last resort after all other efforts to resolve the complaint have been exhausted.
 - c. A formal request for a hearing will be initially treated as a complaint to provide an opportunity for the issue to be resolved expeditiously and so allow any benefits to be paid promptly, if applicable.
 - d. Complaint
 - i. When AEO receives a complaint (including a formal request for a hearing), AEO will contact the subgrantee where the applicant submitted their WAP application.
 - ii. AEO will provide all information received from the applicant and ask the subgrantee to follow up by contacting the applicant.
 - iii. AEO requires that the subgrantee notify AEO of the resolution of the complaint within 10 business days of receiving the complaint.
 - iv. When an applicant contacts the subgrantee directly, the subgrantee will handle the complaint by reviewing and attempting to resolve the issue according to policy.
 - v. During this process, AEO is available to consult with the subgrantee about any policy questions.
 - vi. If the subgrantee is unable to arrive at a resolution with the applicant, the complaint will be sent to AEO, including documentation of phone calls and electronic and mailed

correspondence and all other documents relating to the complaint, such as:

- (1) Case file documents (i.e. application, eligibility documents, deferral form, work order),
- (2) Actions the subgrantee took on the complaint, including all documented communications (email or other),
- (3) All documents the subgrantee used to make a decision, and
- (4) The decision made by the subgrantee.

- vii. The AEO WAP Manager or designated representative will review the issues raised by the applicant and all documentation provided.
- viii. AEO will present the resolution in writing to the applicant and the subgrantee within 10 business days of receiving the complaint.
- ix. AEO will provide information regarding a request for a Fair Administrative Hearing and inform the applicant that the request for a hearing must be received by AEO no later than thirty (30) calendar days from the date of disposition in question.

e. Appeal

- i. An appeal or request for a hearing in writing must be submitted to AEO: By email to: help-energy@adeq.state.ar.us

(1) By mail to:

*Arkansas Dept. of Energy and Environment
Attention: AEO / WAP Appeals
5301 Northshore Drive,
North Little Rock, AR 72118*

- ii. Once AEO receives a request for a Fair Administrative Hearing, a pre-hearing resolution conference will be scheduled. This conference will be conducted by AEO employees less involved with the initial eligibility decision. AEO employees will review all documents provided and speak to the applicant or their representative and subgrantee employees, as needed. If no formal withdrawal is made during this call, the following will be determined:
 - (1) The deadline for how long the parties have for discovery and how long they have to give those documents to the Administrative Hearing Officer (AHO) as exhibits,
 - (2) A time and date for the hearing,
 - (3) The location (which could include a video call, telephone call, or in person), and
 - (4) The subgrantee and applicant's rights to representation, discovery, present witnesses, present other evidence, and the right to cross examination.
- iii. The applicant may withdraw their request for a hearing at this time. AEO should verify that the applicant wants to continue.

f. Fair Administrative Hearing

- i. Fair Hearing Process
 - (1) The applicant will state the reason for their request for a hearing.
 - (2) The applicant will present evidence and witnesses.
 - (3) The subgrantee will state the reason for its decision.
 - (4) The subgrantee will present evidence and witnesses.
 - (5) The Administrative Hearing Officer will issue the final administrative decision on the case.
 - (6) The Administrative Hearing Officer will inform the parties in writing of the final decision within 10 business days of the hearing. The document will include the reason for the decision supported by applicable policies, rules, and laws.
- g. Withdrawal From Formal Hearing
 - i. The applicant may withdraw a request for a hearing any time by completing a signed statement that indicates the reason for the withdrawal.
 - ii. Applicants may submit their withdrawal requests to AEO in writing:
 - (1) By email to: help-energy@adeq.state.ar.us
 - (2) By mail to:
Arkansas Dept. of Energy and Environment
Attention: AEO / WAP Appeals
5301 Northshore Drive,
North Little Rock, AR 72118

E. Ethical Standards

- 1. General Policy
 - a. The purpose of the following Code of Ethics is to promote honest and ethical conduct and compliance with the policies of AEO and the WAP, particularly as related to the preparation and maintenance of financial reports, invoices, Advance Funds requests, and in recording and reporting program information.
 - b. Officers, directors, and employees will seek to report all information accurately and honestly, and as otherwise required by applicable reporting requirements.
 - c. Officers, directors, and employees agree to disclose unethical, dishonest, fraudulent, and illegal behavior, or the violation of AEO policies and procedures, directly to AEO management. Reporters will be protected under Arkansas Whistle-Blower Act § 21-1-601. Violation of this Code of Ethics could result in loss of funds.

F. Recommended Practice on Fraud, Waste, and Abuse

1. Guidelines

- a. These Fraud, Waste, and Abuse Guidelines as found under DOE Order 221.1B “Reporting Fraud, Waste, and Abuse to the Office of Inspector General” were established to provide guidance to WAP subgrantee employees who observe, have knowledge of, or suspect that fraud, waste, or abuse of public funds is occurring or has occurred. It is the intent of this guideline to promote awareness of the potential for fraud, waste, and abuse and to provide guidance to ensure that incidents of this nature are handled appropriately.

2. Definitions

a. Fraud

- i. Any intentional act or omission designed to deceive, resulting in a loss to an individual or entity and a gain for the perpetrator.

ii. General Fraud Examples

- (1) Theft or misuse of money, equipment, supplies and other materials,
- (2) Falsifying financial records to conceal the theft of money or property,
- (3) Intentionally misrepresenting goods provided or services rendered or the cost of goods and services,
- (4) Soliciting or accepting a bribe or kickback, and
- (5) Falsifying payroll information.

iii. Specific Fraud Examples

- (1) Billing for goods or services not rendered,
- (2) Billing for unnecessary goods or services,
- (3) Duplicate billing,
- (4) Performing inadequate inspection of properties to allow a contractor to get away with shoddy workmanship or non-performance,
- (5) Removing or using surplus construction supplies for personal use,
- (6) Maintaining fictitious clients, jobs, vendors, or employees,
- (7) Bid rigging: promising a contract to one party even though, for the sake of appearance, several other parties are invited to present a bid,
- (8) Underbidding a contract: bidding less than the amount the contract will cost to perform, then finding ways to recover the money that was lost in the underbid,
- (9) Scope creep: when the extent of a project is not properly defined, allowing uncontrolled growth,
- (10) Falsely posing as an MWBE,

(11) Paying a bribe to a subgrantee or an employee of a subgrantee in exchange for preferential treatment such as a contract award.

b. Waste

- i. Using material or financial resources carelessly without regard to cost-effectiveness or necessity in program operations, including incurring unnecessary costs from inefficient or ineffective practices, systems, or controls.
- ii. General Waste Examples
 - (1) Purchasing unnecessary supplies, materials, and equipment,
 - (2) Purchasing supplies without regard to cost,
 - (3) Using supplies, materials, and equipment carelessly, resulting in unnecessary waste, and
 - (4) Failing to reuse or recycle major resources to reduce the generation of waste.

c. Abuse

- i. Intentional destruction, diversion, manipulation, maltreatment, or misuse of resources; extravagant or excessive use as to abuse one's position or authority. Abuse can occur in both financial and non-financial settings.
- ii. General Abuse Examples
 - (1) Making procurement or vendor selections that are contrary to existing policies or are unnecessarily extravagant or expensive,
 - (2) Receiving favor for awarding contracts to certain vendors,
 - (3) Using position for personal gain or to gain an advantage over another,
 - (4) Failing to report damage to equipment or property,
 - (5) Creating unneeded overtime,
 - (6) Requesting employees to perform personal errands or work tasks for a supervisor or manager,
 - (7) Choosing travel arrangements that are contrary to existing travel policies or are unnecessarily extravagant or expensive, and
 - (8) Using state or federal funds or equipment for non-state or federal purposes.

2. Suggested Procedures

- a. A subgrantee employee who observes, has knowledge of, or suspects that fraud, waste, or abuse is occurring or has occurred, and does not desire anonymity, should:
 - i. Immediately report the incident to the appropriate WAP State Program Manager in person or by phone.
 - ii. The WAP State Program Manager will be responsible for notifying the Director of the Arkansas Energy Office who will in turn notify the Director of the Department of Finance and Administration,

Office of Accounting, Internal Audit Section, or their designee, in person or by phone of the suspected activity.

- iii. The employee should be prepared to provide the following information verbally or in writing, to the extent known, regarding the incident:
 - (1) Who was involved? (Names and phone numbers)
 - (2) What happened? (Summary of events, additional sources of evidence)
 - (3) When did it happen? (Date, time, frequency)
 - (4) Where did it happen? (Location, city, state)
 - (5) What was the cost involved? (Estimated loss to the government, gain to violator)
 - (6) How did it happen? (What scheme was used)
 - (7) Who else is aware of the incident, to your knowledge? (Names and phone numbers, if available)
 - (8) What is the source of the information? (Personal observation, employee complaint, monitoring results)
- iv. Follow any instructions provided by AEO management and the DFA Director of Internal Audit, or their designee, regarding “Next Steps” in the investigation.
- b. A subgrantee employee who observes, has knowledge of, or suspects that fraud, waste, or abuse is occurring or has occurred, and wishes to remain anonymous, should immediately report the incident to DFA’s Fraud * Waste * Abuse Hotline, which can be accessed via Department of Finance and Administration (DFA) website or contact the DFA Internal Audit Section at 501-682-0370 or 800-952-8248
- c. The employee, though anonymous, must be willing to share specific information regarding the incident. The employee should be prepared to provide the following information, to the extent known, regarding the incident as specified in section III.F.3.a.iii, above.

3. Confidentiality

- a. Subgrantee employees who are aware of any fraud, waste, or abuse are discouraged from discussing the case, facts, suspicions, or allegations with anyone outside the organization or with anyone within the organization who does not have a legitimate need to know.
- b. Until an incident is fully investigated and resolved, it is critical to refrain from discussing it with the individual(s) suspected of fraud or anyone not directly involved in the investigation to avoid alerting the individual(s) that an investigation is under way and to minimize the impact of any mistaken accusations.
- c. Any inquiries from the suspected individual(s) or their attorneys or representatives should be directed to AEO Management or DFA Internal Audit.

- i. The proper response to such an inquiry is: "I am not at liberty to discuss this matter."
- ii. Under no circumstances should any reference be made to what a person is known to have done or suspected of doing.
- iii. No promises of any kind should be made.
- d. No subgrantee employee should contact the suspected individual(s).

IV. Client Services

A. Client Solicitation

1. Publicizing WAP Services

- a. Each subgrantee must publicize the WAP services within its geographic area with special attention given to the recruitment of DOE priority groups (see section 3, below) through:
 - i. Coordination with Low Income Home Energy Assistance Program (LIHEAP), to receive referrals,
 - ii. Public outreach through presentations to local civic groups, churches, schools, and others.
- b. Publicity and recruitment are not required or recommended when already eligible clients must wait one (1) year or more due to numbers on the county waiting list. Coordination with LIHEAP is an ongoing requirement.

B. Client Eligibility and Selection

1. Income Eligibility

- a. Income eligibility is the basic determinant for Weatherization services. Each applicant's income must be reviewed and a determination made whether the household is at or below 200% of poverty level as defined by DOE and therefore eligible for WAP.
- b. Each applicant must be notified promptly of eligibility or ineligibility.
- c. All income documentation must be copied and kept in the client file for proof of eligibility.
- d. Income must be determined for all individuals living in the household.
- e. Income is defined as cash receipts earned and/or received by the applicant (before taxes are deducted) during one (1) calendar year.
- f. Arkansas adheres to DOE income guidelines, which are updated each year. The annual revisions of poverty income guidelines are published in the Federal Register in February.
- g. The AEO will issue a letter of notification to each subgrantee when the revisions are made available with the effective date to begin using revised guidelines.
- h. New income guidelines will be updated in ECOS beginning July 1st of every new program year.
- i. Subgrantees are encouraged to serve clients whose names appear on LIHEAP lists with LIHEAP funds. LIHEAP clients who are referred to WAP automatically meet the weatherization income guidelines.
- j. If a subgrantee has accumulated a waiting list of clients exceeding two (2) years, the subgrantee may submit a request to AEO to suspend the taking of applications until that list has been reduced to one (1) year.
- k. Proof of Income and Eligibility

WPN 24-3: Federal Poverty Guidelines and Definition of Income

(Updates Q1 of each calendar year)

10 CFR 440.16: Minimum Program Requirements

- i. Proof of income and any associated documentation must be kept in the client file. Income eligibility calculations must also be in client files.
 - ii. Availability of Supporting Documentation
 - (1) For purposes of review and audit, each client file must contain:
 - (a) An application from the client that contains the required demographics and income for the entire family living in the residence and
 - (b) Evidence provided by the subgrantee that the client is eligible to receive WAP services. This evidence may include, but is not limited to:
 - (i) A memorandum from a third-party certification office stipulating the income levels of the family or source documentation for each income source listed on the application.
 - (ii) Supporting documentation can be stored electronically or retained in hard copy for each client.
 - iii. Eligibility Determined by Outside Subgrantee or Program
 - (1) If income eligibility is determined by an outside subgrantee or program, i.e., LIHEAP or HUD, any document used to determine eligibility, such as a copy of the LIHEAP eligibility or a copy of the HUD building list, will suffice as evidence of client eligibility. This document and any related documents must be retained in the client file.
- I. Income Details
- i. Cash receipts include the following:
 - (1) Money, wages, and salaries before any deductions (gross),
 - (2) Net receipts from non-farm or farm self-employment (receipts from a person's own business or from an owned or rented farm after deductions for business or farm expenses),
 - (3) Regular payments from social security, railroad retirement, unemployment compensation, strike benefits from union funds, worker's compensation, veteran's payments, training stipends, alimony, and military family allotments,
 - (4) Private pensions, government employee pensions (including military retirement pay), and regular insurance or annuity payments,
 - (5) Dividends and/or interest,
 - (6) Net rental income and net royalties,
 - (7) Periodic receipts from estates or trusts, and
 - (8) Net gambling or lottery winnings.
 - ii. Income exclusions which are not considered as part of household income when determining eligibility for WAP include:
 - (1) Capital gains,

- (2) Any assets drawn down as withdrawals from a bank,
- (3) Money received from the sale of a property, house, or car,
- (4) One-time payments from a welfare subgrantee to a family or person who is in temporary financial difficulty,
- (5) Tax refunds,
- (6) Gifts, loans, or lump-sum inheritances,
- (7) College scholarships,
- (8) One-time insurance payments, or compensation for injury,
- (9) Non-cash benefits, such as the employer-paid or union-paid portion of health insurance,
- (10) Employee fringe benefits, food or housing received in lieu of wages,
- (11) The value of food and fuel produced and consumed on farms,
- (12) The imputed value of rent from owner-occupied non-farm or farm housing,
- (13) Depreciation for farm or business assets,
- (14) Federal non-cash benefit programs such as Medicare, Medicaid, Food Stamps, school lunches, and housing assistance,
- (15) Combat zone pay to the military,
- (16) Child Support, as defined below in subsection iii,
- (17) Reverse mortgages, and
- (18) Payments for care of foster children.
- iii. Child support payments, whether received or paid by the household member are not considered a source of income to be added to the income or an expense to be deducted from the income for the purpose of determining applicant eligibility.
- m. Zero income certification and self-certification of income
 - i. After all avenues of documenting income are exhausted, certification is allowable.
 - ii. Evidence of all attempts to obtain income verification must be kept in the client's file.
 - iii. At a minimum, subgrantees must check with DHS and unemployment offices to obtain verification of zero income, if available.
 - iv. In addition, subgrantees may request a copy of the client's income tax return for the most recent tax year to verify income eligibility.
 - v. Zero Income Certification
 - (1) Clients who claim zero income must provide either:
 - (a) Two (2) notarized statements from individuals who are familiar with their situation stating that they have no income or
 - (b) Verification from DHS that they have no income.

- (c) Any client claiming zero-income must also include a notarized statement signed by the potential applicant indicating that the applicant has no other proof of income.
 - vi. Self-certification
 - (a) After all other avenues of documenting income eligibility are exhausted, self-certification is allowable. However, evidence of the various attempts at proving eligibility must be contained in the client file.
 - n. Annualization of Income
 - i. Where an applicant receives income verification for a portion of the applicable tax year, their partial income may be annualized to determine eligibility.
 - ii. The method of calculating annualized income is as follows:
 - (1) If the applicant is paid the same amount weekly, multiply the weekly amount by 4.333 to get the applicant's monthly income. Multiply the monthly income by 12 to get the applicant's annual income.
 - (2) If the applicant is paid the same amount bi-weekly, multiply the bi-weekly amount by 2.165 to get the applicant's monthly income. Multiply the monthly income by 12 to get the applicant's annual income.
 - (3) A person whose income varies from paycheck to paycheck should provide a minimum of one (1) month's pay to annualize income. More paychecks are desirable.
 - o. Re-certification
 - i. Each client's income must be re-certified every twelve (12) months after initial determination of eligibility until selected for weatherization. The application eligibility expires twelve (12) months from certification date if work on dwelling unit has not been initiated.
- 2. Categorical Eligibility
 - a. Households receiving cash assistance from Title IV (TANF or federal payments for Foster Care or Adoption Assistance) or Title XVI (SSI) of the Social Security Act during the 12-month period preceding the determination of eligibility are automatically eligible for WAP.
 - b. For verification of TANF benefits, contact Customer Service at 1-800-482-8988 or 501-682-8993 or the local DHS county office.
- 3. Eligible Children
 - a. Children are household residents under the age nineteen (19).
 - b. Subgrantees must allow ineligible persons who reside in the household to apply for weatherization services on behalf of eligible minor children.
- 4. Legal Resident Non-Citizens
 - a. A household is potentially eligible if there is at least one citizen or legal resident noncitizen in the household.

8 U.S. Code § 1182:
Inadmissible Aliens

Immigration and Nationality
Act

Refugee Education
Assistance Act

10 CFR 440.16 (b): Minimum
Program Requirements

- b. Subgrantees must identify a legal resident noncitizen as an individual, who, at the time of application for a federal public benefit:
 - i. Is a “Qualified Alien” according to 8 U.S. Code § 641(b),
 - ii. Is lawfully admitted for permanent residence under the Immigration and Nationality Act,
 - iii. Is present in the U.S. under Sections 203(a)(7), 207, 208, 212(d)(5), or 243(h) of the Immigration and Nationality Act,
 - iv. Is a Cuban or Haitian entrant, as defined in Section 501(e) of the Refugee Education Assistance Act of 1980, or
 - v. Is battered or subjected to extreme cruelty in the United States.
- 5. Applicant Prioritization
 - a. Subgrantee’s waiting list must be maintained by assigning priority points for DOE categories of priority for service. There will be one waiting list for DOE and LIHEAP WAP applicants. Priority points are awarded to eligible applicant households based on:
 - i. At least one member of the household is elderly (age 60 or older). (1 point)
 - ii. At least one member of the household is disabled. (1 point)
 - (1) A Client that is considered disabled qualifies a residence for weatherization assistance.
 - (a) To qualify as disabled, the person must be a recipient of Rehabilitation Services, receive Social Security disability, Veterans disability or services under the Developmental Disabilities Act.
 - (b) Disability from a private source must be in addition to or as a settlement with Federal or state disability.
 - (c) A person receiving Social Security prior to age 62 is considered disabled because the minimum retirement age is 62.
 - (d) A client statement is not acceptable proof of disability.
 - (e) A notarized statement from someone who knows that the client received qualifying disability benefits prior to reaching retirement age may be used as proof that an elderly person is also disabled, in the absence of other proof.
 - iii. At least one member of the household is a child (under the age of 19). (1 point)
 - iv. The household experiences a high energy burden. (1 point)
 - (1) A household spending 6.9% or more of their income on heating and cooling is defined as having a high energy burden. To calculate the household’s energy burden:
 - (a) Add the client’s heating and cooling utility bills (gas, electric, fuel oil) for the past twelve (12) months.
 - (b) Use client’s annualized income documentation (obtained during the client intake process).

- (c) Divide the sum of utility bills by the annualized income and multiply by 100 to determine the percent burden.
- v. The household is a high energy user. (1 point)
 - (1) A household whose peak monthly electricity bill is ten cents (\$0.10) or more per square foot is defined as a high energy user. To calculate, take the highest monthly electric bill and divide by conditioned square footage of the house.
- b. Lists by County
 - i. AEO allows the use of separate priority lists by county to give subgrantees flexibility when scheduling work crews and assigning contractors. This policy minimizes travel distances and maximizes available work hours and worker efficiency. However, a subgrantee serving two (2) or more counties may not work exclusively in one (1) county for more than one (1) month consecutively.
 - ii. The subgrantee is required to serve each county in proportion to the number of units planned for that county and to prioritize counties based on the number of priority points assigned to top applicants on each county list.
 - iii. The selection of a county in which to provide weatherization work exclusively for the coming month should be primarily based on where the client resides, who has the highest number of points among all counties.
 - iv. A copy of each county priority list must be printed monthly and kept on file. Each county list should contain notes, i.e., attempts to contact clients and other information pertinent to selection of clients.
 - v. Clients with an equal number of priority points or no priority points must be selected on the basis of application dates, with clients waiting the longest on the list being selected first.
 - vi. Should there be any discrepancies in the priority points calculated by ECOS, the subgrantee has a responsibility to correct the priority points for use in selecting the next homes to weatherize.
- c. Braiding Opportunities
 - i. It is permissible to pull a client from the priority list out of order to engage with a braiding opportunity from a funding source outside of WAP if the following guidelines are followed:
 - (1) The client is part of a group with an equal number of points at or near the top of the list, and
 - (2) Braiding opportunity is rare, and
 - (3) The subgrantee can defend the selection of client for braiding over other clients on the list.
 - ii. There is no braiding opportunity based on client buy-in to the cost of WAP services. Clients may not pay anything toward the cost of WAP services they receive.

- iii. Landlord contributions may not be accepted for single-family weatherization and are not considered to be a braiding opportunity.
- iv. Rental properties must be selected for WAP services based on tenant applicant priority points.
- d. Emergency HVAC Weatherization
 - i. Any household eligible for WAP services coming to the attention of subgrantees as being without cooling in the home during the summer or without heating during the winter should be prioritized as an emergency.
 - ii. If a client has already received Weatherization services during the past 15 years (is not eligible to be re-weatherized), subgrantees are authorized to use LIHEAP funds to address only the HVAC equipment, or lack thereof, in the home.
 - iii. The household must be currently income eligible for WAP services.
 - iv. Subgrantees should address both cooling and heating equipment in order to prevent the home from being without heat during the upcoming winter or without cooling during the upcoming summer.
 - v. The subgrantee must submit a waiver to AEO prior to performing Emergency HVAC services.
 - (1) Required documentation for waiver approvals prior to work being done:
 - (a) Proof of current income eligibility,
 - (b) Current evaluation, Manual-J, and Manual-D (in the case of replacement ductwork) from licensed HVAC contractor,
 - (c) Any request to repair or replace existing equipment must include pictures of that equipment, to include ductwork, if accessible,
 - (d) Itemized estimate from HVAC contractor; must submit three (3) bids if not using previously procured weatherization contractor,
 - (e) Pre- and post-duct readings, and
 - (f) Statement that existing ductwork is viable if not replacing and pictures.
 - (2) Submit waiver approval email with invoice.
 - (3) The subgrantee must maintain all documentation in the client file, including post-photos, final invoices, and post-duct readings.
 - (4) After receiving a waiver approval from AEO, the subgrantee is authorized to by-pass the priority list to provide Weatherization services on an emergency basis.
 - vi. AEO does require advance waiver approval before “Emergency HVAC Only” work is done.
 - vii. Repairs related to HVAC operating properly are allowable, including ductwork.

- viii. HVAC repairs and replacements must meet the same DOE standards required for WAP, except for the requirement of an SIR and the requirement for health related or age-related.
- ix. Emergency HVAC jobs will be billed outside of ECOS using the LIHEAP WAP 21-I and the “Emergency HVAC Only” spreadsheet to report homes receiving this service. The spreadsheet will be issued separately.
- x. Subgrantees are authorized to complete full weatherization services, including heating and cooling services, with DOE or LIHEAP funds.
 - (1) To use DOE funds, note the following requirements:
 - (a) Heating and cooling measures must be entered in ECOS to determine if an SIR of 1.0 or greater is achieved for approval as an energy conservation measure, if not,
 - (b) Heating measures may be approved as H&S expenditures if a member of the household meets at-risk criteria, as outlined in Arkansas’s H&S Plan (upload to the client file a screenshot from ECOS showing the measure approved, with no SIR),
 - (c) However, cooling measures cannot be addressed with DOE funds unless there is an SIR of 1.0 or greater.
 - (2) To use LIHEAP funds, note the following:
 - (a) Heating and cooling measures must be entered in ECOS to determine if an SIR of 1.0 or greater is achieved for approval as an energy conservation measure, if not,
 - (b) Capital Intensive budget category is available to use when there is no acceptable SIR for heating and/or cooling measures (upload to the client file a screenshot from ECOS showing the measure approved, with no SIR),
 - (c) At-risk criteria are not applicable for heating or cooling measures addressed with LIHEAP funds.

C. Dwelling Characteristics

10 CFR 440.3: Definitions

10 CFR 440.22: Eligible Dwelling Units

- 1. Dwelling Eligibility
 - a. A dwelling unit shall be eligible for WAP service if it is occupied by a family who is eligible for the program based on Client Eligibility rules described in section IV.B of this document.
 - b. Types of dwelling units:
 - i. Single Family
 - (1) Any structure containing no more than four (4) dwelling units. Examples include:
 - (a) Site built homes, including single family:
 - (i) Single units,
 - (ii) Duplexes,
 - (iii) Triplexes, and

- (iv) Quadplexes,
 - (b) Manufactured homes, including:
 - (i) Mobile and
 - (ii) Modular.
- ii. Multifamily
 - (1) Any project with five (5) or more dwelling units.
 - (2) See the multifamily rules subsection below for more information.
- iii. Travel Trailers
 - (1) Travel Trailers are eligible if all the following apply:
 - (a) Axles are removed,
 - (b) A permanent residential address (not a P.O. box) has been assigned to the residence,
 - (c) Electric utility service is established as verified by up to twelve (12) months of electric bills, and
 - (d) Water is verified as functional at time of audit.
- iv. Shelters
 - (1) A shelter is a dwelling unit or units whose principal purpose is to temporarily house individuals who may or may not be related to one another and who are not living in nursing homes, prisons, or similar institutional care facilities.
 - (2) A shelter is considered a multifamily project.
 - (3) Subgrantees are authorized to weatherize shelters for the homeless, group homes or homes providing transitional living if the buildings are owned or rented by a not-for-profit subgrantee and are used exclusively to provide temporary living quarters as defined above. To calculate the number of units in a shelter, use either of the following methods:
 - (a) Square Footage: Divide the total square footage of conditioned living space by 800 and round to the nearest whole number. To determine allowable expenditures, multiply the rounded number by current Arkansas projected average cost per unit.
 - (b) Each Floor: Count each floor as a separate dwelling unit.
 - (4) In selecting shelters for weatherization, priority will be given to those housing clients who meet DOE priorities: elderly persons, persons with disabilities, and children.
- c. Re-weatherization
 - i. Homes weatherized fifteen (15) years or more prior to July 1 of the current DOE program year are eligible for re-weatherization.
 - ii. Homes weatherized under this provision are counted as homes completed and should also be reported as re-weatherized on the monthly report. Re-weatherized units are not counted in other categories of data collection.

- iii. LIHEAP funds may be used to re-weatherize homes if previous weatherization cannot be determined or if re-weatherization is warranted even if weatherization occurred within the last fifteen (15) years.
- iv. DOE funds may not be used to re-weatherize homes if previous weatherization cannot be determined or if weatherization occurred within the last 15 years.
- v. To make the determination as to whether a unit has been previously weatherized:
 - (1) Search WAP records by address as well as applicant and family name,
 - (2) Search the older data base, used from approximately 2004 up to the implementation of ECOS in 2015, even though legacy data was entered in ECOS,
 - (3) Search any existing paper records, if access is not available to the older data base,
 - (4) Ask the applicant,
 - (5) Check subgrantee's client database,
 - (6) Check with subgrantee that previously provided WAP services in that area to obtain information regarding previous weatherization, if available,
 - (7) Visually inspect the home prior to completing an energy audit, for signs that previous weatherization could have occurred, such as the presence of new windows and doors; new HVAC equipment, and
 - (8) Check for the presence of any of the following measures in the home prior to conducting energy audit:
 - (a) Insulation (see tag for insulation date),
 - (b) New windows,
 - (c) New refrigerator, water heater, HVAC (determine date, if possible),
 - (d) Extensive caulking, door sweeps, and other air sealing measures, or
 - (e) H&S measures such as CO and smoke alarms, ASHRAE fans.
 - (9) If the auditor sees evidence that home has previously been weatherized, document existing measures with pictures, discuss with client, and include these details in the denial letter.

2. Multifamily

- a. Any structure with five (5) or more dwelling units within it is considered multifamily dwelling.
 - i. Residential buildings with 25 units or are more than three stories are usually referred to as large multifamily buildings. Arkansas does not weatherize large multifamily buildings.

- ii. Residential buildings with 5 to 24 units that are 3-stories or fewer are usually referred to as small multifamily or low-rise multifamily buildings.
- iii. Multi-unit complexes may be composed of duplexes, triplexes, and quadplexes. Multifamily guidelines must be followed.
- b. At least 66% of residents living in other multifamily complexes other than those listed above must be WAP eligible.
- c. At least 50% of residents living in a duplex or four-unit building must be WAP eligible.
- d. Are currently eligible dwelling units or will become eligible dwelling units within 180 days under a local government, state, or federal program for rehabilitating building or making similar improvements to the building.
- e. The amount of funds available for a building is equal to the number of households who qualify.
- f. Utility usage must be collected. 100% is not required. A contract with the building owner is not necessary.
- g. A multifamily audit approved by DOE is required.
- h. An energy audit is not required for every unit, a representative sample of units in each building is sufficient to find leakage points. Apply sample findings to all units in the building. Sealing each unit from others is important.
- i. Buildings in the complex which are less than 10,000 square feet must be audited as a whole.
- j. Prior to weatherizing a multifamily property, the subgrantee must obtain the permission of the owner in writing using the Lessor Agreement (WAP 17B).
- k. Clients within the multifamily project must directly pay for heating and cooling utility bills.
- l. Single family unit cost limitations apply to each unit in a multifamily complex.
- m. Total cost may not exceed the projected Arkansas average cost per unit multiplied by the total number of eligible units.
- n. A unit cost waiver will not be granted.
- o. AEO approval must be obtained prior to auditing a multifamily project.
- p. AEO will request DOE approval for WAP services prior to granting its approval.
- q. Each complex chosen for WAP must be evaluated to ensure that planned ECM and H&S measures do not provide undue enhancement to the property.
- r. A landlord contribution may be required prior to WAP services.
- s. Income qualified public housing, assisted housing, properties may be eligible recipients of WAP services. The state, in consultation with the

WPN 22-5: Expansion of Client Eligibility in the Weatherization Assistance Program

WAP Memo 99: Eligible Buildings - US Department of Agriculture Lists

WPN 21-4: Closeout Procedures for Grants Under the Weatherization Assistance Program - REVISED

WPN 22-13: Weatherization of Rental Units

multifamily subgrantee, retains the authority to set priorities for the use of WAP funds state-wide.

- t. Funding for individual projects will be based on DOE priorities and funding availability.
 - u. Multifamily weatherization will be done in each congressional district so that no area of the state is shown preference. The state, in consultation with the multifamily subgrantee, retains the authority to set priorities for the use of WAP funds state-wide.
 - v. DOE-provided lists, such as from HUD and USDA are helpful in identifying eligible projects. Lists include:
 - i. [Eligible HUD Multifamily Buildings spreadsheet](#)
 - ii. [Potentially Eligible HUD Multifamily Buildings spreadsheet](#)
 - iii. [Multifamily HUD Assisted Buildings spreadsheet](#)
 - iv. [Multifamily USDA Qualified Buildings spreadsheet](#)
 - v. [Projects](#) that are not on these lists can also qualify on their own merit for WAP.
 - w. Some projects that house between 50% and 66% eligible clients can qualify for WAP if they meet predefined criteria for high energy savings.
 - x. Multifamily projects must be completed and inspected by the performance end date.
 - y. If any multifamily project is incomplete at the end date of the performance period, only those costs incurred prior to the performance period end date may be charged to the current WAP grant.
3. Rental Properties
- a. Prior to weatherizing a single family rental property, the subgrantee must obtain the permission of the owner in writing using the Lessor Agreement (WAP 17A).
 - b. AEO requires that Lessor/Rental Plan Agreements be included in each client file. This protects the subgrantee, tenant, and property owner against attempts to violate the terms of the agreement.
 - c. With any rental property in which the tenants do not directly pay for their own utilities, the subgrantee must demonstrate that the benefits of the weatherization work accrue primarily to the low-income tenants.
 - d. Single family dwellings that are under rent-to-own contracts are still considered rental property. If the deed holder is different from the applicant, a Lessor Agreement (WAP 17A) is required.
 - e. Dispute Resolution Procedures for Rental Units
 - i. In the event the client believes the Lessor Agreement has been violated, he or she may notify the subgrantee which weatherized the property.
 - ii. The subgrantee must discuss the allegation with the landlord and point out obligations under the agreement.
 - iii. If the landlord does not agree to correct the alleged violation, the subgrantee must defer to AEO.

- iv. AEO will make all efforts to contact the landlord and resolve the complaint.
 - v. If the situation cannot be resolved at the AEO level, AEO will advise the subgrantee to request the client tenant to contact Arkansas Legal Services Partnership.
 - vi. Helplines have been established for this purpose:
 - (1) Clients in all counties may call: (800) 952-9243
 - (2) Craighead County residents call: (870) 972-6411
 - (3) Pulaski County residents call: (501) 376-3423
 - (4) Washington County residents call: (479) 442-4204
 - vii. Subgrantees are responsible for following up with the client to determine if the complaint was resolved. AEO must be notified by the subgrantee when a resolution is reached.
 - viii. When AEO receives a client complaint, all efforts will be made to resolve the issue as quickly as possible. The person documenting the complaint will forward it to program manager.
 - ix. If the complaint is a non-technical issue, the program manager will document the complaint on the Client Complaint form (WAP 55). The form will be submitted to the subgrantee within one (1) business day. The subgrantee must follow-up with AEO within three (3) business days. Complaints that are non-technical will be discussed and a course of action will be developed on a case-by-case basis.
4. Resolving Client Complaints at Non-rental Units
- a. AEO procedural steps for resolving client complaints:
 - i. Document the complaint in detail on WAP 55.
 - ii. Send a copy of the WAP 55 to subgrantee within one (1) business day.
 - b. Subgrantee procedural steps for resolving client complaints:
 - i. Schedule a site visit within three (3) business days of receiving WAP 55.
 - ii. Conduct site visit (Auditor/Inspector and/or Weatherization Director) to write up assessment of complaint.
 - iii. If re-work is not required, submit assessment (with supporting documents) to AEO within three (3) business days with explanation of how client education was provided.
 - iv. If re-work is required, submit assessment (with supporting documents) to AEO within three (3) business days and include Corrective Action Plan.
 - v. Submit proof of re-works within three to five (3–5) business days after date of site visit.

5. Undue or Excessive Enhancement
 - a. Undue enhancement is any work performed on a dwelling that cannot be expected to directly result in energy savings or the preservation of subgrantee-installed ECMs.
 - b. The energy audit will determine allowable ECMs to be installed. A properly executed energy audit resulting in installation of ECMs with an SIR of 1.0 or greater in combination with necessary H&S measures and incidental repairs would not constitute an undue enhancement.
6. Contributions
 - a. Only multifamily projects may receive landlord contributions.
 - b. AEO recognizes a potential for owners of rental properties to receive undue enhancement benefits since these properties are typically for profit and have a maintenance budget.
 - c. Each multifamily complex must be evaluated for necessity of contribution by property owners.
 - d. Contributions received from the owner or landlord are not to be reported as program Income and must be applied to the cost of the multifamily complex being weatherized in order to reduce that multifamily complex's weatherization expenditures.
 - e. See section VI.G.2 of this document for information on applying landlord contributions.
7. Historic Preservation
 - a. Prior to the expenditure of federal funds to weatherize any home, subgrantees are required to comply with Section 106 of the National Historic Preservation Act (NHPA). Section 106 applies to historic properties or sites that are listed on or eligible for listing on the National Register of Historic Places. To fulfill the requirements of Section 106, the subgrantee must contact the State Historic Preservation Officer (SHPO) to coordinate the Section 106 review as set forth in 36 CFR Part 800 and consistent with DOE's 2009 Letter of Delegation of Authority.
 - b. Subgrantees are required to obtain and verify the year built for all homes prior to weatherization. The age of the home is typically found within the county assessor's office records. Follow the protocol listed below prior to weatherizing a home that is fifty (50) years old or older.
 - c. Review Arkansas SHPO Programmatic Agreement (PA) for exemptions. If determined to be exempt, document the undertaking as an exemption on the Monthly Production Report (WAP 04) under the appropriate category (2a, 2b, or 2c).
 - d. Historic Preservation Exemption
 - i. DOE, the ADEQ, and the Arkansas SHPO developed a PA which governs how the Arkansas Weatherization Assistance Program will comply with DOE's Section 106 requirements. The execution of the PA applies to the undertaking of weatherization and provides the historic preservation review process.

- ii. Appendix A of the PA lists those retrofitting measures which are exempt from seeking approval from SHPO before proceeding. subgrantees shall not submit to the SHPO those undertakings in accordance with Appendix A as they do not have the potential to cause effects on historic properties even when historic properties may be present.
- e. AEO has developed, in conjunction with Arkansas SHPO, a more detailed list of work requiring a Section 106 Review. Unless the subgrantee is replacing like-with-like, even when visible from the public right-of-way, a SHPO review is required for the following:
 - i. 90%+ furnace PVC pipe coming out of the side wall if visible from the public right-of-way,
 - ii. Power vent water heater PVC pipe coming out of the side wall if visible from the public right-of way,
 - iii. Roof jacks if visible from the public right-of-way,
 - iv. Plumbing/mechanical vents that go through the roof if terminating in the attic if visible from the public right-of-way,
 - v. Windows other than storm windows,
 - vi. Doors other than storm doors,
 - vii. New downspouts,
 - viii. Installing new underground utilities,
 - ix. Ground disturbances,
 - x. Lead-based paint abatement,
 - xi. Fuel switches (if you cannot use existing piping),
 - xii. Painting,
 - xiii. Installation of new HVAC equipment that can be seen from the public right-of-way, such as pumps, motors, boilers, chillers, cooling towers, air handling units, packing units, condensers, compressors, or heat exchangers,
 - xiv. New roofs and major roof repairs,
 - xv. Siding repair, and
 - xvi. Structural alterations, demolition of walls, ceilings, or floors.
- f. Subgrantees should keep a hard copy of file records for a period of three (3) years from project completion and make them available for review if requested by DOE or the SHPO.
- g. SHPO review and protocols must be applied on properties that are 50 years old or older.
- h. If the undertaking is not exempt, do the following:
 - i. Take a picture of the front and rear of the home,
 - ii. Draft a cover letter requesting permission to weatherize, give the address of the home and include a list of measures to be installed on or in the home and pictures, referenced in the previous bullet.

(1) Letters should be emailed to:

 - (a) section106@arkansas.gov

(2) Or mailed to:

(a) Arkansas Historic Preservation Program
Mr. George Burson
Attn: Section 106 Review and Compliance Staff
1100 North Street
Little Rock, Arkansas 72201

iii. SHPO has thirty (30) days to review the information and render a decision as to whether or not the measures will change the historic nature of the property. Wait time for a response is usually less than thirty (30) days.

8. Disaster Relief

a. AWAP funds may not be used for disaster relief.

D. Status of Home

1. Home in Progress

a. A home in progress is a home for which at least one of the following applies:

- i. Installation of ECMs has already commenced, and/or
- ii. Specialty items for the home have been ordered that cannot be returned to the vendor.

2. Completed Home

a. No dwelling unit may be reported as a completed unit until it meets the criteria below. A completed home, or unit, is one in which:

- i. All ECMs have been installed according to the DOE Approved Audit Software and work-orders, including any change orders, if applicable, and
- ii. A final inspection by a QCI documents approval of weatherization in accordance with WAP guidelines found in the SWS and in accordance with 10 CFR 440.

b. Completed Home Documentation

- i. Every client file will have a WAP 08 form that certifies that the unit had a final inspection and that all work met the required standards.
 - (1) The form will be signed by a certified QCI,
 - (2) Signatures will be accepted to demonstrate compliance, and
 - (3) If a unit, inspected by the subgrantee QCI, is also inspected by the state, two (2) certification forms will be available in the client file - one for each inspection.
- ii. Final inspection information is entered in ECOS and a percentage reviewed as part of desk monitoring.
- iii. The QCI includes an assessment of the original audit to confirm that the measures called for on the work order are appropriate and compliant with the state audit procedures and protocols approved by DOE and that there are no "missed measures" which should have been considered.

10 CFR 440.16(g): Minimum
Program Requirements

WPN 22-4: Quality Work
Plan Requirement Update

- c. If a dwelling cannot be entered for final inspection, the client file must contain:
 - i. Documentation of why the final inspection was not completed under normal circumstances, and
 - ii. Documentation that an alternate final completion was conducted and approved, in writing, by AEO.
- d. Multiple documented attempts must be made before the Weatherization subgrantee can request an alternate final completion. At a minimum, three verifiable attempts must be made to schedule a regular final inspection.
- e. It is recommended that Weatherization subgrantees, whenever possible, complete the final inspection process on the last day that contractors or crews will be in the dwelling, as this eliminates the need to gain access to the unit after services have been rendered.
- f. Only certified QCIs may conduct a physical onsite inspection of each completed unit. A QCI must inspect all installed measures and look for additional retrofitting opportunities that may have been missed during the auditing phase. An inspection conducted via photographic documentation is not an acceptable alternative. A final inspection should look at the unit with fresh eyes to determine if:
 - i. All ECMs and H&S issues have been addressed by the audit,
 - ii. All measures have been installed according to Arkansas SWS, and
 - iii. All measurements (air flow tightness, air quality, etc.) are satisfactory post-weatherization.
- g. If a dwelling cannot be entered for final inspection, the client file must contain:
 - i. Documentation of why the final inspection was not completed under normal circumstances, and
 - ii. Documentation that an alternate final completion was conducted and approved, in writing, by AEO.
- h. Multiple documented attempts must be made before the subgrantee can request an alternate final completion. At a minimum, three verifiable attempts must be made to schedule a regular final inspection.
- i. An alternate final completion will be allowable in rare circumstances and only if the subgrantee can establish a justifiable reason for the request. This alternate final completion may include visual inspection with an infrared camera of the outside of the unit or other techniques as necessary to ensure that measures have been completed properly.
- j. Before a dwelling with an alternate final completion can be counted as completed, the subgrantee must submit a written request for approval to the WAP Program Manager at AEO. The request should:
 - i. Detail the specific circumstances relating to the issue, and
 - ii. Explain why access to the dwelling has been denied or is unavailable.

- k. All appropriate documentation, such as letters to the client, should be included with the request. AEO staff will respond in writing to approve or deny the request for an alternate final completion or to request additional information. Until the written approval from AEO is received, final claims cannot be submitted for the unit, nor can the dwelling be counted as completed.
- l. Subsequent inspection by DOE, AEO, or its authorized representative may result in disallowances or requirement of additional work. In each such case, reimbursement to AEO with nonfederal funds or payment for additional work with non-federal funds is required.
- m. Homes may be reported as complete in one of two categories:
 - 1. A home for which all cost-effective measures have been completed within cost guidelines, or
 - 2. A home for which all cost-effective measures have not been completed because of a complication involving the homeowner or occupant.
 - 3. For example, a home will be reported as complete if the client:
 - a. Refused certain types of work dictated by the audit,
 - b. Moved,
 - c. Died and material costs were incurred before all work was finished, or
 - d. Client refuses to allow subgrantee to perform quality assurance inspection. See sections IV.D.2.g-k, above, for guidance on handling issues with final inspections.
- n. If a WAP client refuses an ECM, none of the ECMs with lower SIRs may be installed.
- o. If an ECM, such as centralized heating to replace unvented space heaters, is mandatory for WAP services to be completed, it must be installed first.
- p. Mandatory H&S measures must be installed prior to ECMs.
- q. If possible, completion of WAP service will be attempted. However, if the new owners do not want the work to be completed, or the work cannot be finished, the home may still be counted as a completed house.
- r. If the home is reported and counted as a completed home on the Monthly Report, it is ineligible for weatherization services at a later date, even if all energy conservation measures identified during the energy audit were not performed.
- 3. Deferred Home
 - a. There are conditions and situations under which a subgrantee must not or may choose not to weatherize an otherwise eligible dwelling unit. Information for making this determination may become evident during the application process, during the initial inspection process, during the energy audit, or after weatherization work has begun.

- b. Deferred units may receive WAP services after deferral conditions are remedied.
- c. Deferral Conditions
 - i. A dwelling unit is found to have serious structural problems that would make weatherization impossible or impractical,
 - ii. A dwelling unit is deemed by the auditor to pose a threat to the health or safety of the crew or subcontractor, based on allowable deferral reasons,
 - iii. A mobile home is improperly installed (e.g., inadequate supports, improper or no grounding),
 - iv. When there are minor children in the dwelling but no adult is present, weatherization staff and contractors must not enter the dwelling,
 - v. The applicant is uncooperative with the Weatherization staff, either in demanding that certain work be done and refusing higher priority work which is needed or by being unreasonable in allowing access to the unit,
 - (1) An attempt should have been made to explain the program and the benefits of the work but failing understanding on the part of the resident, staff should suspend work and contact the Arkansas Energy Office to discuss,
 - vi. There is an infestation (e.g., rats, bats, roaches or other insects, reptiles, or other wild animals or vermin),
 - vii. There are health or safety hazards that must be corrected before weatherization services may begin, including but not limited to:
 - (1) The presence of animal feces and/or other excrement,
 - (2) Sewage present on the property under or near the dwelling unit,
 - (3) Hazardous electrical wiring, which requires an evaluation by a licensed electrician, or
 - (4) Unvented combustion appliances, evaluation of which must determine if such venting is within the scope of WAP,
 - viii. The dwelling unit or parts thereof are being remodeled and weatherization work is not coordinated with a housing rehabilitation program,
 - ix. Any resident has known health conditions that prohibit the installation of insulation and other weatherization materials (deferral is required until resident consults with health professionals),
 - x. Electrical, heating, plumbing, or other equipment has been “red tagged” by local or state building officials or utilities,
 - xi. Moisture and mold problems are so extensive as to be not resolvable under existing H&S measures and within allowable incidental repairs,

- xii. Dangerous conditions exist due to high carbon monoxide levels in combustion appliances, and cannot be resolved under existing H&S measures; weatherization staff would have to ensure that resident contacted appropriate authorities,
 - xiii. The extent and condition of lead based paint in the house would potentially create further H&S hazards if beyond the scope of testing and limited containment required for weatherization work to proceed,
 - xiv. In the judgment of the energy auditor, any condition exists which may endanger the health and/or safety of weatherization staff or contractors, the work should not proceed until the condition is corrected,
 - xv. Knob-and-tube Wiring (KTB) is permissible under DOE WAP. However, Arkansas Building Code does not allow the installation of insulation over KTB, and
 - xvi. Delinquency of taxes leading to foreclosure is a basis for deferral because there is no guarantee that the benefits will accrue to the low-income household if they are evicted.
- d. Deferral Procedure
- i. Written notes by weatherization staff assessing the home.
 - ii. Photographs clearly showing the condition(s) of the home causing deferral.
 - iii. The Deferral form (WAP 35) ensuring that all information is discussed with the client and provided in writing with both the subgrantee's and the weatherization applicant's signatures. This form is placed in the client file. The WAP 35 includes:
 - (1) Communication with client about the deferral process and reasons for deferral, including why the needed repairs prevent weatherization from continuing;
 - (2) Attachment of photographs; also notes (if all information not captured on form),
 - (3) Referral made to known resources for assistance,
 - (4) Client's wishes regarding follow-up with the landlord, if applicable, discussed,
 - (5) An appeals form given to client, and
 - (6) Form signed by client and weatherization staff.
 - iv. Deferral tracking form completed and sent to AEO monthly with invoice.
 - v. Both the deferral form and the deferral tracking form are also uploaded in ECOS as part of the application.
4. Withholding WAP Services
- a. WAP services may be withheld under the following conditions that are beyond allowable deferral, including:

- i. A dwelling unit is vacant: however, it is allowable for a resident to move out during performance of weatherization work,
- ii. A dwelling unit is for sale,
- iii. A dwelling unit is scheduled for demolition,
- iv. The house has been condemned,
- v. A dwelling unit is uninhabitable (for example, such as a burned out apartment),
- vi. There are illegal drugs or illegal activities occurring on the premises,
- vii. Residents are verbally or physically abusive to weatherization staff/contractors,
- viii. Prior to the beginning of the energy audit assessment, WAP staff must ensure that the household has been determined eligible within the past twelve months; if required redetermination of eligibility results in the household being ineligible, based on income or other criteria, the applicant must be denied,
- ix. The building structure or its mechanical systems, including electrical and plumbing, are in such a state of disrepair that the conditions cannot be resolved with known resources, and
- x. Pets are threatening or not restrained.

10 CFR 440, Appendix A:
Standards for
Weatherization Materials

Retrofitting Arkansas, SWS
Aligned Field Guide

WPN 20-4: Weatherization
Assistance Program
Monitoring Procedures

WPN 11-3: Policy Regarding
the Use of DOE Program
Funds to Pay for Call-
Back/Add-On Work After
Reported to DOE As a
Completed Unit

5. Contractor Responsibilities
 - a. Subgrantees must ensure that all work will be performed in accordance with DOE-approved Energy Audit procedures and all materials are approved materials.
 - b. It is the subgrantee's responsibility to perform all weatherization and H&S work using DOE SWS as found in Retrofitting Arkansas: Standard Work Specification-Aligned Field Guide (2021). Work quality standards that align with the SWS must be followed for all work performed on client homes.
 - c. All contractors hired by subgrantees must be assigned the same contractual responsibility and acknowledge receipt of the referenced documents. Regardless of whether the work is performed by the subgrantee or a subgrantee's hired contractor, subgrantees must ensure that every completed home is inspected for compliance with these standards and require rework when the work is judged unsatisfactory.
6. Amended Home
 - a. There is no longer any provision for an "amended home." Once a home is reported as complete, any return to the home will be at the subgrantee's expense, including returns required by a DOE or WAP monitor.
7. Reporting Requirements
 - a. AEO is required to collect accurate data about the homes reported as complete and uses the Monthly Production Report (WAP 04) to collect this data for reporting to DOE and LIHEAP.

8. A separate report for DOE and LIHEAP is in effect.
9. These reports are due within three (3) days after technical review is approved and include data for all homes completed during the previous calendar month.

E. Coordinated Work

1. Subgrantees may enter into agreements with outside funding sources and use WAP resources to provide more comprehensive assistance to WAP clients. This is considered coordinated work. All such initiatives require waiver approval from the AEO WAP Coordinator. These requests will be approved on a case-by-case basis depending on the specific circumstances of each initiative.
2. WAP resources (materials, tools, staff, etc.) may be used to perform coordinated work based upon the approved energy audit. All costs incurred by WAP subgrantees in accomplishing their portion of a coordinated work scope may be charged to WAP if the measures are allowable under DOE rules. However, all other costs must be charged to and paid by the outside funding source. If WAP resources are used to complete non-DOE allowed measures as part of a coordinated work scope, the outside funding source must be billed for these costs.
3. When reporting job costs, it is important to keep in mind the following:
 - a. All funds expended while providing services to WAP Clients must be evident on the material page of the DOE Approved Audit Software and
 - b. All funds expended from the outside funding source are leveraged funds and are to be recorded as such.
4. The following conditions must be met when performing coordinated work:
 - a. A copy of any written agreement that the subgrantee enters into with other funding sources for coordinated work must accompany the written request for prior approval to participate, and
 - b. All assisted Clients must meet WAP income eligibility guidelines,
 - c. The building analysis and data collection processes of the Energy Audit described in the Energy Audit Policies and Procedures of the Subgrantee Technical Manual must be used for the WAP portion of the work scope.

V. Reports and Record Keeping

A. Client File Requirements

1. Document and Record Disposition

- a. Subgrantees must maintain paper copies of documents and records for three (3) years after AEO submits and receives approval for the last financial report of the subgrant period. The only exceptions to this rule are:
 - i. If litigation, a claim, or an audit are started before the end of the three (3) year period, the records must be retained until the litigation, claim, or audit have been resolved and
 - ii. Real property, equipment, and vehicles purchased with federal funds must be retained for three (3) years after their disposition.
- b. Original electronic records are preferred over original paper records.
- c. If original records are electronic and stored so they cannot be changed, paper records do not need to be kept.
- d. If the original record is paper, electronic versions that mirror the paper records may be used for programmatic processes like document reviews.
- e. Electronic records must be maintained in a format and on a device that is readily accessible. The schedule should permit unneeded records to be destroyed or discarded, while assuring that all records necessary for client services, potential litigation, or audits are retained.
- f. Financial records, supporting documents, statistical records, client files and all other records pertinent to the subgrant are covered by these requirements.
- g. If any litigation, claim or audit has not been fully resolved before the expiration of the three (3) year retention period, all relevant records shall be retained until one (1) year after resolution.
- h. When records and materials are to be discarded, they must be destroyed by shredding to maintain confidentiality of client information.
- i. Records, such as data forms, policy issuances, etc., which do not contain client names or information traceable to a client, may be discarded as the eligible entity deems best.
- j. Eligible entities shall provide AEO and/or its authorized representative access to all books, records, documents, and compilations of data relating to AEO programs.

2. Privacy of Recipients of Services

- a. Subgrantees, as recipients of federal funds, are required to adhere to the transparency requirements placed on government financial assistance programs. However, clients are entitled to a measure of privacy.

WPN 23-1: Program Year
2023 Weatherization Grant
Application

2 CFR 200.334: Retention
Requirements for Records

2 CFR 200.336: Methods for
Collection, Transmission,
and Storage of Information

10 CRF 440.2(e):
Administration of Grants

5 U.S.C. § 552(b)(6):
Freedom of Information Act

- b. DOE would be legally required, pursuant to 5 U.S.C. 552(b)(6) of the Freedom of Information Act, to keep confidential any personally identifying information related to an individual's eligibility application for WAP, or the individual's participation in WAP, such as name, address, or income information. Thus, states and subgrantees should extend that same protection to their client records for WAP. States may release information about recipients in the aggregate which does not identify specific individuals. For example, information on the number of recipients in a county, city, or a zip code does not compromise the privacy of the recipients.

3. Client File Content

- a. The AEO has standardized all forms that are required to be submitted monthly to assist with reporting, tracking, data retention, etc.
- b. The purpose of this section is to inform subgrantees of specific documentation to be maintained in each client file. This section also provides general guidance to subgrantees on how to comply with requirements specified in 10 CFR 440.16(g) on reporting completed homes. AEO and each subgrantee receiving federal financial assistance will keep records and make reports as required by 10 CFR Part 440.24 and 10 CFR Part 440.25.
- c. All documents must be signed, dated, and legible.
- d. See [IX.A](#) in this document for the Required ECOS Forms and Documents checklist.
- e. Each client file must contain the following documents within the appropriate part of the file:
 - i. Part 1, Application and Supporting Eligibility Documentation
 - (1) Client Application for weatherization with priority points entered (WAP 02);
 - (2) Waiting List by Priority Points printout;
 - (3) Proof of income;
 - (4) Proof of identity;
 - (5) Social security numbers;
 - (6) Re-verification of income (if applicable);
 - (7) Letter/Notice of Action informing Client of eligibility/ineligibility and waiting list procedures;
 - (8) Notification of right to a fair hearing (WAP 23);
 - (9) Lessor Agreement; if rental unit (WAP 17);
 - (10) Property Card (i.e., for Proof of Age of Home); and
 - (11) Historic Preservation approval request letter and SHPO response (if applicable).
 - ii. Part 2, Client Education and Consent
 - (1) Client Education checklist (WAP 13);
 - (2) H&S checklist (WAP 10);

10 CFR 440.16(g): Minimum
Program Requirements

10 CFR 440.24:
Recordkeeping

10 CFR 440.25: Reports

- (3) Lead-Safe Renovation documentation and checklist (WAP 26) (if applicable);
 - (4) Radon Informed Consent Form (WAP 65); and
 - (5) Signed Deferral Form (WAP 35) and supporting documentation (if applicable).
- iii. Part 3, Energy Audit Details
 - (1) Audit Results printout;
 - (2) DOE approved audit software Space Details printout from the Audit section;
 - (3) Diagram of unit;
 - (4) H&S checklist (WAP 10);
 - (5) DOE approved audit software Infiltration printout from the Audit section;
 - (6) DOE approved audit software input data from Audit Summary section;
 - (7) Field Forms and Auditor Notes; and
 - (8) Waiver printout (if applicable).
- iv. Part 4, Allowable Measures
 - (1) Material Cost printout;
 - (2) Job Analysis printout;
 - (3) Work Order printout;
 - (4) Work-Order change notices (if applicable);
 - (5) Materials taken from inventory;
 - (6) Signed and dated Contractor contracts; and
 - (7) Invoices, bills, and receipts for materials and labor.
- v. Part 5, Final Inspection and Results
 - (1) Final Inspection form (WAP 08) and
 - (2) Client Response forms (WAP 09 & WAP 09B).
 - (3) DOE approved audit software Inspection Final Summary
- vi. Part 6, Pictures
 - (1) Pre-weatherization photos with labels to clearly indicate work needed and
 - (2) Post-weatherization photos with labels clearly indicating work completed.
 - (a) For paper files, printing photos is not needed if a memory card or reference to electronic file is noted in the client file as an alternative. Electronic file/memory card must be easily accessible by client name (or other identifier) and contain pictures that are clearly labeled and dated.
- f. More Information on required forms and documentation:
 - i. Client Application (WAP 02)
 - (1) The latest version of the Client Application Form (WAP 02) must be used by all subgrantees.

- (2) No white out is allowed on applications. A single line may be used to cross out original information and different information entered and initialed.
 - (3) Changes that will not fit in the available space may be noted on a separate page attached to the application.
 - (4) If demographic information (race, gender, ethnicity) has not been entered in the software, it must be updated when the household is pulled from the priority list to create an audit.
- ii. Proof of Age of Home
- (1) If a home is known or suspected to be fifty (50) years old or older, subgrantees must obtain documentation of the year home was built by a printout from the county assessor or county assessor website to be considered as sufficient documentation.
 - (2) Supplemental documentation provided by the client may also be accepted, such as proof of year built provided in the homeowner's insurance or real estate website, such as Zillow.
- iii. Proof of Income
- (1) Proof of income is required at the time of application and must be re-verified every twelve (12) months. If re-verification is overdue at the time it is selected from the priority list, eligibility must be confirmed before weatherization can begin. If the subgrantee fails to re-verify income and the Client proves to be ineligible at the time of weatherization, then the subgrantee is required to reimburse AEO the total cost of the home's weatherization from non-federal funds.
 - (2) The Social Security website announces the cost of living increase for benefits each year. If the client does not have an updated Benefits Determination letter, then this information can replace the required letter from Social Security when re-verifying income eligibility. The client can also access My Social Security Account online to view their own cost of living adjustment letter and provide it to the subgrantee.
 - (3) A place is provided on the reverse side of the Client Application (WAP 02) to record income calculations, updated income, and household information. The Client Application must be completed to show that the client maintains income eligibility per household size. Clients who claim zero income must provide notarized statements attesting to their lack of income which must also be kept in the Client File.
- iv. Proof of Identity
- (1) Clients must provide proper proof of identification.
 - (2) The subgrantee must keep copies of identification documents in the case record. Acceptable proof includes a readable copy of

any valid document that reasonably establishes identify, such as:

- (a) Current driver's license or ID card issued by a state or outlying possession of the United States if it contains:
 - (i) Photograph,
 - (ii) Name,
 - (iii) Date of birth,
 - (iv) Gender,
 - (v) Height,
 - (vi) Eye color, and
 - (vii) Address,
- (b) ID card issued by federal, state, or local government agencies or entities,
- (c) Birth certificate,
- (d) School identification card with photograph,
- (e) Identification card for health benefits or other assistance,
- (f) Voter registration card,
- (g) U.S. Military card or draft card,
- (h) Military dependent's ID card,
- (i) Any type of paycheck stubs containing the name and address of the person,
- (j) Proof of Social Security Number, or
- (k) Copy of social security cards or other official documents containing the social security numbers for all members of the household 19 or older.

v. Lessor Agreement

- (1) This form provides authorization from the property owner for weatherization work to be done on their property. A Lessor Agreement is required for all rental property. Lease-to-Own arrangements also require a lessor agreement unless the property has been transferred to Client and Client's name is on the deed.

vi. Work-Order/Change Notices

- (1) Each subgrantee must use DOE Approved Audit Software to develop a work order to describe the approved work in sufficient detail for the work crew to follow in performing weatherization.
- (2) A work order/change notice in the DOE Audit Software is also required to make changes, additions, or deletions to the job.
- (3) Subgrantee staff in charge of the job and contractors (if applicable) must sign and date work orders and any change notices.

vii. Photos of Home

- (1) A greater number of photos does not equal greater compliance.

- (2) To comply with the requirement for before and after photos, select from among available photos those that best illustrate the energy conservation and H&S deficiencies of the house before weatherization and the EC and H&S measures installed after.
- (3) Include in-progress photos of: safe work practices, attic air sealing, and other tasks which are not visible when work is complete (if applicable).

viii. H&S Documents

- (1) All H&S expenditures are documented in each client file with the specific reason, cost, and funding source and clarifies that client education materials and H&S related training are not allowable H&S expenses but are Training and Technical Assistance budget items.
- (2) See the [DOE WAP H&S Table of Issues](#) for more information on allowable H&S expenditures.

VI. Financial Management

A. Definitions

1. Subgrantee Fund Balance
 - a. The Beginning subgrantee Fund Balance (cash plus inventory) plus reimbursements, minus the subgrantee's reimbursable expenditures.
2. Reimbursable Expenditure
 - a. Allowable costs incurred by the subgrantee within the specified program year.
3. Grant Balance
 - a. The total subgrantee subgrant amount, minus reimbursable expenditures.

B. Budget

1. Parts of the Subgrant Application
 - a. Annual application
 - i. To execute a subgrant agreement, AEO requires the following information:
 - (1) Subgrant agreement cover page with funding allocation and estimated number of units to be weatherized signed in duplicate by Executive Director,
 - (2) Line Item Budget (DOE WAP 21 and LIHEAP WAP 21),
 - (3) Budget Justification – Including staff positions and salaries. Each line showing percent funded by each subgrant which should be part of the subgrantee's cost allocation plan,
 - (4) Weatherization Plan (WAP 22),
 - (5) Training Plan (WAP 40) which lists training needs of weatherization staff and subcontractors.

Form SF-424: Application
for Federal Assistance

Form SF-LLL: Lobbying
Disclosure Form

2 CFR 200.308: Revision of
Budget and Program Plans

WPN 23-1: Program Year
2023 Weatherization Grant
Application

WPN 23-1: Program Year
2023 Weatherization Grant
Application, Application
Instructions, III. Budget

10 CFR 440.23: Oversight,
Training, and Technical
Assistance

- (6) Subcontractors must sign a retention agreement (WAP 24), pledging to continue working for the duration of contract period to receive training paid for by the subgrantee,
- (7) Leveraging Plan will include, but is not limited to:
 - (a) Specific planned activities,
 - (b) Targeted partners (i.e., landlords, utilities, other subgrantees), and
 - (c) Estimated outcomes including dollar amounts.
- (8) Terms and Conditions including Subgrant Disclosure and Certification signed by Executive Director, and
- (9) Disclosure of Lobbying Activities SF-LLL, signed by Executive Director.

b. Revisions

- i. Budget revisions are allowed and must be approved by AEO.

2. Budget Categories

a. Administration

- i. Allowable Administrative costs include, but are not limited to:

- (1) Federally approved indirect costs,
- (2) Administrative staff,
- (3) Accounting staff,
- (4) Office space and utilities,
- (5) Telephone,
- (6) Postage,
- (7) Printing,
- (8) Payroll processing, and
- (9) Lease of office machines.

- ii. The Administration allocation to each subgrantee is capped.

- iii. At least half of the administration funds provided by DOE are allocated to the subgrantee. Subgrantees may apply to AEO to use up to an additional five percent (5%) in administrative funds if the DOE subgrant award is less than \$350,000. The subgrantee is required to provide justification for requesting additional administration funds.

- iv. Administration funds may not be transferred to other categories or supplemented with funds from other categories.

b. Financial Audit

- i. The WAP portion of a subgrantee's audit costs are not included as an administrative expense unless financial audit costs are included in the indirect cost pool of a negotiated approved, indirect cost rate. AEO permits a separate budget category for financial audits in order not to overburden the limited Administration cost category.
- ii. If WAP is one of several programs within a subgrantee being audited, only the fair-share proportion of the overall financial audit costs should be charged to WAP.

2 CFR 200.310: Insurance Coverage

c. Liability Insurance

- i. All subgrantees must be covered by liability insurance, and according to state requirements, carry \$1 million each occurrence and 3 million in aggregate. Liability insurance refers to insurance policies that provide protection in case of personal injury or property damage resulting from WAP services. Liability insurance should be charged to the Liability Insurance budget category, which was created to ensure that such costs would not have to be charged to the Administration budget category.
- ii. The Liability Insurance budget category is established to cover general subgrantee liability insurance and does not include any vehicle related insurance.

2 CFR 200.479: Training and Education Costs

d. Training and Technical Assistance (T&TA)

- i. T&TA funds are designated for training to support weatherization activities and are intended to maintain or increase the efficiency, quality, and effectiveness of the WAP at all levels by maximizing energy savings, minimizing production costs, improving program management and crew/ contractor quality of work, and decreasing the potential for waste, fraud, and mismanagement.
- ii. This category is a separate allocation from DOE.
- iii. The T&TA allocation to each subgrantee is capped.
- iv. T&TA may not be transferred to other categories or supplemented with funds from other categories.

WPN 23-1: Program Year 2023 Weatherization Grant Application

e. Program Operations

- i. Program Operations costs are generally defined as the direct costs necessary to affect the weatherization of an eligible dwelling unit. Program Operations includes Program Support and Client Direct costs.
- ii. Program Operations costs may include but are not limited to the following:
 - (1) Materials listed in 10 CFR 440, Appendix A or as approved in audit protocol,
 - (2) Materials purchased for incidental repairs as defined in 10 CFR 440.3,
 - (3) Transportation of WAP materials, tools, equipment, and work crews to a storage site and to the site of weatherization work,
 - (4) Maintenance, operation, and insurance of vehicles used to transport WAP materials,
 - (5) Maintenance of tools and equipment,
 - (6) Purchase or annual lease of tools, equipment, and vehicles,
 - (7) The required fees related to building permits from local governments are allowable under this category,
 - (8) Storage of weatherization materials, tools, equipment, and weatherization vehicles,

10 CFR 440.18: Allowable Expenditures

10 CFR 440, Appendix A: Standards for Weatherization Materials

10 CFR 440.3: Definitions

- (a) As with vehicles and equipment, subgrantees may not pre-pay leases that exceed the end of the grant period.
- (9) Utility costs at storage only, i.e., heat, lights, and water,
- (10) Retrofitting of a storage facility, and
- (11) Labor expenditures within the Program Operation budget category, which are limited to the employment of personnel directly related to the operation of WAP include:
 - (a) WAP Coordinators' salary and fringe benefits spent in actual supervision of labor, client intake, recordkeeping, and other direct program functions,
 - (b) Clerical staff salary and fringe benefits spent in actual client intake and maintenance of client database and other direct program functions,
 - (c) Payments to contractors engaged in weatherizing homes,
 - (d) Salaries and fringe benefits of crew members,
 - (e) Salaries and fringe benefits of crew leaders, and
 - (f) Payments to employ auditors/assessors, quality control inspectors, field supervisors who are not installing materials, and warehouse personnel, such as inventory clerks, who are engaged in handling materials.
- iii. Program Operations costs are part of the ACPU calculation.
- iv. Where there are costs that could be charged to other Budget Categories, it is the determination of AEO which category should be used.
- v. Many of these costs cannot be directly related to a specific dwelling unit, such as vehicle and equipment maintenance or purchases of tools and equipment. When incurred, these total costs are amortized over the number of dwelling units completed during the contract period. For example, the cost of a blower door (\$4,500) could be amortized over the 150 homes completed during a contract period, resulting in a \$30 increase in the ACPU for the homes completed in that time frame.
- vi. Weatherization is a non-construction program. No construction of buildings or acquisition of real estate can be charged to this grant.
- vii. Improvements to a property that are not in direct relation to carrying out WAP-specific tasks may not be considered allowable under this grant (i.e., paving a parking lot of the storage area is not considered allowable, however, retrofitting a storage facility with appropriate shelving to accommodate supplies would be deemed allowable).
- viii. Operations Insurance Items
 - (1) Pollution Occurrence Insurance (POI)
 - (a) POI covers liability incurred by disturbance of lead-based paint.

- (b) AEO provides this insurance each year in one (1) policy for the subgrantees.
 - (c) Subgrantees that employ private contractor labor for the performance of Weatherization services must ensure that each private contractor is adequately insured.
- (2) Vehicle and Equipment Insurance
 - (a) Vehicle and equipment insurance protects program property from damage and loss.
 - (b) All vehicles (and equipment, where appropriate) must be covered by property loss and liability insurance.
 - (c) Vehicle and equipment insurance and property insurance are budgeted under program operations.
 - (d) Insurance coverage must be carried in adequate amounts.
 - (e) If the cost of the insurance exceeds the value of the vehicle or equipment, replacement coverage need not be carried.
- (3) Property Insurance
 - (a) Property Insurance covers replacement costs for all weatherization materials and tools owned by the program from damage and loss.
 - (b) The type and extent of coverage shall be monitored by AEO during monitoring visits.
- (4) Contractors employed in the weatherization program are required to carry liability insurance with the following limits:
 - (a) General contractors are required to carry \$1 million minimum liability insurance limit with an aggregate cap of \$3 million.
 - (b) Subcontractors are required to carry \$100,000 minimum liability insurance limit with an aggregate cap of \$1 million.

WPN 22-7: Weatherization
Health and Safety

- f. Health and Safety (H&S)
 - i. H&S funds are used to mitigate energy-related H&S hazards, the elimination of which is necessary before, or because of, installation of WAP materials.
 - ii. H&S funds may only be used to pay for the installation of H&S measures and related testing as listed in the Subgrantee Technical Manual.
 - iii. H&S funds may not be used for training or client education materials, even if H&S related. Training costs may be charged to the T&TA budget.
 - iv. Up to twenty-five percent (25%) of Program Operations can be used for mitigating H&S concerns directly related to the weatherization of a building. DOE considers this percentage reasonable and Project Officers can approve this percentage with a sufficient explanation within the H&S Plan outlining what the grantee will address. This

10 CFR 440.16(h): Minimum
Program Requirements

10 CFR 440.18(c)(f):
Allowable Expenditures

special permission allows AWAP to spend above the standard fifteen percent (15%) H&S cap.

- v. AEO recognizes that the abatement of some hazards or conditions will be beyond the scope of WAP. Dwellings that contain such hazards will be deferred if the hazard or condition is likely to be aggravated by the WAP services or cause harm to the residents and technicians working on the home. Non-allowable repairs under regular weatherization may be evaluated for completion with Weatherization Readiness Funds (WRF).
- vi. If conditions are found that endanger the occupants and are beyond the scope of the program, the subgrantee must take whatever steps are necessary to alert the occupants and inform appropriate authorities. These activities must be documented in the client file.
- g. Capital Intensive Efficiency (LIHEAP)
 - i. Subject to availability, Capital Intensive Funds are allocated to provide repair and installation of HVAC equipment when there is no SIR and does not meet criteria to qualify as a Health and Safety measure.

3. Carry-over

- a. Carry-over describes funds remaining unobligated at the end of a grant period.
- b. AEO manages carry-over funds based on DOE stipulations for their use and consideration of the needs of the network. Carry-over funds are included in the next program year application budget and approved by DOE. Therefore, subgrantees having carry-over funds do not retain the right to spend these funds after the expiration of the grant period.
- c. At the end of a DOE funding cycle (usually 3 years), any unobligated funds will be retained by DOE and will not be available to Arkansas as carry-over funds.

4. Cost Limits

- a. Average Cost Per Unit (ACPU)
 - i. Each program year, DOE establishes a maximum ACPU which cannot be exceeded by Arkansas.
 - ii. The current year ACPU is \$8,250.
 - iii. AEO will monitor the average cost per unit for completed homes on a quarterly basis.
- b. Incidental Repair Measures (IRMs)
 - i. IRMs are minor repairs that are not an ECM, but are necessary to enable installation of or protect an installed ECM.
 - ii. The cost of IRMs must be:
 - (1) Justified by written and photo documentation in the client file, and
 - (2) Included in the SIR calculation of the total package of weatherization measures.

WPN 23-1: Program Year
2023 Weatherization Grant
Application

10 CFR 440.18(a): Allowable
Expenditures

WPN 23-1: Program Year
2023 Weatherization Grant

10 CFR 440.22(d): Allowable
Expenditures

C. Funding

1. Arkansas uses an online program management software called the Energy Conservation Online System (ECOS) to enter all jobs and billing information.
2. Advance Funding
 - a. Once a subgrant agreement for DOE and LIHEAP WAP funds is in place for the new program year, the subgrantee may elect to request an advance.
 - b. The purpose of the advance is to meet the subgrantee's cash operating needs, including paying contractors, on an on-going basis.
 - c. . The advance must be spent during the last quarter of the program year.
 - d. Advance Procedures
 - i. Determine the amount of the advance. The maximum allowable amount of the advance is 1/12th of the current subgrant.
 - ii. Make the request. Advances for DOE and for LIHEAP funds must be requested separately. To request, email a fully executed WAP 03 to AEO Fiscal staff.
 - iii. Advance is approved or denied by AEO.
 - iv. AEO documents the advance. The approved advance will be entered in ECOS as a separate categorical advanced grant subtracted from the original categorical grant.
 - v. Maintain the use of the advance funds for operating expenses. The advance may be carried forward until the last quarter of the program year as long as the subgrantee's WAP production proceeds on schedule according to WAP 21 in the grant agreement. If production falls below the expected level for two (2) months in a row, AEO reserves the right to require the subgrantee to bill expenditures for a portion of the advance in ECOS prior to the last quarter.
 - vi. Ensure advance is fully repaid by the end of the grant year. During the last quarter of the grant year, expenses must be billed in ECOS using the advance budget and a zero balance must be reached in the advance budget before the end of the program year.
 - e. The advance request is received and approved by Program Monitor, Budget Specialist, and Program Manager. The advance will be reconciled with actual expenditures the month following the payment of the advance.
 - f. Billing for the Advance
 - i. There will be separate grants in ECOS for the advance.
 - ii. The utilization of these grants will allow subgrantee staff the ability to document advance expenditures used when submitting a billing group.
 - iii. Once the invoice is generated, the advance amount will not be included on the invoice which prevents duplication in expenses.

- g. Bulk material and equipment
 - i. At times, AEO may provide a subgrantee with an advance of funds that is used to purchase bulk material in advance of installation in a home. This is done to provide subgrantees additional dollars to assist with operating costs and save money while buying materials in bulk.
 - ii. A subgrantee must notify AEO when it purchases bulk items for inventory. A copy of the receipt must accompany the notification. AEO will create an Advance – Items from Inventory subgrant and the dollar value of the receipt(s) will be the amount of the Advanced – Items from Inventory grant(s).
 - iii. There are two (2) means of tracking inventory advances:
 - (1) LIHEAP (PY) Advance – Items from Inventory
 - (2) DOE (PY) Advance – Items from Inventory
- h. Setting up advance grants
 - i. AEO provides an individualized total budget allocation for each subgrantee. It is the subgrantee’s responsibility to monitor this amount and their expenses to avoid exceeding budget limits provided by AEO.
- i. Budgeting requirements
 - i. Each subgrantee must set its line item budgets.
 - ii. AEO will monitor any capped line item budgets to ensure they are not exceeded.
- j. Billing example:
 - i. Expenditures included within the advances (Installed Materials) line item of a monthly billing group should be:
 - (1) Cost of materials pre-purchased with Advance funds,
 - (2) Expenditure of funds within this line item must be tracked and aggregated outside of ECOS, and
 - ii. Expenditures invoiced within each billing group will not be reimbursed by AEO for payment because these expenditures have already been reimbursed to the subgrantee.
- 3. Reimbursement
 - a. The preferred method of payment to subgrantees is reimbursement for work already completed. The intent of AEO is to process reimbursements in a timely manner when invoices are submitted by the due date.
 - b. Subgrantees are allowed to bill salary and fringe in the Program Support budget category.
 - c. Monthly Billing and Verification of Expenditures
 - d. All line items require documentation if reimbursement is being requested for that month. For example: transportation costs equaling \$200 would require invoices/receipts for transportation totaling \$200.
 - e. Please label documents so the uploaded information is easy to follow.

2 CFR 200.305(b)(3):
Federal Payment

4. Weatherization Invoice Process

a. Invoice Submission

- i. Invoices are due in ECOS by the 10th day of the month. If the 10th day falls on a weekend or a holiday, the due date is the next business day. The subgrantee must notify AEO by email when an invoice has been submitted in ECOS.
- ii. If invoices have not been received by the 10th, the financial monitor will email subgrantee staff financial monitor to inquire if they are going to bill for that month.

b. Technical and Compliance Review

- i. Program monitors will complete technical and compliance reviews according to WAP protocol.
- ii. See Subgrantee Monitoring section [VI](#) of this document for more information.
- iii. If there are any issues that prevent approval, program monitors will discuss with appropriate subgrantee staff and send a follow-up email to confirm the issues discussed, the agreed upon steps to be taken, and the time frame (three business days) for these steps. This time frame is negotiable if the subgrantee needs to return to a home before that job can be approved for billing.
- iv. When the invoice has passed the technical or compliance review, the program monitor will email notification to the subgrantee and copy AEO staff financial monitor.

c. Financial Review

- i. The financial monitor will complete financial review according to WAP protocol.
- ii. If there are any issues that prevent approval, the financial monitor will discuss with appropriate staff at the subgrantee and send a follow-up email to confirm the issues discussed, the agreed upon steps to be taken, and the time frame, usually three (3) business days, for these steps.
- iii. The financial monitor is encouraged to speak directly with the subgrantee staff required to make a correction, always following up with an email summarizing the communication.
- iv. When the invoice passes financial review, the financial monitor will email notification to the subgrantee and copy AEO.

d. Preparation for Invoice Payment

- i. Once the invoice has been uploaded to the software, the financial monitor will prepare an invoice cover sheet and route the invoice to the weatherization manager, AEO senior Programs Manager, AEO Operations Manager, and AEO Director for approval signatures.
- ii. Approved invoices will be returned to the financial monitor to be included in the next request for funds. When funds are received, financial monitor will record the date the invoice was sent to Fiscal

Accounts Payable, and hand deliver the invoice to ADEQ fiscal director with priority notation.

- iii. When the invoice is delivered to E&E Fiscal Director, the administrative analyst will email subgrantee financial director, weatherization director, executive director; AEO director, AEO senior manager, weatherization manager, program monitor, and financial monitor. The email will state:
 - (1) “[Subgrantee] [DOE/LIHEAP] invoice has been submitted for payment. Please allow up to five business days to receive the payment.”

e. Verification of Payment

- i. The monitor will monitor AASIS after five business days from the date the invoice is delivered to E&E fiscal director to verify the payment has been made. If nothing appears in AASIS, AEO director or AEO operations manager will contact E&E fiscal director to inquire about the payment.
- ii. If direct deposit has not been utilized, AEO operations manager or AEO director will contact E&E fiscal director to investigate the discrepancy.
- iii. If payment will not be received within five (5) business days, the weatherization manager will email the subgrantee’s financial, weatherization, and executive directors to give a new date for when the payment should be received. Other pertinent AEO staff must be copied on this email.

5. Weatherization Readiness Funds (WRF)

- a. WRF services are provided for the purpose of addressing the repair needs of homes when such repairs are outside the scope of weatherization and prevent the home from being weatherized until they are completed.
- b. WRF services are specifically targeted to reduce the time deferred homes wait for weatherization when work outside the scope of weatherization is required before weatherization services can commence.
- c. WRF can only be used if available funds are adequate to completely resolve all issues that prevent weatherization.
- d. A home receiving WRF services must then be weatherized and reported as a completed unit.
- e. A home that has received WRF services must receive WAP services within the same grant cycle as the WRF services.
- f. A home that has received WRF services must receive WAP services beginning within sixty (60) days of the completion of WRF services.
- g. A home that has received WRF services may receive WAP services in a subsequent program year if it is within the same grant cycle and WAP services begin within sixty (60) days of WRF service completion.

WPN 23-4:
Weatherization
Readiness Funds -
Expansion of Scope

- h. AEO prior approval is required on all WRF work orders before subgrantees proceed with work and expenses accrue. All requests for prior approval for WRF work orders should be submitted to the technical coordinator and program manager.
- i. Approvals will be based on a description, justification, and estimated costs of the proposed measure(s).
- j. The following is required documentation for waiver approvals:
 - i. Proof of current eligibility,
 - ii. Pictures of all areas needing the proposed repairs, and
 - iii. Itemized estimate(s) from contractor(s) - must submit three (3) bids if not using a previously procured weatherization contractor.
- k. AEO does require advance waiver approval before WRF work is done.
- l. Request for a Section 106 Review must be submitted to SHPO if necessary, and the response received before submitting WRF waiver to AEO.
- m. The WRF and subsequent WAP services must be funded by like sources, i.e., DOE WRF and DOE Weatherization, LIHEAP WRF and LIHEAP Weatherization, or braided DOE/LIHEAP WRF and braided DOE/LIHEAP Weatherization.
- n. It is permissible to leverage or braid DOE and LIHEAP funds with other sources such as HUD, USDA Rural Development, or non-federal sources to make a building weatherization ready.
- o. It is also permissible to braid DOE WRF funds with LIHEAP WRF funds.
- p. For homes where both DOE and LHEAP funds are used for repairs (WRF), WAP costs should also be assigned to DOE and LIHEAP.
- q. The maximum allowable cost will be \$8,250 per unit, per funding source, receiving WRF services.
- r. WRF-eligible homes must:
 - i. Be eligible and currently waiting for or undergoing Weatherization services,
 - ii. Be deferred for weatherization until repairs are complete,
 - iii. Require repair services that are beyond the scope of weatherization and within the scope of WRF services, and
 - iv. Be weatherized using the same funding source used for WRF.
- s. Allowable repairs
 - i. Repairs are allowable if they prevent the home from being weatherized.
 - ii. Exterior repairs:
 - (1) Roof repair,
 - (2) Wall repair,
 - (3) Foundation or subspace repair,
 - (4) Resolution of drainage issues: allowable work includes landscaping; gutter repair, replacement, or installation,
 - (5) Grading near the perimeter of the foundation, and

- (6) Roof replacement up to a maximum of one-half of the roof may be replaced with a single funding source (LIHEAP or DOE).
- iii. Interior repairs:
 - (1) Ceiling repair,
 - (2) Floor repair,
 - (3) Plumbing repairs, and
 - (4) Electrical repairs excluding knob-and-tube wiring (funds must be leveraged from other sources to replace knob-and-tube wiring.)
 - (5) H&S for the clean-up and remediation of:
 - (6) Lead paint,
 - (7) Asbestos, confirmed or suspected, including vermiculite,
 - (8) Mold and moisture,
 - (9) Insect or rodent infestation and other animal nesting, and
 - (10) Cleanup of standing sewage after plumbing repairs.
- iv. Other repairs may be approved by AEO upon request and consideration of documentation submitted by the subgrantee.
- t. Labor and materials for beautification or remodeling are not allowable costs.
- u. It is allowable to use weatherization contractors, contractors working in other housing programs operated by the subgrantee, or contractors procured for each home served.
- v. AEO will monitor by physical inspection and review of case files at the same percentages as Weatherization monitoring.
- w. Reimbursement will be based on monthly invoicing with supporting documentation. WRF is part of ECOS.
- x. Client satisfaction and weatherization readiness will be documented by the subgrantee before payment of contractors.
- y. Reporting
 - i. A listing of dwelling units made weatherization ready with WRF funds with the following listed for each unit:
 - (1) Year built,
 - (2) Housing type (site-built single family, manufactured housing, multi-family),
 - (3) Repairs made and the cost of each repair by funding source, and
 - (4) Total expenditures on each unit by funding source.
- z. Invoice Documentation
 - i. Client file must maintain all WRF documentation including:
 - (1) Post photos and
 - (2) Final invoices.
 - ii. An invoice that includes WRF expenditures must have as attachments:
 - (1) The WRF waiver approval email form AEO and
 - (2) The Deferral Tracking spreadsheet which is designed to be cumulative throughout the grant year.

WPN BIL-1: Bipartisan Infrastructure Law (BIL) Grants for the Weatherization Assistance Program

WPN BIL-5: BIL Average Cost Per Dwelling Unit and Allowable Use of Funds Update

WPN BIL-1: Bipartisan Infrastructure Law (BIL) Grants for the Weatherization Assistance Program, Section 2.1

WPN BIL-6: Applicability of Davis-Bacon Act Prevailing Wage Requirements to WAP BIL

29 CFR 1: Procedures for Predetermination of Wage Rates

6. BIL Funding Rules
 - a. DOE BIL funds are provided separately from DOE WAP formula funds.
 - b. The rules for DOE BIL funds are generally identical to DOE WAP funds except for the areas described in this section.
 - c. A home weatherized with WAP BIL funds shall not be braided in conjunction with WAP formula funding.
 - d. WAP BIL funds may be used on homes that have received WRF funding.
 - e. BIL funded grants will follow a 5-year average of annual ACPU limits from program years 2022-2026. This means that the ACPU for all homes weatherized from 2022-2026 using BIL funds must be at or below the average ACPU across those five (5) years. DOE has created an [ACPU Calculator](#) to help determine each subgrantee's ACPU for BIL-funded homes.
 - f. AEO will inspect a minimum of five percent (5%) of BIL-funded units.
 - g. The provision of BIL funds from DOE is based on certain planning and production milestones:
 - i. Fifteen percent (15%) of the total BIL allocation is provided at the time of the award,
 - ii. An additional thirty-five percent (35%) of the total BIL allocation is provided upon DOE approval of the state BIL plan, and
 - iii. The remaining fifty percent (50%) of the total BIL allocation is provided based on BIL production progress, including:
 - (1) Thirty percent (30%) of all units estimated to be weatherized in approved weatherization plan have been weatherized,
 - (2) Monitoring and inspection are proceeding per protocol as part of its approved annual plan,
 - (3) Subgrantees are being monitored at least once each year to determine compliance with administrative, fiscal, and state field policies and guidelines,
 - (4) Local quality control efforts are in place,
 - (5) At least 5% of the completed units are inspected by AEO during the year,
 - (6) Reports are acceptable, submitted in accordance with grant requirements, including being on time and accurate, and
 - (7) Monitoring reviews by DOE confirm acceptable performance.
 - h. IF DOE BIL funds are used for multifamily dwellings with five (5) or more units, Davis-Bacon Act (DBA) rules must be followed.
 - i. Prevailing wages must be paid for BIL-funded projects for multifamily dwellings with five (5) or more units.
 - ii. DBA requires all laborers and mechanics performing work on these multifamily building projects be paid wages and fringe benefits determined by the Secretary of Labor to be prevailing for corresponding classes of employees engaged on similar projects in

the locality, unless that laborer or mechanic is a direct employee of a local, tribal, or state government.

- iii. If the subgrantee contracts out BIL funding for weatherization work that is for a building with five (5) or more units, it must ensure that DBA requirements flow down to the entities that employ laborers and mechanics that do the work.
- iv. On projects where DBA prevailing wages must be paid, the requirements are stipulated in the U.S. Department of Labor (DOL) regulations at 29 CFR Parts 1, 3, and 5.
- v. Weatherization work must be paid the wage aligning with the building type.
 - (1) WAP projects can fall under two different wage determinations, depending on the building construction:
 - (a) Residential for buildings with no more than four stories or
 - (b) Building for buildings, including residential buildings, with 5 or more stories.
 - (2) To ensure the correct wage determination for weatherization work is being used, agencies should carefully review how the number of stories is determined in relation to the [Wage and Hour Division's \(WHD\) website](#).
 - (3) Once the WAP project's building type has been determined, the agencies can determine the prevailing wage for each weatherization task in their area on the [SAM.GOV wage determination page](#).
 - (4) Building wage determinations can be significantly higher than Residential wage determinations. Due to higher wage rates, weatherization materials installed on multifamily buildings with 5 or more floors may exceed the cost-effectiveness requirement whereas the same measures would be cost-effective if installed on buildings with four or fewer floors.
 - (5) Even if the structure meets the definition of the Building, due to potential difference in wage rates between multifamily buildings, subgrantees may use the Residential wage determinations when modeling the cost-effectiveness of the project.
 - (6) Actual wages paid must align with the wages for the building type.
- vi. Subgrantees are responsible for compliance of its contractors and subcontractor through standard DBA contract clauses found in 29 CFR 5.5(a) in their bid solicitations.
- vii. Subgrantees, contractors and subcontractors, must attach applicable wage determinations to bid solicitations.
- viii. Subgrantees, contractors, and subcontractors who solicit bids for weatherization work, must provide the wage determination 10

calendar days prior to opening the bids. If a competitively bid contract is not awarded within 90 days of bid opening, any updated wage determinations need to be incorporated into the final contract, unless the contracting agency has obtained an extension from the DOL WHD, for a wage determination used in the bid solicitation.

- ix. If it is determined that an inaccurate wage determination has been incorporated into a grant or contract, the proper wage determination will be incorporated into that contract retroactively to the beginning of BIL-assisted, or funded, construction.
- x. The subgrantee, contractor, or subcontractor must be compensated for any wage increases resulting from such a change. In the event of such a change, BIL program operations funds may be used to cover adjustment costs.
- i. Build American, Buy American (BABA) requirements must be followed for weatherization on public housing, or on privately owned buildings that serve a public.
 - i. Shelters that are privately owned would meet this definition and require compliance with BABA.
 - ii. Projects having to meet BABA requirements must ensure:
 - (1) All iron and steel used in the project are produced in the U.S. All iron and steel manufacturing processes, from the initial melting stage through the application of coatings, must occur in the U.S.
 - (2) All manufactured products used in the project are produced in the U.S. Each product must be manufactured in the U.S. and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than fifty-five percent (55%) of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation.
 - (3) All construction materials are manufactured in the U.S. Specific construction materials include:
 - (a) Non-ferrous metals,
 - (b) Plastic and polymer-based products,
 - (c) Glass,
 - (d) Lumber, and
 - (e) Drywall.
 - iii. When performing energy audits to determine the SIR of measure installations for dwellings where BABA applies, auditors may use previously procured material pricing that is applied to other WAP projects.

WAP Memo 104:
Weatherization Assistance
Program Build America, Buy
America Requirement-
Revised

- iv. When necessary, recipients may apply for, and DOE may grant, a waiver from BABA Preference requirements. Contact AEO staff if a waiver is required.
- v. BABA requirements must flow down to all sub-awards, contracts, subcontracts, and purchase orders for articles, materials, and supplies that are consumed in, incorporated into, or affixed to a DOE funded project.
- vi. BABA does not apply to tools, equipment, and supplies, such as temporary scaffolding brought to the construction site and removed at or before the completion of the infrastructure project.
- vii. BABA does not apply to equipment and furnishings, such as movable chairs, desks, and portable computer equipment, that are used at or within the finished infrastructure project but are not an integral part of the structure or permanently affixed to the infrastructure project.

D. Reporting

- 1. Quarterly financial reporting is required by DOE to be entered in PAGE.
- 2. The quarterly program report will include the average year to date cost per unit.
- 3. The due date is the 30th day of the month following the end of the quarter. The quarters for the Arkansas WAP program year are:
 - a. Q1: July 1 to September 30
 - b. Q2: October 1 to December 31
 - c. Q3: January 1 to March 31
 - d. Q4: April 1 to June 30

E. Program Income

- 1. DOE generally defines program income as any funds earned by grantees and/or subgrantees from non-federal sources while performing DOE WAP services.
- 2. The income generated should be treated as an addition to program funds, is subject to the same rules as appropriated funds, and must be used to complete additional dwelling units in accordance with DOE rules.
- 3. Property owner (i.e. landlord) contributions and leveraged resources (i.e. utility or grantee funds) are not considered to be program income for the purposes of the WAP.
- 4. Program income includes but is not limited to:
 - a. Gross income earned by the subgrantee that is directly generated by or earned from WAP activities,
 - b. Income from fees for services performed,
 - c. Income from the sale of commodities or items fabricated under an award,
 - d. License fees and royalties on patents and copyrights, and

WPN 23-1: Program Year
2023 Weatherization Grant
Application

2 CFR 200.307: Program
Income

2 CFR 200.302: Financial Management

2 CFR 200.308: Revision of Budget and Program Plan

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- e. Interest earned on the advance of DOE funds is not program income.
 - i. Such interest must be remitted to the federal government. Program income does not include rebates, credits, discounts, etc., or interest earned on any of them.

- 5. Program Income must be reported to AEO, who will then approve the plan for expending these funds.

F. Fee for Service on WAP-related Activities

- 1. WAP subgrantee organizations are community-based organizations operating as “energy centers” in their low-income communities and are dedicated to the goal of mobilizing and maximizing resources available to target the needs of low-income housing in service of Arkansas’s affordable housing goals consistent with the WAP mission.
- 2. Subgrantees are encouraged to participate in other low-income energy efficiency and affordable housing programs in a manner that is consistent with the protection of their nonprofit status.
- 3. Accordingly, in any instance in which such energy efficiency or affordable housing programs are primarily targeting low-income households, including the working poor who may be above the WAP income guidelines but below other state or federal low-income program income limits, the following procedures and rules apply:
 - a. Subgrantees must obtain prior written approval from the AEO Director to determine if said initiative meets the terms and intentions stated above.
 - b. Subgrantees may use vehicles purchased with WAP funds for non-WAP service if the WAP grant is reimbursed using the standard mileage rate.
 - c. Subgrantees must use rental rates for tools and equipment. Rental rates are based on a standard price list for “tool kits” developed for specified types of “jobs” by each subgrantee and charged on a monthly or quarterly basis, in consultation with the AEO Director, using information collected regarding the fair market value for use of such “tool kits” for jobs during the period to reimburse the WAP grant.

G. Leveraging and Braiding Funds

- 1. Overview
 - a. WAP uses a combination of federal and nonfederal funds to accomplish the scope of work on a unit.
 - b. Federal funds include, but are not limited to:
 - i. DOE WAP formula funds,
 - ii. DOE WAP competitive funds (SERC, E&I),
 - iii. Low-Income Home Energy Assistance Program (LIHEAP) funds, and
 - iv. Community Development Block Grant Program (CDBG).
 - c. Non-federal funds include, but are not limited to:
 - i. Utility investments from systems benefit charges or efficiency programs,

WPN 22-9: Managing Multiple Funding Streams within the Weatherization Assistance Program

10 CFR 600.30: Cost Sharing

10 CFR 600.123: Cost Sharing or Matching

- ii. State funds from special set-asides,
 - iii. Other rehabilitation funds,
 - iv. Private funds from landlord, and
 - v. Other private sources.
 - d. AEO and DOE encourage subgrantees to form partnerships with other federal programs per 10 CFR 440.16(e).
 - e. Leveraging activities include:
 - i. Paying for subgrantee staff or hiring consultant staff to explore and develop partnerships with utility companies and other entities that will generate non-federal resources for WAP,
 - ii. Overseeing and administering leveraging activities,
 - iii. Holding leveraging meetings,
 - iv. Negotiating leveraging contracts, MOUs, etc.,
 - v. Developing program design,
 - vi. Providing technical assistance, and
 - vii. Facilitating voluntary match funds from a non-federal source.
 - f. The leveraged resources should expand energy efficiency services and/or increase the number of DOE-eligible dwelling units weatherized.
 - g. Leveraged resources are not considered to be program income for the purposes of WAP.
 - h. The work done with leveraged resources must be consistent with an approved energy audit and utilize cost-effective measures.
 - i. Landlord financial participation in WAP is voluntary and, therefore, these funds are treated differently from traditional leveraged funds.
 - i. The expenditure of these funds must be in accordance with the landlord contribution agreement made with the subgrantee and must decrease the DOE cost-share by that amount.
2. Braiding Funds
- a. Braiding uses multiple separate funding sources, including DOE WAP funds, on one WAP project to address the different needs within the home, while ensuring each funding source is isolated and tracked independently.
 - b. Funds from non-WAP federal programs, braided with WAP funding are not considered leveraged funds.
 - c. Braided funds are not considered program income.
 - d. Typically, individual measures are fully paid for by a single funding source, which may or may not be subject to a cost-effectiveness test, and the reporting requirements can be followed for that specific funder.
 - i. Utility and other non-federal funds may target a specific measure in a geographic location that may or may not be an allowable use of DOE funding.
 - ii. Utility and other non-federal fund weatherization retrofits are generally installed during the WAP process, and the costs and measures are often included in the client file (most often to verify

measures called for in the audit were not “skipped” and instead, were installed using other funding streams).

- e. Subgrantees are responsible for tracking the use of different funding sources.

3. Buy-down

- a. This guidance is specifically designed to address the DOE investment in eligible dwelling units weatherized by WAP.
 - i. All associated H&S costs incurred on a dwelling unit are treated outside the SIR when determining cost-effectiveness.
 - ii. All energy-related repair costs associated with weatherizing the dwelling units are a part of the SIR when determining cost-effectiveness.
- b. Buying down a measure means offsetting the DOE investment of the measure using non-federal funds to increase the measure SIR above 1.0.
- c. When performing the energy audit on an eligible dwelling unit, the total cost associated with the installation of eligible measures – as listed in 10 CFR 440, Appendix A - can be discounted by the amount of non-federal resources used for that measure in determining the SIR.
- d. The types of non-federal resources that could be used would include, but are not limited to:
 - i. Landlord contributions,
 - ii. Utility funds,
 - iii. Donations from private sources, and
 - iv. State resources that supplement other similar funds.
- e. It is DOE’s intent to allow subgrantees some flexibility in calculating the SIR for a specific measure when other funds can be used to offset some of the costs, thereby reducing the federal investment and raising the SIR to 1.0 or greater on the remaining investment.
- f. The cost-effectiveness of WAP will still be calculated on the total DOE investment used to weatherize the property.
- g. It is not DOE’s intent to create projects that are not cost effective in design and installation.
- h. DOE expects that all subgrantees will use this SIR calculation allowance only when the cost effectiveness for the entire investment in the property can still be substantiated.
- i. This means the SIR for the total project will be 1.0 or greater.
- j. It is not DOE’s intent to “leapfrog” measures that are already cost-effective to accommodate a measure that is included in the package of measures as a result of utilizing the provisions of this guidance. All measures that are cost-effective after the initial energy audit is conducted will remain a part of the list of measures to be completed on the unit.

10 CFR 440, Appendix A:
Standards for
Weatherization Materials

WPN 22-12: Multifamily
Weatherization

WPN 23-6: Revised Energy
Audit Approval Procedures,
Related Audit and Material
Approvals Including Fuel-
Switching and Solar PV

- k. To meet the SIR requirement by using other resources to reduce the investment in a material or measure, no federal resources or funds may be used to offset the total installation cost.
- l. State designated funds which are federally-based—such as LIHEAP, CDBG, etc.—may not be used for buy-downs. No exceptions will be granted to this provision.
- m. Subgrantees utilizing this guidance will need to conduct an initial energy audit of the building to determine the cost-effectiveness of the federal investment, including measures that are not cost-effective without additional funds.
- n. Subgrantees that have non-federal funds for use in the home will need to run the energy audit twice: the first time with no additional funding included and the second time with the buy down funding for any specified measure(s) to ensure the total package of measures remain at least with an SIR of 1.0 or greater.
- o. A second energy audit run can be eliminated by indicating what measures will be needed to utilize this flexibility and the amount of funds necessary to accomplish the buy-down.
- p. The recommended statement of work including the SIR of each measure and the total project SIR.
- q. If any measures were bought down or otherwise leveraged the documentation must show the pre-leveraged SIRs of each individual measure and the pre-leveraged project SIR.
- r. Documentation must include the other sources that funded each bought-down measure.
- s. Either a printed file showing all the building audit inputs and outputs or the immediately accessible electronic file that shows all the audit inputs and outputs.
- t. Final installed costs of each measure and the total project cost
- u. If the project went through the bidding process, then all bid prices – winning and losing bids – must be in the file.
- v. Subgrantees will also be required to complete a summary of all costs associated with the weatherization of the home, including any or all non-federal resources to be used. This summary will become part of the client file along with the inputs and results of both energy audits.

H. Asset Management

1. Inventory

- a. All inventory must be tracked in accordance with 2 CFR 200.313(d). subgrantees are required to capture all inventory on the Inventory (WAP 46) form. The following fields must be incorporated on the inventory form for items in inventory:
 - i. Item Description: give a brief description of the property (e.g. Hewlett Packard Laptop),

10 CFR 600.130-137:
Property Standards

2 CFR 200.313(d):
Equipment

- ii. Serial Number: manufacturer's serial number, model number, stock number, national stock number, or other identification number,
- iii. Source of Funding: the source of funding for the property (including the FAIN),
- iv. Title Holder: subgrantee ownership as shown on title,
- v. Acquisition Date: the date of purchase,
- vi. Cost of Property: how much was the cost of the property,
- vii. Percentage of federal funds Used: percentage of federal participation in the project costs for the federal award under which the property was acquired,
- viii. Location of Equipment/Inventory: where is the property physically located,
- ix. Use: which program(s) use the property,
- x. Current Condition: what is the condition of the property (Good, Fair, Poor),
- xi. Date of Disposal (if applicable): disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensates DOE for its share any ultimate disposition data including the date of disposal, and
- xii. Sale Price (if applicable): sale price of the property.
- b. All data fields must be complete and accurate on the inventory form.
- c. Subgrantees may choose either the perpetual or periodic inventory system.
- d. If the perpetual system is chosen, the subgrantee must submit the results of reconciliation between a physical inventory and the general ledger carrying value of the inventory, as of the end of the program year. The results of the reconciliation shall be reported on the final monthly report as inventory gain or /loss.
- e. Full accountability for all materials purchased is required. Inventory is an asset, not an expenditure. All materials not on a completed home are inventory. This includes materials:
 - i. In the warehouse(s),
 - ii. On vehicles,
 - iii. On or at partially completed homes, and
 - iv. On homes not reported in current or past months.
- f. The inventory control system must detail the movement of material through various stages of handling. This system must be considered a part of the books of record for accounting and audit purposes.
- g. The chart of accounts in the books of record must contain provisions for:
 - i. The total materials available during the year (i.e., carry-over inventory plus new purchases),
 - ii. Current inventory (monthly),
 - iii. Loss/gain (adjusted monthly), and

- iv. The materials on homes complete and reported.
 - h. The inventory control system must also track materials from purchase through installation on a completed home. Each step shall be documented, and signatures must be obtained to verify transmittal of material. The following steps are critical control points:
 - i. Receipt of material (bulk or field purchase),
 - ii. Entry of material into warehouse records,
 - iii. Movement of material to rolling other subsidiary-type warehouses,
 - iv. Movement from warehouse (any type) to a specific job, and
 - v. Installation on a job or return to a warehouse.
 - i. Bulk purchased materials must be recorded in a perpetual inventory system.
 - j. Subgrantees must use FIFO for valuation purposes unless a subgrantee is given specific and written permission to utilize a different system.
 - k. Specific job purchases (windows, contract installation or small field purchase) must be valued at actual cost.
 - l. Inventory must be reconciled monthly.
 - m. Identifying Losses and Gains
 - i. Determining losses and gains is a system check as well as a physical count.
 - ii. Subgrantees must complete an accounting/inventory review to determine if losses are occurring at a stage other than physical loss.
 - iii. A loss is charged to the program and not to an individual job.
 - iv. All losses that an AEO monitor determines has been improperly charged to a job will be disallowed.
 - v. The cost of the loss will be removed from charges assessed to the job, and the subgrantee will be responsible for bearing the cost with non-federal, private funds.
 - vi. Continual violation will lead to more severe penalties. A maximum of one percent (1%) of the subgrantee's WAP budget will be allowed for loss/gain during the program year.
 - vii. Subgrantees that contract for services may only charge loss to WAP under special circumstances. Any loss charged to WAP must be confirmed by AEO staff via email.
 - viii. Subgrantees hire contractors for a specific type of service (i.e., insulation) but install other materials in the home can charge loss for materials that were directly under the control of subgrantee staff.
 - ix. Loss may be charged for items ordered, which cannot be installed due to an Act of God, for a specific house. As an example, if storm windows are ordered for a home that burns down prior to installation, the cost of the windows may be assessed to AEO.
2. Vehicles and Equipment

2 CFR 200.313(d):
Equipment

2 CFR 200.310: Insurance
Coverage

- a. Vehicles and equipment (“equipment”) means tangible, non-expendable personal property having a useful life of more than one (1) year and a per-unit acquisition cost of \$5,000 or more.
- b. Subgrantees must insure its equipment in accordance with the provisions of 2 CFR 200.
- c. AEO requires an annual equipment inventory.
- d. The results of the annual inventory are due to AEO not later than sixty (60) days following the end of the program year.
- e. Equipment records shall be maintained accurately and shall include the information listed in [VI.H.1.a](#) for each equipment item.
- f. A physical inventory of equipment shall be taken, and the results reconciled with the equipment records annually. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The subgrantee shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment.
- g. A control system shall be in effect to ensure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented; if the equipment was purchased with federal funds, the subgrantee shall promptly notify AEO.
- h. Adequate maintenance procedures shall be implemented to keep the equipment in good condition.
- i. Disposal of surplus and salvage WAP equipment
 - i. Subgrantees must submit a letter to AEO to document items they wish to dispose of. All items listed for disposition must be processed in the appropriate manner for disposal.
 - ii. Rules for equipment with fair-market value of less than \$5,000:
 - (1) The item may be retained, sold, or otherwise disposed of without prior AEO approval.
 - (2) DOE shall have the right to an amount calculated by multiplying the current fair-market value or proceeds from sale by the program’s share of the equipment original purchase cost.
 - (3) The subgrantee will notify AEO after the sale of the equipment by submitting an Equipment/Vehicle Disposal Report. This procedure also will allow subgrantees and AEO to update inventory records.
 - iii. Rules for equipment with fair-market value of \$5,000 or more:
 - (1) Subgrantees must receive prior written approval from AEO for disposal of equipment with a current fair-market value of \$5,000 or more.

- (2) DOE shall have the right to an amount calculated by multiplying the current fair-market value or proceeds from sale by the program's share of the equipment's original purchase cost.
 - (3) All requests for disposal must include the following information:
 - (a) Description including model name and year,
 - (b) Serial or VIN number,
 - (c) Acquisition date,
 - (d) Present condition,
 - (e) Mileage,
 - (f) Purchase price,
 - (g) Current fair market value,
 - (h) Program(s) that use the item,
 - (i) Whether or not the item will be replaced, and
 - (j) Photos (only on recently damaged equipment).
 - iv. Subgrantees will announce surplus equipment as available to all Arkansas WAP subgrantees under competitive bid.
 - v. If no subgrantee expresses interest in the property, the subgrantee may dispose of the property through open, competitive bidding.
 - vi. Subgrantees will have ninety (90) days from the date of the approval letter from AEO to dispose of the equipment.
 - vii. The subgrantee will notify AEO in writing after the sale of the equipment.
 - viii. All proceeds from sales must be returned to the funding source under which the property was purchased.
 - ix. The funds returned will be used to reduce net program support expenditures in the current program year and will be documented as such in the subgrantee audit.
 - x. Effort should be made to expend the funds by the completion of the program.
 - xi. Subgrantees must comply with all procedures specified in:
 - (1) 10 CFR 600, as amended,
 - (2) The AEO Terms and Conditions, and
 - (3) Arkansas State Procurement Standards.
 - j. Use of WAP Equipment by Non-WAP Programs within subgrantee Organization
 - i. If non-WAP programs within the subgrantee organization use WAP equipment for purposes other than WAP activities, the use must be tracked and recorded, and the WAP subgrant must be reimbursed.
 - ii. Subgrantees must have a documented procedure on how to reimburse WAP for using equipment on non-WAP activities.
 - iii. This procedure must be approved by AEO in advance.
3. Disposition of Surplus and Salvage Materials

- a. To document losses from the disposition of surplus/salvage materials, the subgrantee must complete and submit to the AEO a statement of surplus/salvage materials losses.
 - b. Any loss attributable to the difference between the original purchase price and the salvage value should be documented in the regular monthly report as a loss.
 - c. Cash receipts from the sale of surplus or salvage materials should be added to the subgrantee's cash assets in a separate account and shall be reported to AEO at the end of each program year.
 - d. These funds will be used during the following program year to augment material expense budgets and should be documented as such in the subgrantee audit.
 - e. See DOE WAP's [Vehicle and Equipment Disposal Decision Tree](#) for more information.
4. Sale of WAP Materials
- f. During a transition from crew to contract labor, a subgrantee may dispose of remaining materials to contractors at the price at which the subgrantee purchased the material.
 - g. In its bid request, the subgrantee may note that it will require the winning contractor to purchase the remaining inventory at cost as needed to complete the work assigned.
 - h. The request for bid should list approximate quantities and prices to help the bidders determine how this requirement will affect their costs.
 - i. The subgrantee shall not purchase new materials for this purpose.

10 CFR 600.135: Supplies and Other Expendable Property

I. WAP Program Year Closeout

- 1. Subgrantees must only report homes as completed that have all work, a final inspection and all rework completed by the end date of the program years specified in the Terms of the Subgrant Agreement.
- 2. Only services or supplies received prior to the end of the program year will be reimbursed by AEO (i.e., services, office supplies).
- 3. To be reimbursed for WAP services, the subgrantee's work must be completed and inspected.
- 4. Homes in progress must be carried over into the next program year.
- 5. A home in progress is a home for which at least one of the following applies:
 - a. ECM installation has commenced,
 - b. Specialty items have been ordered that cannot be returned to the vendor, or
- 6. The work has been awarded to a contractor. In the case of direct hire crew work, both the work and the final inspection must be performed in ample time for the crew to return and provide any corrective actions prior to the dwelling unit being reported as a closed job.

WPN 21-4: Closeout Procedures for Grants Under the Weatherization Assistance Program - REVISED

10 CFR 600.171: Closeout Procedures

J. Final Report and Audit

1. Authority for a subgrantee to spend WAP funds is for a period defined as the program year.
2. Audit
 - a. All subgrantees are required to have a single agency audit completed by a qualified auditing firm.
 - b. A copy of the completed audit report is due to AEO within nine (9) months from the end of the subgrantee's fiscal year or thirty (30) days from the date the final report is submitted to the subgrantee by the independent auditor, whichever occurs first.

VII. Procurement

A. Overview

1. DOE has created procurement resources to assist WAP organizations in meeting the goals of the program. Procurement resources provide examples, for illustrative purposes only, of documents that can be used in purchasing services and/or materials.
2. Arkansas will use the resources available as attachments to WAP Memorandum 115 to procure contractors, materials, and services.
3. The use of AEO Procurement forms (WAP Procurement A-M) is mandatory.
4. The procurement of materials and labor for weatherizing homes must be accomplished according to DOE guidelines.
5. Subgrantees must procure materials for WAP by competitive bid and purchase materials accordingly.
6. Transparency and Procurement
 - a. Solicitation and receipt of competitive bids by telephone is no longer allowable. AEO now requires competitive bids to be in written form and issued by email, fax, or postal mail.
 - b. The following language, per Purchasing Law ACA 19-11-708 MUST be in all solicitations for purchases exceeding \$5,000.00:
 - i. It shall be a breach of ethical standards for a person to be retained, or to retain a person, to solicit or secure a state contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for retention of bona fide employees of bona fide established commercial selling agencies maintained by the contractor for the purpose of securing business."

B. Competitive Procurement

1. The intent of these procurement standards is to provide general procurement guidance to the subgrantees. These include the use of standardized procurement documents WAP PROC A-O which comply with all state and federal guidelines.
2. The subgrantee must abide by federal requirements for full and open competition. This includes the development and updating of bidders lists and public announcements when appropriate.
3. A bidders list should be maintained including the names and contact information of all contractors who express interest in bidding on WAP solicitations during the program year.
4. General Conditions
 - a. All purchases shall be made by competitive procurement except those that are a single, local purchase or repetitive purchase of like items within a single year with a total value of less than \$5,000.
 - b. The RFQ competitive procurement instrument, or a similar representation, must be used for all purchases of \$25,000 or greater.

- c. Subgrantees are encouraged to solicit competitive bids from small, minority, and women owned business enterprises.
- d. Subgrantees are encouraged to purchase products manufactured in the United States when possible.
- e. When soliciting furnace replacement, repair, or clean and tune contractors, subgrantees are reminded that:
 - i. WAP funds cannot be used to remove asbestos, and
 - ii. Replacement is limited to those systems that meet the criteria specified 10 CFR Part 440, Appendix A(h).
- f. Subgrantees must utilize written, internal procedures for WAP service and material procurement.
 - i. These written procedures must be updated as needed and should, at a minimum, include the following:
 - (1) Subgrantee personnel in charge of the procurement process,
 - (2) Development of the procurement document,
 - (3) Pre-bid conference,
 - (4) Bid announcement/publicity,
 - (5) Handling of bidder questions prior to bid opening,
 - (6) Detailed bid opening procedures,
 - (7) Handling of bidder questions following bid opening,
 - (8) Documentation of bid opening procedures,
 - (9) Bid corrections,
 - (10) Bid withdrawals,
 - (11) Bid protests,
 - (12) Bid qualification process,
 - (13) Bid evaluation process,
 - (14) Bid tabulation process,
 - (15) Sole-source procedures and rebid,
 - (16) Preliminary award announcement,
 - (17) Final award and announcement,
 - (18) Review for contract compliance,
 - (19) Notification and documentation of contractor problems,
 - (20) Contract cancellation/termination,
 - (21) Breach of contract notification and response procedures,
 - (22) Re-award or rebid following contract cancellation/termination,
 - (23) Contract fulfillment and normal closure,
 - (24) Contract extension/negotiation,
 - (25) RFQ amendment or withdrawal,
 - (26) Resolving bid ties,
 - (27) Post award orientation meetings,
 - (28) Process used for telephone bids,
 - (29) Procedures for addressing material testing standards or specifications questions,
 - (30) Contract performance evaluation,

- (31) Bidders lists,
- (32) Bids from sole proprietors, partnerships and corporations, and
- (33) Implementation and review of the subgrantee's affirmative procurement program for building insulation products containing recycled products.

C. Procurement Process

1. Determine the Item(s) Being Procured
 - a. The subgrantee must determine the item(s) for which it will request bids, proposals, and quotations.
 - b. A detailed scope of work is critical when evaluating bids, proposals, and quotes.
 - c. For service procurement, ensure the scope of work includes:
 - i. Type of services needed (i.e., comprehensive training, monitoring support, quality control inspections, etc.),
 - ii. Specific experience or credentials required of bidders (i.e., certification(s), years of experience training WAP workers, etc.),
 - iii. Timeframe for needed services (i.e., designate specific times, within a specific period, etc.),
 - iv. Quantity/Level of Effort (i.e., how many trainees, how many hours of support, etc.),
 - v. Detailed requirements for the contractor to adhere to federal safety standards,
 - vi. Contractor liability requirements regarding damage to client property/belongings,
 - vii. Detailed expectations around warranties and client education components, and
 - viii. For training-specific service procurement, ensure the scope of work includes:
 - (1) Type of training and anticipated audience (e.g., numbers, level, etc.),
 - (2) Applicable standards trainees should be taught to,
 - (3) Experience and/or accreditations required of the bidders,
 - (4) Pre-identified needs and/or training goals of the subgrantee,
 - (5) Training delivery specifications (e.g., in person, remote, self-paced, etc.),
 - (6) Frequency and/or length of training,
 - (7) Curriculum development expectations and/or training preparation,
 - (8) Evaluation tools bidder will use to conduct student pre-assessments,
 - (9) Expectations around training qualifying for certification testing or Continuing Education Units,
 - (10) End of course evaluation,
 - (11) Training retention activities,

- (12) Location and logistics, and
 - (13) Administration expectations.
- d. For materials and equipment procurement, ensure the scope of work includes:
 - i. Material standards outlined in 10 CFR 440, Appendix A,
 - ii. Material disposal requirements that meet or exceed the EPA recovered material rule of 2 CFR 200.323,
 - iii. SWS by reference,
 - iv. Detailed requirements for the contractor to adhere to federal safety standards,
 - v. Contractor liability requirements regarding damage to client property/belongings,
 - vi. Detailed expectations around warranties and client education components
 - vii. Specific information about whether the cost is the material or the material plus installation, and
 - viii. Specific parameters about delivery (e.g., bulk delivery and warehousing materials or purchasing on a house-by-house basis from a designated vendor).
- 2. Determine the Procurement Method
 - a. Under \$5,000: no bid required
 - i. All purchases shall be made by competitive procurement except those that are a single, local purchase or repetitive purchase of like items within a single year, 12-month period, with a total value of less than \$5,000.
 - ii. Although competitive bids are not required for purchases less than \$5,000, agencies are strongly encouraged to obtain multiple quotes for price comparison.
 - b. \$5,000 to \$24,999: informal, telephone, written bids are required.
 - i. Single, local purchase or repetitive purchases of like items or services, within 12-month period, with total value of \$5,000 to \$24,999 must be procured through the competitive process by informal, telephone, or written bids.
 - ii. The subgrantee must obtain a minimum of three (3) competitive bids (See Sole Source; Sole Response, and "No bid" Response).
 - iii. Informal, telephone, and written bids are to be completed each time the items are needed.
 - iv. Purchases within this cost range may also be procured by sealed, written bids.
 - v. The subgrantee may wish to require telephone bidders to submit written bids to the agency before the end of five (5) working days to be eligible for a contract award.

- vi. The subgrantee is advised to have the winning respondent sign a contract when procuring services or when procuring services or commodities by telephone bid.
- c. \$25,000 or greater: formal, sealed bids are required.
 - i. Purchases of items or services, within a 12-month period, with a total value of \$25,000 or greater must utilize the RFQs procurement instrument for formal, advertised, sealed, written bids.
 - ii. The subgrantee must obtain a minimum of three (3) competitive bids.
 - iii. Act 303 of 2011 requires the Department of Finance and Administration to post state expenditures on a public, “transparency”, website starting July 1, 2012.
 - iv. Purchases over \$25,000 will appear on the transparency website the day following the transaction so accuracy in all purchasing documents is critical.
- 3. Establish Procurement Timeframe
 - a. The subgrantee must determine the procurement cycle which will include what they will be purchasing, when they will need the services and/or materials, and in what quantities.
 - b. It is important that the potential providers of the services and/or materials are aware of the timeframes including when quotes are due
 - i. A best practice is to allow thirty (30) days, during which time the bidders conference and any mods or responses to questions are addressed, when the agreement will be signed, and date items/services are required.
 - ii. More or less time may be required depending on the item(s) being procured.
 - c. For service procurement:
 - i. It is important to be realistic around timeframes when requesting services.
 - ii. Availability varies depending on multiple factors including other T&TA commitments, staffing levels, state, and national conferences.
 - iii. The more flexible the timeframe for delivery of services, the more bids the subgrantee is likely to attract.
 - d. For materials and equipment procurement:
 - i. Plan production carefully to ensure the delivery of materials and/or equipment closely aligns with their installation to avoid unnecessary storage.
 - ii. Consider whether bulk ordering and managing an inventory is advantageous.
- 4. Identify Procurement Lead
 - a. The subgrantee should choose one staff member to lead the procurement.

- b. It is important that a single individual coordinates the solicitation activities and serves as the subgrantee contact for all potential bidders.
- 5. Develop the Procurement Document
 - a. The structure of an RFQ document should follow this general pattern:
 - i. Bidder's checklist (WAP Procurement A),
 - ii. General information (WAP Procurement B),
 - iii. Application (WAP Procurement C),
 - iv. Bid form pages with instructions (WAP Procurement D-H),
 - v. Sample contract and contractual clauses,
 - vi. Other subgrantee specific attachments.
 - b. When procuring furnace contractors for replacement, repairs, and clean and tune work on gas or oil forced-air heating systems, wall units and floor units, agencies must use the appropriate RFQ procurement instrument and RFQ form pages provided by AEO. See section [VII.G](#) of this document.
 - c. RFQ General Information (WAP Procurement B)
 - i. Fixed Price
 - (1) All bids and contracts must be based on a firm, fixed price.
 - (2) Cost plus percentage of cost purchasing is not allowed.
 - (3) Program expenditures cannot be made on the basis of a seller's cost plus a percentage.
 - ii. Estimated Quantity
 - (1) RFQs should include estimates of the total quantity of each item to be purchased or estimates of the amount of service needed during the life of the contract for items for which the agency is able to reasonably determine estimated usage.
 - (2) Using a quantity of "1" is inappropriate for items or services for which usage can reasonably be estimated.
 - (a) Heating system general repair items are an exception to this rule.
 - (3) The estimated quantities are required to be included in the bid package, although they are not required to be part of the calculations for the pricing pages. For example, the estimated quantities may be provided to bidders as an attachment to the bid.
 - (4) The estimated size of individual orders, when applicable, may also be included.
 - (5) Bidders must be informed that the quantities are estimates, and the agency is not obligated to purchase the exact amount.
 - iii. Quality Standards
 - (1) The subgrantee must require vendors and contractors to comply with all material standards and specifications stated in the RFQs, whether they are federally mandated standards or established by the agency.

- (2) The RFQs must state that this is a requirement and failure to comply may result in disqualification of the bid or termination of the contract.
- (3) The subgrantee must use the material standards specified in Federal Register 10 CFR 440, Appendix A.
- (4) The subgrantee must identify the specification numbers for items being bid and include the phrase, "or subsequent ASTM, ANSI or F.S. approved standards which supersede this specification."
 - (a) This may be included in the RFQs as a clause rather than repeated with each specification number.
- (5) The subgrantee must abide by the list of approved weatherization materials in the Weatherization State Plan.
- (6) The subgrantee should require all bidders to submit material certification documentation.
 - (a) If submission of this data is required, the RFQs must inform contractors and vendors that failure to submit material certification documentation when requested can result in disqualification of the bid or termination of the contract.
- (7) Quality standards for material specifications may be set where federal specifications are not set. The specific characteristics of the item must be clearly described.
- (8) Standards and specifications may be set for reasonable programmatic needs.
- (9) Standards shall not be set that limit competition for non-programmatic reasons.
- (10) Standards and specifications must be clear and accurate.
- (11) If a brand name is used for descriptive purposes, the purchaser must clearly describe the specific features sought that the specific brand possesses. It is not sufficient to state "Brand-X or equivalent."
- (12) Substitution is defined as an item that materially conforms to the specifications listed but is physically or technically different from the item bid.
 - (a) The RFQs must state the conditions under which substitutions will be allowed.
 - (b) Substitution shall only be made with the advanced written consent of the subgrantee.
- (13) Any product provided that does not meet the listed specifications shall be replaced by the contractor at no expense to the subgrantee.
- (14) If the contractor is unable to make an acceptable adjustment or replacement, the subgrantee shall interpret this as a breach of contract and may seek damages for default.

- iv. Content Standards
 - (1) Subgrantees to whom the EPA recycled content regulation applies must include appropriate content standards and other requirements, in accord with Part I. See section [VII.H](#) of this document.
- v. Performance Standards
 - (1) Standards regarding performance by the supplier may be set relative to agency needs.
 - (2) Performance standards must be reasonable and based on program requirements. Examples of such standards are delivery time and place, billing procedures, etc.
- vi. Bid Evaluation Criteria
 - (1) The RFQ must clearly state the criteria the subgrantee will use to evaluate the responsiveness of the bid. These criteria must, at a minimum, cover the following points:
 - (a) All original bids must be typed or handwritten in indelible ink or provided electronically if electronic submission is an option.
 - (b) All original bids must be submitted to the subgrantee in a sealed envelope with “Sealed Bid” clearly marked on the outside or provided electronically if electronic submission is an option.
 - (c) The RFQ will be awarded to the lowest-priced, most responsive, and responsible bidder.
 - (d) To be eligible for evaluation, the bid must meet the stated standards for materials and comply with all conditions listed in the bid.
- vii. Bid Closing and Receiving
 - (1) All procurement instruments must clearly state the:
 - (a) Time and date of the bid closing and
 - (b) Physical location where bids are to be received.
- viii. Sealed Bid Photocopy
 - (1) The purpose of the sealed bid-photocopy is to provide verification of original bid prices in the event of a dispute.
 - (2) If the subgrantee chooses to require all bidders to provide a sealed photocopy of the original bid, this photocopy must be:
 - (a) Provided by all bidders,
 - (b) Provided at the same time as the original bid, and
 - (c) Sealed in an envelope with the words “Sealed Bid B Photocopy” clearly marked on the outside of the envelope.
- ix. Bid Opening
 - (1) All RFQs must clearly state the:
 - (a) Time,
 - (b) Date, and

- (c) Location of the bid opening.
- (2) There must be a public opening of the bids, and public access to the bids must be provided.
- x. Renewal Clause
 - (1) The subgrantee has the option to include renewal language in an RFQ or contract.
 - (2) Weatherization services and materials can be renewed yearly, up to a maximum of three (3) years.
 - (3) If the subgrantee chooses to include a renewal clause in the RFQ, the subgrantee must select either a price or percentage-type of renewal and provide the appropriate areas within the bid document for the contractor to specify the renewal price or percent increase.
 - (4) It is recommended the RFQ contain renewal language that:
 - (a) Any renewal is based on successful completion of previous term of the contract as determined by the subgrantee,
 - (b) Renewal is mutually agreeable by both parties,
 - (c) Renewal must be in writing, signed, and dated by both parties,
 - (d) Renewal price or percentage will be included in the bid evaluations when determining the lowest price of the initial bids,
 - (e) None of the work or services specified in this contract shall be subcontracted by the contractor without the prior written consent of the subgrantee,
 - (f) The contractor agrees that all work shall be performed in strict compliance with all applicable laws, ordinances, OSHA guidelines, EPA's lead renovation, repair, and painting final rule (LRRPP) rules, and
 - (g) Under no circumstances will any lien ever be placed on any client home.
- 6. Advertise the Solicitation
 - a. The subgrantee must advertise to obtain proposals for a minimum of seven (7) days.
 - b. Ads should run in at least one (1) daily newspaper of general circulation in such places as are most likely to reach prospective bidders, like daily or weekly newspapers specific to the counties served.
 - c. Subgrantees may also advertise through an electronic medium available to the general public at least five (5) days before proposals for such purchases are to be opened.
 - d. Potential bidders on the subgrantee contact list should be notified at the time the agency advertises for bidders in newspapers.
 - e. The objective of the advertisement is to inform as many potential bidders as possible of the solicitation.

- f. Agencies should be as inclusive as possible and look for opportunities to expand vendors participating in
 - g. the program.
 - h. As part of the advertisement, the agency may choose to require bidders to notify the their intent to bid by a specific date. This helps ensure the bidder is qualified to bid on the item(s) being procured.
7. Conduct Bidders' Conference
- a. The purpose of the bidders' conference is to provide information to all potential bidders for the services, materials, and/or equipment regarding the solicitation and expectations for the item(s) provided.
 - b. Material bids do not require a bidders' conference.
 - c. Each subgrantee must ensure its procurement policies are in alignment with 2 CFR 200.319.
 - d. The subgrantee must ensure that, during the solicitation phase, information is provided equitably to all bidders.
 - e. The meeting also allows the subgrantee to respond to questions about the solicitation.
 - f. There must be a minimum of three (3) weeks between the bidders' conference and the due date of the bids.
 - g. DOE requires minutes to be taken during the bidders' conference which allows guidance provided during the bidders' conference to be shared with any interested party.
 - h. A bidder's not attending the bidders' conference means only that the potential bidder would not have the opportunity to ask their own questions and might be at a disadvantage when submitting a bid.
 - i. It is recommended that the bidders' conference be mandatory and provided virtually so no one must travel to attend.
 - j. No special preference in notice or information may be given to a small, MWBE.
 - k. Alternatively, the subgrantee may request that all potential bidders submit questions by a specific date. In this case, the subgrantee would develop responses to the questions and send the information to all registered potential bidders or post on a public website that all bidders would have access to.
 - l. It is suggested that the following items be discussed at the pre-bid conference, and at Pre-quotation conferences, if appropriate:
 - i. How to complete and submit the procurement document,
 - ii. Criteria to be used to evaluate bid price,
 - iii. How corrections will be handled,
 - iv. How to obtain information regarding material specifications,
 - v. Nondiscrimination provisions,
 - vi. Criteria for past performance or submittal of performance bonds,
 - vii. Examination of sample products,
 - viii. Right of agency to accept and reject bids,

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- ix. Contract alterations,
- x. Contract termination,
- xi. Remedies in case of default/liquidated damages,
- xii. Warranties and guarantees,
- xiii. Indemnities,
- xiv. Shipping instructions,
- xv. Covenant against contingent fees,
- xvi. Lien waivers,
- xvii. Discounts,
- xviii. Bid bonds,
- xix. Protests,
- xx. Withdrawals, and
- xxi. Liability.

8. Receive Bids

- a. Bids for the solicitation should be sent to a designated subgrantee staff member up until the procurement closing date and time.
 - i. This individual will manage the unopened bids.
 - ii. To ensure the integrity of the bid process, it is recommended that the individual receiving and managing the bids should not be the same staff member designated procurement lead.
- b. The subgrantee must ensure that a check-in and logging procedure is used when sealed bids are received. This should include identifying the:
 - i. Bidder,
 - ii. Bid subject, and
 - iii. Time and date the agency received the sealed bid on the outside of the envelope.
- c. The subgrantee must ensure that all sealed bids (and bid bonds, if any) are kept in a secure location under lock and key until time for the bid opening.
- d. If received electronically, no bid may be accessed until the closing date and time.
- e. If the subgrantee has required the bidder to submit a photocopy of the RFQs, the photocopy must remain inside the sealed envelope in the subgrantee's files for future review or legal settlement.
 - i. Bidders who do not provide an appropriate photocopy when required to do so are nonresponsive and ineligible for the bid award.
- f. Bidders should be allowed to withdraw their bid prior to the bid opening, if this occurs before the bid deadline has passed.
- g. The bidder may resubmit their bid if the resubmitted bid is received prior to the bid deadline.
- h. Once a bid has been withdrawn and the bid deadline has passed, resubmission shall not be allowed.

9. Open Bids

- a. Formal, sealed bids must be opened and read aloud in a public setting.
- b. A minimum of three (3) people must be present at a sealed-bid opening.
- c. The subgrantee must also provide for public inspection of all bids during and after opening (provided this does not hamper the bid qualification and evaluation process).
- d. Procurement documents, such as RFQs, are not opened publicly, and pricing information can be disclosed upon award of the contract.
- e. Copies of the bids, corrections, evaluations, and tabulations should be made available immediately to any interested party.
- f. When possible, it is best practice to assemble a team of bid reviewers to review and score the bids.
- g. The procurement lead may or may not be a member of the team.
- h. The team will evaluate the quotations submitted and select the successful bidder(s).
- i. The team should do a first review to ensure all offerors meet the minimum requirements.
- j. For all factors being considered in the evaluation (e.g., cost, preferences, experience, references, etc.) the team will use the pre-defined scoring criteria to assess and score each bid.
- k. Part of the federal award requires that non-federal entities must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus areas are used, when possible.
- l. During the bid qualification process, the bidder or the subgrantee may, in a public setting, make corrections to the bid for only those items that will in no way affect either the bid prices that have been quoted or the validity of the bid.
 - i. These corrections are strictly limited to clerical-type information, e.g., wrong or missing dates, failure to submit an address or telephone number, etc. Corrections shall not include any specific or technical requirements listed in the invitation for bid, i.e., submission of the bid by a specified deadline, failure to submit the bid in a marked and sealed envelope, failure to fulfill all bid requirements, etc.
 - ii. Correctable errors will be allowed in order to prevent an otherwise valid bid from being disallowed due to an unintentional oversight or error on the part of the bidder that does not involve data or information used for comparative or evaluative purposes.
 - iii. The actual correction of an error shall be performed only by designated subgrantee staff at the time of bid opening.
 - iv. All correctable errors must be fully documented by the subgrantee and witnessed by the bidder and two (2) other disinterested persons not affiliated with either the subgrantee, bidder whose bid is corrected.
 - v. A notary public may also witness error corrections.

- m. A preliminary award may be announced at the bid opening, with the understanding that the bids will need to be closely evaluated before the final award is made.
- n. Once a bid has been withdrawn from consideration after bid opening, corrections or re-submissions are not allowed.

10. Evaluate Bids

- a. Bid evaluation and award must be based on evaluation methodology clearly stated in the procurement document.
- b. All bids must be evaluated based on the methodology and the documents submitted.
- c. AEO may require justification for evaluation methodology.
- d. Evaluation criteria include, but are not limited to:
 - i. Price,
 - ii. Financial resources, or ability to obtain them as, required during the performance of the contract,
 - iii. Ability to comply with delivery or performance schedules,
 - iv. Past performance,
 - v. A satisfactory record of integrity and business ethics,
 - vi. Organization, experience, controls, and skills,
 - vii. Facilities and equipment, and
 - viii. Eligibility for award under applicable laws and regulations (for example, equal employment opportunity compliance).
- e. The subgrantee cannot limit acceptable past performance solely to previous work with the subgrantee and must be considered based on prior performance with other organizations with similar needs.
- f. A selection committee is required for bid evaluation:
- g. DOE requires the following documentation:
 - i. List of selection committee members reviewing and evaluating all bids received,
 - ii. Evaluations by each committee member which will support the selected contractors/materials providers, and
 - iii. Minutes from each meeting of the selection committee.
- h. It is necessary for the subgrantee to have this guidance prior to the deadline for sealed bids when there is still time to set up your selection committee.
- i. Prices must be clearly stated in handwritten or typewritten indelible ink or provided electronically if electronic submission is an option.
- j. Contract awards shall only be made to responsible bidders whose bids are both responsive to the subgrantee's solicitation and extend to the subgrantee at the most advantageous price.
 - i. The responsiveness of the bidder refers to whether the bidder completed the RFQ according to the subgrantee's instructions and submitted all documentation required by the subgrantee for use in bid evaluation.

- ii. An RFQ that is determined non-responsive is disqualified from further review.
 - iii. A competitive procurement document, such as an RFQ, may be made responsive by asking for clarification from the offeror.
 - iv. Clarification refers to communication with an offeror “for the sole purpose of eliminating minor irregularities, informalities or apparent clerical mistakes in a proposal.”
 - k. For material items, if the lowest bid is not accepted and the total cost of the items is less than \$10,000, then documentation must be maintained in the files giving the reason the low bid was not accepted.
 - l. If the total cost of the items is over \$10,000, then the bid must be approved by AEO.
 - m. For contracted services, the lowest bid must be accepted as the primary contractor for the materials or services designated.
 - n. If a potential bidder plans to subcontract any WAP work, the contractor must receive prior, written approval from the subgrantee.
 - o. If the bid documents were designed with a renewal option, the bidder’s price or percentage of change of the renewal option, must be included in the price evaluations when determining the lowest bid price.
 - p. MWBEs must be given additional consideration as part of a comprehensive evaluation of RFQs.
 - q. Rebates or discounts shall not be considered or allowed in evaluation of the RFQ.
11. Bidder Selection and Notification
- a. Based on the bid evaluations, one or more bidders will be selected and notified of the selection in writing.
 - b. Unsuccessful bidders must receive written notification that they were not selected.
 - c. MWBEs may not be selected solely because they are small MWBEs.
 - d. Subgrantees may award a secondary or tertiary contract under the circumstances detailed below. subgrantees are required to use the primary contractor unless one of the following conditions applies:
 - i. The primary contractor cannot provide the services in the time frame requested by the agency in its RFQs.
 - (1) In such an event, the subgrantee may award the contract to the next lowest bidder (secondary contract).
 - (2) If the next lowest bidder (secondary contract) cannot provide the services in the time frame requested by the subgrantee, the subgrantee may award the contract to the third lowest bidder (tertiary contract).
 - (3) If the tertiary bidder cannot provide services in the time frame required by the subgrantee, the subgrantee shall begin a new competitive bid process.

- ii. The subgrantee has documented to AEO in writing receiving unsatisfactory services applicable to the primary contractor's work performance. Upon AEO approval:
 - (1) The subgrantee may award the contract to the next lowest bidder (secondary contract).
 - (2) If the subgrantee documents unsatisfactory performance by the secondary contractor, then upon AEO approval, the subgrantee may award a contract to the third lowest bidder (tertiary contract).
 - (3) If the subgrantee documents unsatisfactory performance by the tertiary contractor, the subgrantee shall begin a new competitive bid process.
 - iii. There exists a potential conflict of interest. Upon AEO approval:
 - (1) The subgrantee may award the contract to the next lowest bidder (secondary contractor).
 - (2) If a potential conflict of interest exists with the secondary contractor, the subgrantee may award the contract to the third lowest bidder (tertiary contractor).
 - (3) If a potential conflict of interest exists with the tertiary contractor, then the subgrantee shall begin a new competitive bid process.
 - iv. A circumstance may arise in which the subgrantee discovers, after awarding the primary contract, that the primary contractor cannot provide services in the requested time frame, performs in an unsatisfactory manner, or has a conflict of interest.
 - (1) In these situations, the subgrantee shall cancel the contract with the primary contractor and may award a contract to the second-lowest bidder (secondary contract).
 - (2) If the subgrantee discovers these kinds of issues with the secondary contractor, the subgrantee shall cancel the contract with the secondary contractor and may award the contract to the tertiary contractor.
 - e. The responsibility of the lowest bidder must be evaluated prior to the award. A bidder or respondent determined non-responsible for the agency is ineligible for a contract award.
 - f. The subgrantee must have written procedures for handling bidder protests.
 - g. Bidder protests must occur within five (5) working days from the date of notification to bidders of the proposed award or notification of an unsuccessful bid.
 - h. The final award shall only be made after the five (5) working day protest period ends.
12. Enter into Agreement(s)

- a. After the subgrantee has made its selection(s), the subgrantee enters into the agreement with the selected bidder(s).
- b. It is important to work with AEO to ensure that all requirements are included in the agreement.
- c. Prior to signing any agreement, the subgrantee must verify that the bidder is not debarred.
- d. The bidder certifies by signing the agreement that they are not presently debarred, suspended, proposed for debarment, declared ineligible, voluntarily excluded from participation, or otherwise excluded from or ineligible for participation under federal assistance programs.
- e. Any bidder may withdraw their bid at any time before the contract award has been made.
- f. An RFQ becomes a contract when it has been signed by the bidder and counter-signed by appropriate subgrantee staff.
 - i. After this point, it is appropriate to refer to the document as a contract.
 - ii. Only subgrantee forms should be used for bids and contracts and these forms should contain DOE and AEO contract language, when appropriate.
- g. Amendments may be made only if allowed by a clause in the contract.
 - i. The clause must state that the amendments will be mutually agreed upon in writing between the contractor and the subgrantee and will be signed and dated by both parties.
 - ii. It is the subgrantee's responsibility to ensure that the price of an amended item is found reasonable.
 - iii. The winning bidder is obligated to fulfill the terms of the bid once both parties have signed the bid contract.
- h. Non-fulfillment of any of the terms of the contract shall be deemed as a breach of contract.
 - i. Breach of contract occurs when the contractor continues to violate any of the terms or conditions of the contract after being notified about the lack of compliance and possible consequences by the subgrantee.
 - ii. In the event of such a breach of contract, the subgrantee shall seek remedies as stated in the contract and to the full extent that the law provides.
 - iii. The subgrantee must have written procedures for dealing with breach of contract and contract termination or cancellation.
 - iv. The subgrantee may refuse to accept future bids from a selected bidder that breaches a contract for a period not to exceed two (2) years.
- i. If the subgrantee has required a "sealed-bid-photocopy" from the bidder, and that photocopy must be opened, the sealed photocopy shall

only be opened in the presence of appropriate parties, which may include the subgrantee's executive director, attorney, or notary.

- i. If any discrepancy exists between the original bid and the photocopy, the bid or contract shall be immediately disqualified or discontinued (canceled or terminated) by the subgrantee.
- j. A circumstance may arise in which the subgrantee discovers, after awarding the primary contract, that the primary contractor cannot provide services in the requested time frame, performs in an unsatisfactory manner, or has a conflict of interest.
 - i. In these situations, the subgrantee shall cancel the contract with the primary contractor and may award a contract to the second-lowest bidder (secondary contract).
 - ii. If the subgrantee discovers these kinds of issues with the secondary contractor, the subgrantee shall cancel the contract with the secondary contractor and may award the contract to the tertiary contractor.

13. Solicitation Documentation

- a. DOE reviews procurement documentation during monitoring visits.
- b. Solicitation File
 - i. It is important to maintain a solicitation file separate from the selected bidder file.
 - ii. The solicitation file is available for inspection should anyone inquire about the process the subgrantee followed in making the award.
 - iii. The solicitation file will also assist in making refinements to future solicitations.
 - iv. The solicitation file should include:
 - (1) Request for Quotation documents including general instructions, specifications, and price quotes,
 - (2) A copy of the advertisement and listing of ways the agency posted the solicitation,
 - (3) The bidders' intent to bid notifications that include date received, if required as part of the bid process,
 - (4) A list of attendees and minutes of the bidders' conference,
 - (5) Documentation listing questions received, answers to the questions, and how the questions and answers were distributed to all bidders,
 - (6) List of selection panel members,
 - (7) Quotes received,
 - (8) Reviewer evaluation papers,
 - (9) A copy of the notice to the award to the selected bidder,
 - (10) A copy of the notice to each bidder not selected,
 - (11) List of protest committee members (if necessary), and
 - (12) Copy of the protest committee correspondence, meeting minutes and work papers (if necessary).

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- c. Bidder Files
 - i. Documentation for each bidder must be kept.
 - ii. Each bidder file should include:
 - (1) Bid response,
 - (2) Notice of award or notice of non-award,
 - (3) Certificate of insurance,
 - (4) Licenses (if applicable),
 - (5) Payment requests,
 - (6) Performance of evaluations,
 - (7) Work orders,
 - (8) Change orders (if applicable)
 - (9) Contract, and
 - (10) Certifications:
 - (a) Suspension and debarment,
 - (b) Lobbying disclosure, and
 - (c) Drug-free workplace.

D. Sole Source, Sole Response, and No Bid Response

- 1. Sole Source
 - a. Sole source purchase exists when:
 - i. Supplies are proprietary and only available from the manufacturer or a single distributor,
 - ii. Based on past procurement experience, it is determined that only one (1) distributor services the region in which the supplies are needed, or
 - iii. Supplies are available at a discount from a single distributor for a limited time.
 - b. The subgrantee must request prior approval, with written justification, from AEO prior to making a purchase (commodity or service) from a sole source vendor.
- 2. Sole Response
 - a. Sole response purchase exists when:
 - i. Only one (1) bidder has responded to a bid solicitation, or
 - ii. Only one (1) bidder remains eligible for bid award after all bids have been reviewed to determine whether they meet the bid requirements.
 - b. The subgrantee must document its efforts to obtain competition and maintain this documentation for monitoring purposes.
 - c. If the subgrantee encounters a sole response situation for a bid price of \$25,000 or greater, the subgrantee must seek AEO approval to accept the bid.
 - i. A cost analysis must be submitted to AEO at the time the subgrantee seeks sole response bid approval which compares the bid price received to other vendor and contractor prices.

- ii. The cost analysis must be submitted in a letter of request for Sole Source Approval to AEO.
- 3. No Bid
 - a. A no bid response exists when a bidder returns the bid marked as “no bid.”
 - b. A no bid response from a bidder may be counted toward the requirement for three (3) competitive bids provided that all no bid bidders could have reasonably been expected to provide the procured item.

E. Small, Minority-, and Women-owned Business Enterprises

- 1. Pursuant to the Minority Business Economic Development Act (Act 1222), the AEO supports equal opportunity as well economic development in every sector, encouraging a ten percent utilization of services and goods provided by small, minority, and women-owned business enterprises.
- 2. Subgrantees shall make a good-faith effort to ensure that at least ten percent (10%) of the total amount expended reaches small, minority, and women-owned business enterprises as a source for supplies and services, through notification of bid solicitation, as well as by contacting the Minority Business Division of the AEO who can provide information on these business enterprises or other entities which may provide similar information.
- 3. Subgrantees shall document their good-faith efforts to solicit bids from all interested and eligible suppliers or subgrantees and advertise formal bids.
- 4. Coordination with the Arkansas Economic Development Commission’s (AEDC) Small and Minority Business Office is encouraged. AEDC contact information:
 - a. Director Of Small Business and Entrepreneurship Development:
(501) 682-7684
 - b. Minority And Women Business Certification:
(501) 682-7782

F. Vehicle and Equipment Procurement Information

- 1. Vehicle and Equipment Purchase Guidelines
 - a. Subgrantees seeking to purchase vehicles and equipment greater than \$5,000 in value must receive prior written approval for the purchase by providing AEO with a purchase justification for each request.
 - b. All vehicle purchases, even if the purchase price is below \$5,000, require both DOE and AEO approval before the vehicle may be purchased.
 - c. Any additional supporting information should also be submitted at the time the request is made.
 - d. This purchase request form must also be submitted if an subgrantee wishes to purchase a surplus vehicle or equipment from another subgrantee at a cost of \$5,000 or more.

10 CFR 440.18: Allowable
Expenditures

10 CFR 600.130-137:
Property Standards

2 CFR 200.313: Equipment

WPN 17-6: Property
Acquired Under the
Weatherization Assistance
Program Including Vehicle
and Equipment Purchases

- e. Only under special circumstances, and with AEO's prior approval, shall subgrantees purchase used vehicles or equipment at a cost of more than \$5,000.
- f. The approval process may be expedited by submitting an vehicle or equipment purchase request identifying, at the time the subgrant application is submitted, vehicles or equipment the subgrantee anticipates purchasing during the upcoming year.
- g. Subgrantees must comply with all requirements specified in:
 - i. This manual,
 - ii. 10 CFR 440,
 - iii. 10 CFR 600,
 - iv. 2 CFR 200,
 - v. WPN 17-6,
 - vi. Department of Energy Financial Assistance Rules,
 - vii. Form WAP 06, and
 - viii. The requirements specified in the Scope of Services and the Weatherization Program Competitive Procurement Standards.
- h. All vehicles and equipment must be purchased at least forty-five (45) days prior to the close of the program year.
- i. For approval of all vehicles and equipment purchases over \$5,000, the minimum information required by DOE includes the following:
 - i. Completed WAP Form 06,
 - ii. Name of requesting Grantee and Local agency,
 - iii. Where the vehicle will be used
 - iv. How it will be used (specify, full- or part-time WAP use),
 - v. Whether this is a replacement or an expansion for ramp-up,
 - vi. Number of new employees planned or already hired that will be using the vehicles,
 - vii. How the trade-in of the old vehicle is being addressed if the new vehicle is a replacement.
 - viii. Brief description of how the procurement will be done, and confirmation that procurement policies will be met,
 - ix. Funding source(s) and budget categories to be used (subgrantee T&TA funds are not an allowable option),
 - x. Statement that lowest bid will be selected, or a sufficient justification of the "best value selection" if the lowest bid was not recommended for DOE approval,
 - xi. If the State Purchasing Contract will not be used to purchase the vehicle, copies of bid specifications (vehicle description with options requested) and bids received, and
 - xii. Copies or invoices of the sealed bid newspaper advertisements (for vehicle or equipment purchases \$25,000 or greater).
- j. Subgrantees must ensure the following for equipment and vehicle purchases:

- i. Their ability to sustain vehicles and equipment past the term of the grant or return the fair market value to the program,
 - ii. That vehicles and equipment are used exclusively for WAP or that the WAP grant will be reimbursed for use by other programs, and
 - iii. That vehicles and equipment are tracked in inventory.
- k. Alternatives to purchasing vehicles and equipment:
 - i. Subgrantees should consider and weigh the options concerning leasing versus purchasing.
 - (1) Approval is not required for a vehicle lease that does not include a "purchase option."
 - (2) If a lease-purchase option is proposed, even if the purchase price is as small as one dollar (\$1), AEO and DOE must approve the transaction in advance.
 - ii. Another option to consider when purchasing vehicles is the various fleet programs offered by the automakers.
- 2. Vehicle and Equipment Leasing Guidelines
 - a. Subgrantees that lease equipment or vehicles from leasing companies or subgrantee organizations that lease vehicles or equipment to WAP must comply with the following:
 - iii. The subgrantee must itemize the cost of leasing in the subgrant application and submit justification for the lease of vehicles or equipment.
 - iv. The method of lease should be outlined in the justification and in the vehicle/equipment purchase/lease request (i.e., whether the agency plans to use a leasing company/dealership or the agency is leasing to the Weatherization Program).
 - v. The form should be submitted with the subgrant application for approval at that time.
 - vi. The subgrantee must choose the method with the lowest cost to the program (i.e., leasing company/dealership or agency lease to program).
 - vii. Justification for the lease should contain:
 - (1) At least three telephone or informal bids from leasing companies/dealerships,
 - (2) A written comparison justifying the cost-effectiveness of lease compared to purchase must be submitted to AEO,
 - (3) The vehicle/equipment to be leased must be of the same quality as the vehicle/equipment purchase specification, and
 - (4) The leasing of equipment must be submitted to AEO for prior approval.
 - viii. Lease terms are negotiable.
 - ix. Leases periods may not extend beyond the end of the subgrantee's current WAP grant.

G. Heating System Services and Replacement Procurement Information

1. Heating System Services

- a. When procuring heating system services and the expected cost is less than \$25,000 over the life of an annual contract, subgrantees have the following bidding options:
 - i. Use a telephone bid clean and tunes and general repair items as needed.
 - (1) This method is not recommended for subgrantees that need many clean and tunes and general repairs performed.
 - ii. Use a formal written bid of clean and tunes only.
 - (1) In this case, General Repairs would be telephone bid on an as needed basis.
 - iii. Use a formal written bid of clean and tunes and general repair items.
- b. Subgrantee staff are responsible for ensuring that quotation prices are reasonable. The basis for determining reasonableness include, but are not limited to:
 - i. Comparison with prior year costs and
 - ii. Comparison with other WAP subgrantees.
- c. Complete the blank spaces in the RFQ to provide necessary information to vendors which includes, but is not limited to:
 - i. Time limits,
 - ii. Service area,
 - iii. Re-works, and
 - iv. Client complaints.
- d. Include the county name with the page number on the three pricing pages (e.g., 1-Saline, 2-Saline, 3-Saline).
 - i. Do this only on the pricing pages.
 - ii. This will enable the agency to provide separate pricing pages for each county rather than separate RFQs, thus reducing administrative costs. For example, if a contractor indicates interest in four (4) counties, fasten the four (4) sets of pricing pages matching those counties to the RFQ, and give the document to the contractor, rather than giving him or her four (4) separate RFQs.
- e. Provide an estimated quantity of clean and tunes on the RFQ cover page.
 - i. It is recommended that the estimated quantity of clean and tunes is based on the number of clean and tunes done during the previous program year and adjusted based on current year estimated production.
- f. To estimate the quantity of general repair items, a quantity of "A1" may be used due to difficulty in estimating usage.
- g. If a subgrantee chooses to use an estimated quantity greater than a quantity of one (1), it is recommended that the estimated quantities for

general repair line items be based on the repairs called for during the previous program year and adjusted based on current year estimated production.

- h. If the subgrantee uses telephone solicitation, an RFQ for each bidder must be completed at the time of the telephone conversation, identifying the contractor and the contractor's prices.
 - i. This RFQ must be signed by the awarded bidder.
- 2. Heating System Replacement
 - a. Each furnace replacement RFQ is for one (1) furnace.
 - b. Identify the furnace system to be replaced and identify what type of heating system and components are needed.
 - c. Clearly and completely identify the job site.
 - d. Complete the blank spaces in the RFQ to provide necessary information to vendors which includes, but is not limited to:
 - i. Time limits,
 - ii. Description of furnace, and
 - iii. Client address.
 - e. If the subgrantee uses telephone solicitation, an RFQ for each bidder must be completed at the time of the telephone conversation, identifying the contractor and the contractor's prices.
 - f. This RFQ must be signed by the contractor if he or she is the winning respondent.

H. Building Insulation Products Containing Recycled and Recovered Materials Procurement Information

- 1. The Comprehensive Procurement Guideline (CPG) program is authorized by Congress under Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976
- 2. For procurement of items exceeding \$10,000 in cost, subgrantees using federal WAP funds must put into effect affirmative procurement programs to procure items made from the highest percentage of recovered materials practicable, considering competition, availability, technical performance, and cost.
- 3. To comply with DOE requirements, subgrantees must revise any applicable portions of their procurement procedures to include an Affirmative Procurement Procedure for the purchase of materials with the highest possible content of recycled and recovered materials.
- 4. In addition, EPA guidelines effective February 17, 1990, specify insulation products purchased in bulk lots exceeding \$10,000 must meet the intent of this act. Once a product is designated, procuring agencies are required to purchase it with the highest recovered material content level practicable.
- 5. Guidelines for Implementation
 - a. Who and what are affected by this regulation:

- i. Subgrantees and hired contractors, which procured \$10,000 or more of building insulation products during the previous fiscal year, are required to develop an affirmative procurement program targeting the purchase of insulation containing recycled products to the maximum extent practical.
 - ii. Subgrantees and hired contractors that, during the coming year, plan to make a single purchase of these products exceeding \$10,000 will also have to follow this regulation at the time the purchase is made and for the remainder of the program year.
 - iii. The \$10,000 threshold refers to the total amount of building insulation products purchased by the subgrantee, not to individual types or purchases of insulation.
 - iv. "Building insulation product" is defined as a material designed to reduce heat loss and that is installed between heated and unheated areas of the home. This includes products used as ceiling, floor, foundation, and wall insulation such as (but not limited to):
 - (1) Blanket,
 - (2) Board,
 - (3) Spray-in-place, and
 - (4) Loose-fill.
 - v. This regulation does not apply to air handling, acoustic, pipe, and cold-storage insulation.
- b. Subgrantee Procurement Procedures for Recycled Materials
- i. Procurement of Recycled Materials
 - (1) Determine the type of insulation product that will meet the subgrantee's needs (e.g., fiberglass, cellulose, rock wool, etc.).
 - (a) The selection of the type of building insulation product may be based on performance characteristics, structural considerations, building codes, availability of competition, etc. In those cases where more than one (1) type of product meets the subgrantee's needs, the product having the highest minimum recycled content standard should be specified.
 - (2) Specify that type of insulation in the RFQs.
 - (a) Include in the technical specifications portion of your RFQs the minimum recycled content standard listed below for that type of insulation. Type of Insulation, percent (%) Recycled required (based on wt. of cellulose 75% core materials):
 - (i) Rockwool 75%,
 - (ii) Perlite composite board 23%,
 - (iii) PIR/PR rigid foam 9%,
 - (iv) Foam-in-place 5%, and
 - (v) Phenolic rigid foam 5%.

- (b) Subgrantees must base any decision to procure a building insulation product not containing recycled materials on one or more of the following acceptable reasons:
 - (i) Availability within a reasonable time period,
 - (ii) Availability at a reasonable price,
 - (iii) Compliance with federal competition regulation, and
 - (iv) Technical performance of the product.
 - (c) Procurement of fiberglass insulation is allowed.
 - (d) There is no minimum content standard for fiberglass insulation.
 - (3) Inform all bidders in the RFQ that they will be required to provide estimates of the percentage of recycled materials in the products they are bidding, and the winning bidder will be required to provide certification of the recycled content prior to contract award.
- ii. Promotion of Recycled and Recovered Materials Program
 - (1) Subgrantees must publicize that insulation products containing recycled materials are being targeted.
 - (2) Appropriate forums for implementing this requirement include, but are not limited to:
 - (a) Pre-bid conferences,
 - (b) Advertisements,
 - (c) Brochures,
 - (d) Invitations for bid,
 - (e) Pertinent correspondence, and
 - (f) News releases.
- iii. Estimation, Certification, and Verification
 - (1) This regulation requires subgrantees to develop estimation, certification, and verification procedures.
 - (2) All bidders will be required to provide the subgrantee with estimates of the percentage of recycled materials in the products included in the bid.
 - (3) The winning bidder must provide certification of the recycled content prior to the contract award.
 - (4) The subgrantee will verify the percentage of recycled materials contained in the insulation provided by the contractor. This verification can be done by contacting the manufacturer and providing them with batch numbers. There must be documentation in the files that this contact has been made.
 - (5) If the insulation provided by the contractor does not meet the requirements stated in the RFQ, the contractor is in violation of their contract and is subject to the subgrantee's procedures on contract compliance.
- iv. Annual Review and Monitoring

- (1) AEO requires subgrantees to conduct an annual review to monitor the effectiveness of its affirmative procurement program. The review must be documented in the subgrantee's files.
- (2) The annual review and monitoring shall cover the following points:
 - (a) The quantity and cost of building insulation with recovered content,
 - (b) An assessment of the effectiveness of the promotion program,
 - (c) An assessment of barriers to the purchase of insulation with recovered content (e.g., unavailability, resistance to use, etc.), and
 - (d) Any other information the subgrantee feels is pertinent to assessment of the affirmative procurement program, or any information requested by AEO.

VIII. Subgrantee Monitoring

A. Overview

1. AEO is responsible for monitoring the performance of each subgrantee.
2. Monitoring enables AEO to determine if the residents of Arkansas are being adequately served and if AWAP is being operated in compliance with the federal/state regulations and requirements.
3. Information obtained by the monitoring effort is used to determine:
 - a. Internal controls and processes used by subgrantees,
 - b. Types of training and technical assistance required,
 - c. Fiscal integrity of subgrantees,
 - d. Production rates,
 - e. Proactive measures that may be taken to improve program operations,
 - f. Compliance with federal/state regulations and requirements, and
 - g. Quality of weatherization work performed in client homes.
4. The AEO has divided program monitors into specialized roles:
 - a. Administrative,
 - b. Fiscal, and
 - c. Technical.
5. Each program monitor conducts monthly desktop reviews using ECOS on 100% of completed jobs to determine program compliance.
6. Based on review results, monitors will submit to subgrantees a list of deficiencies (if applicable) which must be addressed for the subgrantee to be reimbursed.
7. All files must be maintained for a three (3) year period.
8. Subgrantees must comply with all reporting requirements mandated by the Arkansas Energy Office, Department of Energy and state/local codes.
9. To ensure compliance is followed, the AEO WAP utilizes Program Monitors. Program Monitors will monitor three (3) distinct but interrelated areas of program operations:
 - a. Administrative compliance and program management monitoring reviews expected production goals, client files and individual unit expenditures.
 - b. Fiscal oversight monitoring reviews overall program expenditures and the tracking of funds.
 - c. Technical monitoring reviews diagnostic testing results, output and input reports, work orders and the installation of measures.
10. Program monitors will follow-up to ensure that corrective actions are carried out by each subgrantee according to the approved plan.
11. Based on required corrective actions and the risk assessments from the previous year, each subgrantee will be placed on a monthly, quarterly, semi-annual, or annual schedule of on-site monitoring visits.

B. Administrative Monitoring

1. Administrative Desktop Review

WPN 23-1: Program Year
2023 Weatherization Grant
Application

WPN 20-4: Weatherization
Assistance Program
Monitoring Procedures

10 CFR 440.24:
Recordkeeping

2 CFR 200.334: Retention
Requirements for Records

- a. Identify any deficiencies in reporting such as delinquent reports.
 - b. Where discrepancies exist between planned activities and actual accomplishments reported, the Administrative Monitor will follow-up with the subgrantee to determine causes and propose solutions that will correct the discrepancy.
 - c. These findings will be reported to the Program Manager.
 - d. Desktop reviews will be used to report both major and minor problems that require resolution, such as significant staffing changes or excessive employee turnover.
 - e. This information will be provided to the Program Manager.
 - f. Together they will also identify and implement corrective actions.
 - g. After conducting a thorough desktop review, the Administrative Monitor will schedule an onsite monitoring visit to the agency.
 - h. See Desk Auditing Checklist in section IX.B of this document.
2. Administrative On-site Monitoring
 - a. The Administrative Monitor will contact the subgrantee Weatherization Director to schedule an administrative monitoring visit.
 - b. The Administrative Monitor will discuss the review and outline what documents and program staff they will need to have access to and how many on-site visits to weatherized homes (in-progress) will be part of the review.
 - c. The Administrative Monitor will request that the subgrantee organization's Executive Director be present for the entrance interview and the exit interview on the first and last days of the administrative monitoring visit.
 - i. Once dates have been set, the Administrative Monitor will send a letter that states the dates and times of the visit and lists documents, staff, and homes that will be expected to be available to the Administrative Monitor.
 - ii. The Administrative Monitor will work through the Weatherization Director should the review necessitate access to additional documents, staff, or houses.
 - iii. During the exit interview, the Administrative Monitor will discuss strengths and weaknesses of the program and list findings which have been identified for inclusion in the monitoring report.
 - iv. Subgrantee staff will have the opportunity to offer additional information that would explain why the finding should not be part of the monitoring report.
 - v. No findings will be included in the monitoring report if the subgrantee has an explanation and additional documentation that satisfies the finding.
 - d. The Administrative Monitor will review:
 - i. Expected production goals against actual production,
 - ii. Client files,

- iii. Individual unit expenditures,
 - iv. Priority lists,
 - v. Program forms,
 - vi. Policies and procedures (including records retention),
 - vii. Prior findings to determine existing deficiencies or areas of concern and determine whether those issues have been resolved,
 - viii. Verify that each home and client meet program eligibility guidelines,
 - ix. Verify that each home receives a Final Inspection conducted by the subgrantee QCI before the home was reported to the AEO as complete,
 - x. Track expenditures from purchase to inventory to installation on the unit,
 - xi. Verify inventory log is up-to-date and reflects current inventory status,
 - xii. Conduct an inventory inspection for accuracy,
 - xiii. Verify quality control inspections are being performed on each home,
 - xiv. Review subgrantee's costs, labor, and fuel rates (semi-annual review),
 - xv. Verify WAP staff certifications are up to date,
 - xvi. Review contractors' bid prices (annual review),
 - xvii. Verify contractors' certifications are up-to-date, and
 - xviii. Verify that contractors are not on the disbarment list (semi-annual).
- e. The Administrative Monitor will review a representative sampling of client files at the agency to determine that proper documentation of service delivery is maintained in the client files.
 - f. After an on-site visit, an exit conference will include a discussion of findings with executive director, financial director, and weatherization director as available.
 - g. AEO will send the subgrantee a written report within thirty (30) calendar days of the monitoring visit.
 - h. A combined report for the program, including administrative and fiscal reviews will be provided when the Administrative Monitor and Fiscal Monitor visit during the same time.
 - i. Each report containing findings will require a response from the subgrantee with a corrective action plan which AEO will accept or reject, in whole or in part, in a written response.
 - j. See the ECOS Compliance of Program Management Checklist in section [IX.C](#) of this document.

C. Fiscal Monitoring

1. On a monthly basis desk reviews are conducted.
 - a. Subgrantee Monthly Billing Groups/Invoices are compared to submitted support documents (per line item category).
 - b. This monthly procedure will also inform the on-site fiscal review.
2. Annually, each subgrantee will be visited by a Fiscal Monitor.
 - a. An analysis will be performed to determine an overview/risk assessment- review status will be based on performance during previous year, including:
 - i. Sample month of general ledger compared to invoices, client files,
 - ii. Weatherization payroll,
 - iii. Personnel and other expenses charged to weatherization administration,
 - iv. Policies and procedures for financial management and separation of duties,
 - v. Procurement process and documentation, and
 - vi. Follow-up on any findings from the last single agency audit.
 - b. The books and records for any program activities allocated to or charged back to the WAP funds are also subject to review by the Fiscal Monitor.
 - c. If the Fiscal Monitor notes a problem with allocations or charge backs, the findings will be noted in the report.
 - d. If training and technical assistance is warranted, it will be provided to the subgrantee.
 - e. Subsequent visits by the Fiscal Monitor will verify that the problem has been corrected or that additional action is necessary.
 - f. The Budget Specialist will conduct an annual onsite compliance monitoring for each subgrantee.
 - g. The Budget Specialist will conduct a review of all financial systems for compliance with AEO Financial Procedures and 2 CFR 200.
 - h. As a part of the annual review, the Budget Specialist will review the Single Agency Audit (A-133) to determine if there are findings specific to the WAP and to assess overall agency financial management.
 - i. After subgrantee monitoring activities, the Fiscal Monitor will submit a written report to the Program Manager within fifteen (15) days of return from a monitoring visit.
 - j. After review by the Program Manager, the report will be finalized and submitted to the subgrantee for reply.

D. Technical Monitoring

1. Inspection of completed houses, with the accompaniment of the local agency auditor and QCI, provides an opportunity to provide on-site technical assistance.

2. Various installation techniques, quality control issues, or test procedures may be discussed during performing the inspection.
3. Technical Monitors will:
 - a. Conduct quality control inspection of at least five percent (5%) of completed homes to determine the quality of workmanship and appropriateness of service delivered by each subgrantee if the subgrantee certifies that its program operates with complete separation of staff who conduct energy audits and those who inspect the weatherization work. For subgrantees who cannot document separation, a minimum of ten percent (10%) of completed units will be inspected.
 - b. Inspect a minimum of four (4) homes per quarter at various stages of weatherization to ensure compliance with DOE rules and consistency between reported activities and actual measures.
 - c. Inspect at least one (1) unit per quarter per subgrantee and per crew or contractor for lead safe work practices.
 - d. Interview subgrantee staff and clients to determine whether all tests were performed and appropriate measures installed on each unit.
4. Diagnostic testing is performed, including:
 - a. Blower-door tests
 - b. Combustion safety tests
 - c. Exhaust fan flow metering, and
 - d. Duct leakage tests.
5. The test results are compared with those noted in the participant file.
6. With the implementation of ECOS, the Technical Monitor will check set-up values in the ECOS energy audit.
7. Exemplary practices, successful approaches, or creative ideas in the operation of the local program will be identified and noted.
8. Crew H&S procedures will be checked for compliance with the AEO H&S Plan as contained in the DOE State Plan.
9. At the conclusion of the Technical Monitor's visit, an exit conference will be conducted with the subgrantee Weatherization Director and the Executive Director.
10. If there are deficiencies, a recommended course of action will be agreed upon.
11. Every effort will be made to complete and mail a final report to the subgrantee Weatherization Director and Executive Director within fifteen (15) working days of the Technical monitoring visit.
12. The subgrantee will submit a written response within fifteen (15) working days providing assurance that identified problems are resolved in a timely manner and documented.
13. Evaluation Tools and Equipment
 - a. The following tools and equipment will be used by the Technical Monitor to help determine satisfactory work performance:

- i. Blower-door tests on a sample of completed jobs to verify the extent of air-sealing work and to assess the risk of indoor air quality problems,
- ii. A carbon monoxide detector and manometer on a sample of completed jobs that have combustion appliances to verify compliance with combustion safety test procedures,
- iii. An infrared scanner on a sample of completed jobs to verify uniform insulation coverage in closed cavities and inaccessible areas, as well as adequate air sealing work,
- iv. Digital cameras to take photos of houses inspected and to record extraordinary circumstances or work performance,
- v. Pressure pan to verify duct sealing, and
- vi. Exhaust Fan Flow Meters to measure the amount of air flow in cubic feet per minute (CFM) on the mechanical devices.

14. Technical Desktop Review

- a. Every month, a Technical Monitor will conduct desk audits in the ECOS software after jobs have been submitted to AEO as complete.
- b. A monthly desk review includes:
 - i. Energy audit,
 - ii. Work orders/SWS,
 - iii. H&S,
 - iv. Final inspection by subgrantee QCI,
 - v. Separation of audit and final inspection (different staff, certified QCI), and
 - vi. Required forms present, complete, signed and dated.
- c. Any findings from the desk audit review will be sent to each subgrantee via email
- d. Auditors/inspectors can also see the Technical Monitor's notes on the Billing Review tab in ECOS. This feedback enables subgrantee staff to consider alternative procedures in what might be complex weatherization situations and offers the opportunity to rerun final calculations.
- e. The Technical Monitor may conduct desk audits while the auditor/inspector is still in the audit/job. The objective is to look at audits and jobs in progress before they are completed and placed in a billing group
- f. These reviews allow compliance issues to be averted or allow for better ways to evaluate/analyze a unit can be discussed before the job is turned in to AEO.
- g. If AEO's Technical Monitor detects trends or deficiency patterns in the subgrantee's next QCI monitoring of completed units, the following steps will be taken:
 - i. Monitoring of the subgrantee will increase so that an additional visit will be made prior to the next regularly scheduled visit,

- ii. Additional units completed since the last regularly scheduled Technical monitoring visit will be inspected:
 - (1) The number will be two (2) or
 - (2) 100% if less than two (2)
- iii. One (1) in-progress unit will be inspected during this extra visit,
- iv. AEO's QCI, third-party QCI (if applicable), and subgrantee staff will discuss:
 - (1) Contractor deficiencies,
 - (2) Quality of auditor assessments, and
 - (3) Subgrantee QCI giving a pass to substandard work and missed opportunities,
- v. Training needs relative to findings will be discussed and provided to subgrantee staff and contractors.
- vi. Significant deficiencies are defined as:
 - (1) H&S violations missed,
 - (2) Poor quality installation of materials, and
 - (3) Major measures missed.
- vii. Subgrantee noncompliance or repeated unresolved findings (based on a minimum of two [2] Technical monitoring visits to a subgrantee without improvement) will be reported promptly to the DOE project officer.
- viii. An annual analysis will be performed to determine an overview/risk assessment.
- ix. Review status will be based on performance during the previous year.

15. Virtual Site Visit for Work in Progress

- a. AEO has been approved to adopt virtual site visits for work in progress as part of a virtual Technical monitoring plan to be implemented as needed.
- b. When selecting a job for an in-progress on-site visit, the job should have multiple measures being installed, thus giving the Technical Monitor an opportunity to gain a wider understanding of the agency's overall field practices.
- c. The subgrantee must provide AEO the following in advance of the visit:
 - i. Pertinent Client Information (name and address),
 - ii. Energy Audit (Monitor can download from ECOS software),
 - iii. Retrofitting Date, and
 - iv. Work Orders (Monitor can download from ECOS software).
- d. Once subgrantee contractors/crew have unloaded their equipment and materials and started work, subgrantee representative will contact the Technical Monitor from the vehicle with a street view of the home for a group video call.
- e. The video operator should be familiar with the home's scope of work and know what areas of the home to view.

- f. The Technical Monitor must observe:
 - i. Contractor staff working from the street view,
 - ii. Contractor staff working on-site, and
 - iii. Subgrantee staff walk-thru tour (inside and outside).
 - g. The Technical Monitor may request the video operator to slow their walk pace, zoom in on areas, and/or change directions and emphasis in order to see with more detail.
 - h. Each worker starting with the crew leader will be asked what they are working on and what procedures they are using.
 - i. The video operator will not hand the device to the worker and will maintain a six (6) foot distance.
 - j. AEO will assess:
 - i. Work in-progress installations to ensure the SWS has been met according to Arkansas field guides,
 - ii. General OSHA compliance and safety practices,
 - iii. The Technical Monitor may ask to see certifications, PPE and safety equipment, and SWS field guides, and
 - iv. The Technical Monitor may view the condition of the vehicles, tools, and insulation trailer (if applicable).
16. Virtual Technical Final Inspection
- a. AEO has been approved to adopt virtual technical final inspections as part of a virtual technical monitoring plan to be implemented as needed. The process steps include:
 - i. Subgrantee notifies Technical Monitor of upcoming final inspection and provides AEO the following:
 - 1. Pertinent Client Information (name and address) and
 - 2. Copy of Work Order (Monitor can download from ECOS software).
 - ii. The Technical Monitor will review in ECOS WAP forms, data inputs and outputs, diagrams and the building modeling of the home, and view the home via Google Earth (if available) and makes notes in preparation of the final inspection.
 - iii. Two subgrantee staff must be present for the final inspection:
 - 1. QCI who will conduct the inspection and
 - 2. The video operator.
 - iv. The subgrantee staff will video call the Technical Monitor from the vehicle once they arrive at the client's home.
 - v. The QCI describes each activity as they would during a proctored field exam. Everything that the final inspector would normally do is completed and video streamed.
 - vi. The Technical Monitor will ask the team of inspectors to slow down, stop, explain, or to show a closer view of certain measures.

- vii. The video operator will be asked to adjust the camera so the Technical Monitor can clearly see the meters, gauges, location of testing, and appliance operation.
- viii. Safety concerns noted by the Technical Monitor will be communicated immediately to the subgrantee inspection team.
- ix. The subgrantee may have more than one device on hand as a backup if the first one's battery life is not long enough to support the entire final inspection, or a power bank.
- x. As the final inspection is ending, the Technical Monitor will give the inspectors an opportunity to address anything they might have missed.
- xi. If it appears the home is being left in an unsafe manner, the Technical Monitor will alert the inspectors so that can be corrected. Notations will be taken and review notes will be included in an on-site Technical monitoring letter.
- xii. Observations are made about how the inspectors addressed problems with the work or missed opportunities.
- xiii. AEO's final inspection results will be compared to the subgrantee final inspection results for consistency. Comparisons will be made between AEO's QCI final blower door readings, ASHRAE requirements, and other diagnostic results entered in client file and in ECOS.

17. On-site Technical Inspections at Client Homes

- a. The Technical Monitor will review a representative sampling of client files at the agency to determine that measures were installed according to the SWS and that acceptable materials were used in the installation.
- b. This is accomplished by conducting field inspections at the client's home.
- c. The subgrantee must arrange site visits and accompany the Technical Monitor to the client's home.
- d. As it relates to a technical review, the resolution strategy starts with AEO sending a letter to the subgrantee containing the findings and corrective actions required by the QCI and conveying the original QCI reports to be filed in the client files.
 - i. This letter requests that the subgrantee submit corrective actions taken and photographic documentation of such to AEO within fifteen (15) working days of the receipt of the letter.
 - ii. The letter also states that corrective work must be completed with non-federal funds.
 - iii. Corrective action documentation will be sent to QCI for approval.
- e. See ECOS Billing Technical Review checklist in section [IX.D](#) of this document.

18. Third Party QCI Monitoring

- a. AEO considers state inspections of completed jobs as an important opportunity to have a productive conversation with subgrantee staff and contractors who have worked on the unit.
- b. It is an opportunity to look at the unit with “fresh eyes” after the subgrantee QCI has completed their inspection. Therefore, we recommend that the following subgrantee representatives accompany the Third Party QCI during inspection at the house:
 - i. Auditor,
 - ii. Subgrantee QCI, and
 - iii. Contractor(s) at subgrantee discretion.
 - iv. AEO will have a representative, usually the Technical Monitor, present during the inspection.
- c. Number of Units
 - i. In general, AEO will inspect at least five percent (5%) of completed units.
 - ii. Additional units may be inspected without obligation of completing a full QCI inspection, if AEO believes it is warranted by findings.
 - iii. If a subgrantee certifies that 100 percent (100%) of jobs completed have been audited and inspected by two (2) different staff, then AEO may inspect at least five percent (5%) of units completed.
 - iv. AEO will inspect at least one (1) site built and one (1) manufactured home during each quarter.
- d. Arrangements for Inspections
 - i. The Third Party QCI will establish dates for quarterly inspections in consultation with AEO who will obtain approval from weatherization directors before the dates are finalized.
 - ii. The week before scheduled inspections, the Technical Monitor will confer with the weatherization director about the number of units, type of units and county where each unit is located.
 - iii. The subgrantee will contact clients and make specific arrangements for inspections.
 - iv. The subgrantee will email the Technical Monitor and Third Party QCI the following information:
 - (1) Client name,
 - (2) Unit address,
 - (3) Unit county,
 - (4) Agency job number,
 - (5) Name and cell phone of a subgrantee staff person who will be present at the inspection,
 - (6) Copy of Audit Summary from DOE approved audit software, and
 - (7) Copy of Work Orders from ECOS.
 - v. Once arrangements have been made, QCI visits will not be cancelled due to weather unless roads are impassable or other dangers exist.
- e. Process

- i. Subgrantee staff will introduce the QCI and state staff to the client.
- ii. The Third Party QCI will perform the inspection at their discretion.
- iii. Subgrantee staff and AEO staff will be present as Third Party QCI proceeds in and outside the unit.
- iv. Subgrantee staff may bring their own equipment to check measurements made by Third Party QCI.
- v. Any observations or issues may be raised by anyone present, and discussion will take place on site.
- vi. Negative findings and disagreements will not be aired in the presence of the client.
- vii. QCI will provide on-the-job training to subgrantee staff as needed and practical during the course of the inspection and will so note in the QCI report.
- viii. In the opinion of the QCI, if additional training is needed by subgrantee staff, specific recommended training topics will be so noted in the report.
- ix. Missed Opportunities are defined as ECMs or H&S items which were not addressed in the audit software.
- x. Third Party QCI will cite missed opportunities for rework at the subgrantee's expense unless the subgrantee has documentation that the ECOS evaluated the measure but did not deem it cost effective.
- xi. WAP 61 will be completed by the AEO representative at the exit conference at the conclusion of the inspection.
 - (1) WAP 61 is a form that documents the Third Party QCI process and findings.
 - (2) The process with the WAP 61 form and inspection exit conference is being implemented to replace any obligation on the part of AEO to consider objections by the subgrantee after the final report has been issued by the Third Party QCI.
- xii. It is during this time that the subgrantee representative may discuss any aspect of the inspection and show documentation from ECOS or the client file to support a different interpretation of findings for the Third Party QCI to consider.
- xiii. The AEO representative may clarify any policy relevant to the inspection findings.
- xiv. The Third Party QCI will have final decision-making authority regarding inspection findings.
- xv. The final report of the Third Party QCI will not be amended nor will any part of it be retracted by AEO.
- xvi. After returning to the office, AEO staff will send a copy of the completed WAP 61 form to the subgrantee Weatherization Director and to the Third Party QCI.

- xvii. If the subgrantee Weatherization Director does not accompany the Third Party QCI and AEO on the inspection but wants to be included in the exit conference, an exit conference may be conducted at the office after one (1) or more QCI inspections have been completed.
 - (1) If it is not feasible for the QCI to return to the office after the last inspection due to travel distances, an alternative means for the subgrantee Weatherization Director to participate in each exit conference is by phone.
- xviii. The subgrantee Weatherization Director shall contact the client as soon as feasible after the completion of the inspection to ask how the inspection process went.
 - (1) The purpose of the call is to give the client the chance to express anything notable, whether good or bad.
 - (2) If the client has anything substantive to say, the subgrantee Weatherization Director shall put it in writing in an email to the AEO representative present at the inspection, copying the Third Party QCI and the WAP program manager.
 - (3) This email will be attached to WAP 61 and AEO will address any client concerns and discuss lessons learned from both positive and negative client feedback.
- f. Final Report and Reworks
 - i. The subgrantee will receive an official report from AEO of results of each inspection and any reworks required.
 - ii. The Third Party QCI will complete appropriate sections of WAP 10 (H&S form) and will complete Third Party/AEO WAP 08 (Final Inspection form).
 - iii. The original Third Party QCI report will be placed in the client file on top of the subgrantee QCI report.
 - iv. After receiving the Third Party QCI report from AEO and after completing any required reworks, the subgrantee will complete a reworks section from WAP 08 explaining what was done to correct each finding on the unit and attach supporting photos showing the corrections.
 - v. This reworks documentation will be sent to the Technical Monitor who will forward it to the Third Party QCI for final approval of the reworks; approval by Third Party QCI will be forwarded by AEO to the subgrantee for placement in client file.
 - vi. If all reworks are not approved, this process will be repeated.
 - vii. A subgrantee that receives a Vulnerable or At-Risk technical rating will be shadowed by an AEO QCI who will observe the subgrantee QCI during final inspection to ensure compliance with requirements.
 - viii. Sanctions, such as one-month probation, will be imposed if any significant findings are identified during shadowing.

- ix. During probation, subgrantees and contractors will be subject to the following:
 - (1) Additional shadowing of subgrantee QCI with on-site training by AEO,
 - (2) Shadowing of contractors by AEO, and
 - (3) Any training in the field will populate topics for later state-wide training, if warranted.
 - x. A final inspection should look at the unit with fresh eyes to determine if:
 - (1) All ECMs and H&S issues have been addressed by the audit,
 - (2) All measures have been installed according to Arkansas SWS, and
 - (3) All measurements (air flow tightness, air quality, etc.) are satisfactory post-weatherization.
19. Training and Technical Assistance Review
- a. There will be an annual, on-site review of each subgrantee by the Technical Monitor.
 - b. The following will be reviewed:
 - i. AEO's technical quarterly/annual report for each agency prior to on-site visit,
 - ii. Each subgrantee employee's self-assessment prior to on-site visit,
 - iii. Subgrantee certifications prior to on-site visit. Discuss subgrantee staff of upcoming renewal dates,
 - iv. Subgrantee employee's training plan prior to on-site visit and determine if training plans are being followed for persons employed by weatherization.
 - v. Verify if each contractor's certifications are valid.
 - vi. Check to see if SWSs were issued with work order,
 - vii. Review subgrantee plan for evaluating contractor work,
 - viii. Review subgrantee contractor training plan (if applicable) and determine if improvements have been achieved,
 - ix. Review subgrantee plan for dismissing contractors for poor performance,
 - x. Conduct inventory check on equipment (including vehicles) and materials and submit a written inventory report,
 - xi. Gather a list of equipment purchases/dispositions from previous and current program year prior to on-site visit,
 - xii. Inspect PPE and safety equipment, and
 - xiii. Check to see if SWS field guides are in subgrantee and contractor vehicles.

E. Levels of Performance

- 1. As a result of the monitoring process, program monitors will assess the subgrantee and assign a level of performance in overall agency

performance, workmanship, fiscal oversight, and program management based upon the categories listed below:

- a. Stable
 - i. Meets program expectations,
 - ii. Activities are generally accurate, effective, organized, sound, proficient, and proactive, and
 - iii. Good administration systems are in place.
 - b. Vulnerable
 - i. Noncompliance issues exist,
 - ii. Sometimes fails to meet program expectations, and
 - iii. Only marginal administrative systems exist.
 - c. At-Risk
 - i. Frequently does not meet program expectations,
 - ii. Inadequate, poor, substandard, incomplete, and/or deficient documentation exist,
 - iii. There is poor communication between state and agency staff, and
 - iv. Inadequate administrative systems exist.
 - d. See the Risk Analysis form (WAP 59) for assessment details.
 - e. Subgrantees that receive a Vulnerable or At-Risk technical rating will be shadowed by an AEO QCI who will observe the subgrantee QCI during final inspection to ensure compliance with requirements.
 - f. Sanctions, such as one-month probation, will be imposed if any significant findings are identified during shadowing. During probation, subgrantees and contractors will be subject to the following:
 - i. Additional shadowing of subgrantee QCI with on-site training by AEO, and/or
 - ii. Shadowing of contractors whose work is deficient by AEO.
 - g. Any training in the field may populate topics for later state-wide training, if warranted.
 - h. AEO will continue to follow processes established in this Operations Manual for noncompliance and/or untimely submission of corrective actions.
 - i. Appropriate sanctions will be administered.
2. Performance Terminology
 - a. Finding: A finding is defined as the subgrantee's failure to comply with regulations and/or guidance.
 - b. Concern: Concern is defined as a subgrantee's inconsistency to comply with guiding documents (SWS Deck of Cards, subgrantee Operations Manual, Service Agreement, 10 CFR 440, 2 CFR 200, WPNS, etc.).
 - c. Recommendation: Recommendations are best practices. They are suggestions for the best course of action.
 3. Monitoring Categories and Problem Areas
 - a. Compliance and Program Management (Reporting)

- i. Compliance & Program Management problems often involve reporting issues.
 - ii. Reporting issues can generally be resolved using written communication explaining the problem.
 - iii. Where the problem is significant, an on-site visit will be made to gather the correct data and assist the subgrantee in developing better reporting procedures.
 - b. Technical (Workmanship)
 - i. Problems with workmanship may be noticed during a field visit.
 - ii. Where significant problems are found in the workmanship on a home, the subgrantee will be required to return to the home and correct the problems.
 - iii. Where problems are found to be widespread across a subgrantee's service territory, the subgrantee will be required to notify AEO of the resolution to the problem following procedures as outlined in subgrantee Technical Manual.
 - c. Fiscal Oversight
 - i. AEO will require a subgrantee to take corrective action when it is not in compliance with WAP requirements.
 - ii. The action taken will depend upon the nature of the problem. If, for example, a problem involves a disallowed cost, the subgrantee will be required to repay AEO in non-federal funds.
 - iii. AEO will require the subgrantee to provide documented evidence of corrective action when AEO has determined that the subgrantee is not in compliance.
 - iv. AEO will monitor subgrantee implementation of corrective action(s) during annual on-site monitoring visits.
4. Stable Performance
- a. AEO expects each subgrantee to meet this standard of performance with no more than one (1) finding in each of and no more than three (3) deficiencies overall in the following three (3) categories.
 - b. In the technical category, a finding will become a deficiency if found evident in more than two (2) client files or units.
 - c. Administrative
 - i. Compliance with major program requirements, such as, lead-based paint procedures, cost allocation plan/indirect rate, required contractor information,
 - ii. Minimal number of minor procedural findings (as related to program rules, policies, and procedures),
 - iii. Files are complete and organized,
 - iv. One (1) or fewer program specific findings in the annual audit,
 - v. Evidence of prudent decision making as to the use of program resources,
 - vi. Maintains a professional working relationship with AEO,

- vii. Past corrections made and reported in a timely manner,
- viii. Income eligibility is accurate,
- ix. Unit production is in line with funding and the Weatherization Plan,
- x. Sometimes exceeds monthly production goals,
- xi. Completion of ninety percent (90%) of the projected Monthly production, or
- xii. One (1) or fewer late monthly production report submissions.
- d. Fiscal
 - i. The Inventory Log is up to date and reflects current inventory status,
 - ii. The General Ledger is in line with the ECOS or WAP 21A billing on ninety percent (90%) of files,
 - iii. The Monthly Production Report is completed accurately and illustrates the correct number of clients served on ninety percent (90%) of client files,
 - iv. Receipts for expenditures are included in all client files,
 - v. No mischaracterization of expenses (i.e., admin cost billed as program support cost), or
 - vi. Other methods of oversight exist as are required.
- e. Technical
 - i. Staff are well trained in performance of specific job duties,
 - ii. Complete scopes of work using SWS and Field Guide are included in all client files,
 - iii. Staff are proficient in the use of ECOS software,
 - iv. Evidence that ECOS is run with actual and true pre-post data (including costs) in all instances,
 - v. Staff and contractors have demonstrated proficiency in technical applications, including diagnostics:
 - (1) Blower Door Guided Air Sealing,
 - (2) CO Testing,
 - (3) Infrared Camera, and
 - (4) CAZ Testing.
 - vi. The subgrantee has required segregation of duties between the Energy Auditor and the QCI,
 - vii. The subgrantee complies with OSHA/AEO safety rules, as applicable,
 - viii. No “at-risk” elements are found in major categories for an agency,
 - ix. Reworks are documented with written instructions to the contractor and a follow up QCI is complete, or
 - x. No more than one (1) missed opportunity recorded.
- 5. Vulnerable Performance
 - a. If after two (2) consecutive monitoring visits, a subgrantee shows a pattern of continued findings in the same category or across multiple categories, then the subgrantee is considered vulnerable.

- b. Increased monitoring (10% +) may be conducted on subgrantees deemed to be vulnerable until such time as the subgrantee has corrected its deficiencies.
- c. Administrative
 - i. The subgrantee has marginal systems for program administration and operations,
 - ii. Failure to comply with major program requirements, such as required contractor information,
 - iii. Failure to maintain a professional relationship with AEO Staff
 - iv. Files are incomplete and not well organized in more than 30% of files reviewed,
 - v. There is evidence of imprudent decision making as to the use of program resources,
 - vi. Unit production is low relative to funding and is not consistent with Weatherization Plan,
 - vii. Monthly production is not completed and the subgrantee has more pending units than planned production requires, or
 - viii. More than two (2) monthly production reports filed late.
- d. Fiscal
 - i. The Inventory Log is not up to date and does not reflect current inventory status,
 - ii. The General Ledger is not in line with the ECOS or WAP 21A billing in no more than thirty percent (30%) of client files,
 - iii. The Monthly Production Report is not completed accurately and does not illustrate the correct number of clients served. No more than one (1) in a quarter,
 - iv. Receipts for expenditures are not in client files in no more than thirty percent (30%) of the client files reviewed,
 - v. Expenses have been mischaracterized (i.e., admin cost billed as program support cost) in no less than thirty percent (30%) of the client files,
 - vi. Failure to comply with cost allocation plan/indirect rate,
 - vii. There is more than one fiscal specific finding in the annual audit,
 - viii. Past corrections were not made and reported in a timely manner, or
 - ix. Several “at-risk” elements are found in major categories for the subgrantee.
- e. Technical
 - i. The subgrantee has H&S findings in more than 20% of client files reviewed,
 - ii. Not in compliance with lead-based paint procedures,
 - iii. Inconsistent evidence of prudent decision making as to use of program resources:
 - (1) Incomplete scopes of work,

- (2) ECOS documentation is not current and inconsistent with billing, or
 - (3) Evidence that ECOS is not used with actual and true pre-/post-data (including costs) is not being captured.
 - iv. Staff and/or contractors do not demonstrate proficiency in technical applications, including diagnostics:
 - (1) Blower door guided air sealing,
 - (2) Infrared camera,
 - (3) CAZ testing, and
 - (4) CO testing.
 - v. The subgrantee has severe procedural findings related to programs rules, policies and procedures, and H&S findings from previous monitoring reports,
 - vi. The subgrantee does not comply with OSHA/AEO safety rules, as applicable, or
 - vii. The subgrantee does not maintain a professional working relationship with AEO.
6. At-risk Performance
- a. Increased monitoring (10% +) may be conducted on subgrantees deemed to be at-risk until such time as the agency has corrected its deficiencies. In addition, future funding may be withheld from a subgrantee deemed to be at-risk.
 - b. At-risk subgrantees will be monitored no less than once monthly. Other factors in the frequency of monitoring visits may be based upon the requirements of specific funding sources.
 - c. New subgrantee status
 - i. Subgrantee is operating during a probationary period.
 - ii. Probation Status can last from six to twelve (6 to 12) months depending upon the competencies of the new subgrantee makeup.
 - d. Administrative
 - i. There is evidence of significant administrative or program sub-standard performance, for example:
 - (1) Repetitive pattern of findings,
 - (2) Failure to have copies of critical documentation on file, and
 - (3) Lack of compliance with historical preservation rules in more than forty percent (40%) of client files reviewed,
 - ii. Not in compliance with program policies, procedures, and specifications,
 - iii. There has been a change in key staff or frequent turnover in lower-level staff,
 - iv. Program specific findings in its annual audit,
 - v. Files are incomplete or disorganized in more than forty percent (40%) of client files reviewed,

- vi. Staff is unresponsive to AEO requests and deadlines: For example, the agency consistently fails to provide monthly reports, invoices and expenditure reports, or contract closeouts in a timely manner,
- vii. Failure to maintain a professional relationship with AEO,
- viii. Unit production is low relative to funding,
- ix. Failure to meet monthly production goals for three (3) months. If monthly production is not completed and the agency has more pending units than planned production required, or
- x. Monthly production reports are filed late more than forty percent (40%) of the time.
- e. Fiscal
 - i. The Inventory Log is not up to date and does not reflect current inventory status,
 - ii. The General Ledger is not in line with the ECOS or WAP21A billing,
 - iii. The Monthly Production Report is consistently not completed accurately and does not illustrate the correct number of clients served (no more than one (1) in a quarter),
 - iv. Receipts for expenditures are not in client files in no more than forty percent (40%) of client files reviewed,
 - v. Expenses are mischaracterized (i.e., admin cost billed as program support cost),
 - vi. The subgrantee fails to comply with cost allocation plan/indirect rate,
 - vii. One (1) or more fiscal-specific finding in the annual audit,
 - viii. Past corrections were not made and reported in a timely manner, or
 - ix. Several “at-risk” elements are found in major categories for the subgrantee.
- f. Technical
 - i. H&S findings in more than twenty percent (20%) of the client files,
 - ii. Staff members/crew have deficient technical skills,
 - iii. There has been a change or frequent turnover in key weatherization contractors or crew members,
 - iv. Incomplete or deficient scopes of work (work plan is insufficient),
 - v. Inconsistent decision making as to use of program resources,
 - vi. ECOS documentation is not current and inconsistent with billing,
 - vii. Evidence that ECOS is not used with actual and true pre-/post-data (including costs),
 - viii. Staff and/or hired contractors do not demonstrate proficiency in technical applications, including diagnostics:
 - (1) Blower Door Guided Air sealing,
 - (2) Infrared Camera,
 - (3) CAZ Testing, and
 - (4) CO Testing.

- ix. Severe procedural findings related to programs rules, policies and procedures, and H&S findings from previous monitoring reports,
- x. Non-compliance with OSHA/AEO safety rules, as applicable, or
- xi. Staff do not maintain a professional working relationship with AEO.

F. Performance Findings Correction

1. Each subgrantee shall be advised within fifteen (15) working days after the conclusion of the quarterly review process of any findings.
2. If the subgrantee's performance rating is deficient in any category and the program is out of compliance with contract provisions or that the program is out of compliance with state or federal regulations, AEO will issue a report with findings which provide specific examples of each such issue, request corrective action on each deficiency and request that the subgrantee develop a corrective action plan.
3. The subgrantee will respond to the corrective action request within fifteen (15) working days from receipt of the request.
 - a. The response will include a corrective action plan which specifically addresses identified findings.
4. AEO will notify the subgrantee within fifteen (15) working days of the acceptance or rejection of all or parts of the subgrantee's corrective action plan.
5. The subgrantee will be given an additional ten (10) working days from the receipt of the Monitors notification to provide an acceptable corrective action plan for any remaining, unresolved deficiencies.
6. Any subgrantee rated "Vulnerable" or "At Risk" will be monitored monthly during the next quarter. Technical assistance will be provided by AEO staff and PTC to correct deficiencies.
7. If after a corrective action plan has been submitted and the subgrantee continues to be rated as "Vulnerable" or "At Risk" status after monthly technical assistance, the state reserves the right to begin the termination process.
8. If a subgrantee fails to comply with the findings and corrective action process, the failure shall lead to sanctions. Such sanctions may include but not be limited to withholding of funds, disallowance of costs, probation pending corrective action compliance, suspension or termination of the contract. AEO shall inform the subgrantee of any appeal rights and procedures to state and federal authorities in the written communication of sanctions.
9. Sanctions will begin with the agency being placed on probation:
 - a. The Program Manager and the assigned WAP Monitor will conduct an on-site visit with the agency staff to include the subgrantee Executive Director, Weatherization Director and the Fiscal Manager to discuss and develop a strategic plan to resolve the deficiencies and findings. The plan will be specific with action steps and responsibilities assigned,

- b. Probation can last from six to twelve (6 to 12) months depending upon the strategic plan.
 - c. The Strategic Plan could result in temporary realignment of service area for the remainder of the program year.
10. After the end of the probationary period, AEO will determine whether the Strategic Plan was successful.
- a. If successful, the subgrantee will be reinstated without reservation.
 - b. If unsuccessful, the defunding process will begin.

G. Terms for Probation, Defunding, or Penalties

- 1. The “AEO General Terms and Conditions,” “Scope of Services” and “Administrative Grant Agreement” specifies the criteria necessary for a subgrantee to be considered in contract compliance with AEO.
- 2. Failure to maintain fiscal control, comply with federal regulations or fulfill contract obligations will lead to probation, loss of funding, or other penalties provided in state law, AEO policies, federal law or regulation, or AEO Terms and Conditions for Administrative Services Grant Agreement Federal Subgrants.
- 3. The terms of probation will begin with monthly on-site monitoring to review problematic areas of the program with a frequency designed to assess improvements or non-improvement.
- 4. Probation will be initiated for six (6) months with the option to extend for another six (6) months if sufficient progress is not deemed to have occurred but some improvement has been shown.
- 5. Areas of required improvement will be specified in a written probation document and be under continual review during monthly monitoring visits. At the end of the probation period, AEO will either:
 - a. Release the subgrantee from probation,
 - b. Take steps to bring the program into compliance by reducing the workload to a more manageable level (in this regard, AEO may reallocate part of the unobligated WAP funds and part of the subgrantee’s service territory to a suitable replacement subgrantee on a temporary basis), or
 - c. Terminate the subgrantee subgrant agreement.
- 6. The specific terms of the probation will depend on the specific situation.

H. Termination or Defunding

- 1. Before termination of a subgrantee, an administrative hearing will be conducted in accordance with federal regulations.
- 2. If the hearing officer upholds the termination action, then an official Notice of Termination will be sent to the subgrantee by certified mail with return receipt.
- 3. The Notice of Termination will detail specifically unresolved corrective actions, outline the steps taken to resolve the issues and the results of those steps.

4. The official Notice of Termination shall give detailed instructions regarding the disposition of activities and/or services, supplies, and equipment used by the terminated or defunded subgrantee for WAP operations.

I. Subgrantee Staffing Changes and Notification

1. Weatherization Personnel
 - a. Subgrantees are required to maintain staffing sufficient to meet all production and Client service goals for the program.
 - b. Notification, in writing providing the name and title of the employee, must be given to the AEO for any weatherization staff that have been hired, or have left employment, within fifteen (15) days of the hire or departure.
2. Executive Directors and Board Chairs/Presidents
 - a. Notifications, in writing, will be given to the AEO of any change in the subgrantee's Executive Director, Weatherization Director, or Board Chair/President within fifteen (15) days of appointment or departure.
 - b. AEO also requests the mailing addresses of Board Chairs/Presidents where they prefer to receive mail (home or business). This should be different from the subgrantee organization address.

IX. Appendix

A. Required ECOS Forms and Documents

TABLE 1: REQUIRED ECOS FORMS/DOCUMENTS		
Name of Document	Format	Suggested File Name
Household Forms and Attachments		
WAP Application	WAP 02	Client Application
Proof of Income	PDF	Income Verification
Auditor's Forms & Attachments		
Utility Bills	PDF	Utility Bills
Letter/Notice of Action	PDF	Letter/Notice of Action
Proof of Age of Home	PDF	Home's Age
Historic Preservation request Letter/SHPO Response (if applicable)	PDF	SHPO
H&S Checklist	WAP 10	H&S
Client Education Checklist	WAP 13	Client Education
Lessor Agreement (if applicable)	WAP 17	Lessor Agreement
Lead Safe Checklist	WAP 26	Lead
Deferral Form (if applicable)	WAP 35	Deferral
Pre-WAP Pix	JPG or PDF	Before Pictures
Auditor's Comments	PDF	Auditor's Comments
RED/ASHRAE Calculations*	PDF	ASHRAE
HVAC Evaluation & Replacement (for H&S replacements) (if applicable)	PDF	Heating/Cooling
Inspector's Forms & Attachments		
Quality Control Inspection	WAP 08	Final Inspection
Client Response	WAP 09	Client Response
H&S Checklist	WAP 10	H&S
Post WAP Pix	JPG or PDF	After Pictures
Inspector Comments	PDF	Inspector's Comments
RED/ASHRAE Calculations*	PDF	AHSRAE
Other Attachments, as applicable		
Inventory Materials List	PDF	Inventory Materials
Invoices (receipts/PO for materials)	PDF	Invoices
Contractor Contracts	PDF	Contracts
Fuel Switch Justification	PDF	Fuel Switch
Fuel Switch Analysis	PDF	Fuel Switch Analysis

B. ECOS Desk Auditing Checklist

ECOS Desk Auditing Checklist	
Client Info	Check Income
ECOS <i>Building Info</i> Tab (i.e., for Proof of Age of Home	Look @ SHPO (if applicable)
ECOS <i>Waiver</i> Tab (if applicable)	Look @ justification (if applicable)
Part 3:	
ECOS Jobs Result Tab	Look @ Post Heating/Cooling Savings
ECOS <i>Space Details</i> Tab from the Audit section. (re: Diagram of unit).	Look at Drawn Floor Plan Diagram
ECOS <i>Infiltration</i> Tab from the Audit section.	Look @ Blower Door Pictures (are they labeled?)
ECOS Audit input data from <i>Audit Summary</i> Section.	Look at Auditor's printout
Part 4:	
ECOS <i>Material Cost</i> Tab.	Look @ Units of Labor
ECOS <i>Job Analysis</i> Tab.	Look at SIRs
ECOS <i>Work Order</i> Tab.	Look @ Auditor's Comments on orders & Location of work.
ECOS Work-Order change notices (if applicable).	Look @ General Labor & Incidental Costs (purchase & repairs)
Materials taken from inventory.	Look @ Advance from Inventory grant
Invoices, bills for materials.	Contractor prices from bid sheet.
Invoices, bills for labor charges (if applicable).	Contractor prices from bid sheet
Part 5:	
ECOS Inspection Final Summary.	Look @ Estimate vs. Actuals
Part 6:	
Before pictures.	Look @ uploaded pictures
After Pictures.	Look @ uploaded pictures

C. ECOS Compliance of Program Management Checklist

ECOS COMPLIANCE OF PROGRAM MANAGEMENT CHECKLIST

Weatherization Assistance Program (WAP)

Applicant:	Billing Month/Year:
Property Owner:	Agency:
Property Address:	
Funding Source: <input type="checkbox"/> DOE <input type="checkbox"/> LIHEAP	Project Cost:

COMPLIANCE APPROVAL	
<input type="checkbox"/> Compliance Desk Review Complete	
<input type="checkbox"/> Approved for Payment	Date _____
<input type="checkbox"/> HOLD	Date _____
Reviewed by: _____	
Comments:	

COMPLIANCE REVIEW

Eligibility Verification	Findings	Notes
Last Cert Date		
Dwelling Type	<input type="checkbox"/> SF <input type="checkbox"/> MF <input type="checkbox"/> MOHO	
Ownership Type	<input type="checkbox"/> OWN <input type="checkbox"/> RENT	

Required Documents Review	OK	N/A	Findings/Notes (all signatures obtained)
Weatherization Application (WAP 04)	<input type="checkbox"/>	<input type="checkbox"/>	
Household Income Verified	<input type="checkbox"/>	<input type="checkbox"/>	
SHPO (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>	
DOE Point System followed	<input type="checkbox"/>	<input type="checkbox"/>	
Notice of Action Letter	<input type="checkbox"/>	<input type="checkbox"/>	
Client Proof of Ownership	<input type="checkbox"/>	<input type="checkbox"/>	
Rental Agreement (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>	
Deferral of Services	<input type="checkbox"/>	<input type="checkbox"/>	
If so, justification provided	<input type="checkbox"/>	<input type="checkbox"/>	

Right to Fair hearing given	<input type="checkbox"/>	<input type="checkbox"/>	
Documentation verifying energy source for appliance	<input type="checkbox"/>	<input type="checkbox"/>	
Client Education Form (WAP 13)	<input type="checkbox"/>	<input type="checkbox"/>	

Required Documents Review	OK	N/A	Findings/Notes (all signatures obtained)
Receipts/Invoices/Inventory Sheets	<input type="checkbox"/>	<input type="checkbox"/>	
Building Check and Job Order Sheet (WAP 16)	<input type="checkbox"/>	<input type="checkbox"/>	
Photographs of dwelling exterior	<input type="checkbox"/>	<input type="checkbox"/>	
Approved Waiver(s) (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>	
Appliance Replacement Consent	<input type="checkbox"/>	<input type="checkbox"/>	
Photograph of existing appliance with tag	<input type="checkbox"/>	<input type="checkbox"/>	
Appliance vendor invoice for delivery, install and/or repair	<input type="checkbox"/>	<input type="checkbox"/>	
Client Response Form (WAP 09)	<input type="checkbox"/>	<input type="checkbox"/>	
Was Proposed Production Met	<input type="checkbox"/>	<input type="checkbox"/>	
Is Expenditure Rate in-line with Production	<input type="checkbox"/>	<input type="checkbox"/>	
Were there any Client Complaints	<input type="checkbox"/>	<input type="checkbox"/>	
Were there any Contractor Payment Delays	<input type="checkbox"/>	<input type="checkbox"/>	

SIR and TASK CATEGORIES				
All approved conductive tasks have SIR ≥ 1	<input type="checkbox"/> Yes	<input type="checkbox"/> No		
All incidental tasks are associated with an approved ECMs	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A	
All air infiltration tasks are allowable measures	<input type="checkbox"/> Yes	<input type="checkbox"/> No		
Air infiltration SIR ≥ 0.4	<input type="checkbox"/> Yes	<input type="checkbox"/> No		
All duct infiltration task were modeled on Infiltration tab	<input type="checkbox"/> Yes	<input type="checkbox"/> No		
Duct Infiltration SIR ≥ 0.4	<input type="checkbox"/> Yes	<input type="checkbox"/> No		
All health and safety tasks are in the right category	<input type="checkbox"/> Yes	<input type="checkbox"/> No		
Capital Intensive category applied	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A	
Job total SIR ≥ 1	<input type="checkbox"/> Yes	<input type="checkbox"/> No		

COMMENTS:

OPEN ITEMS

D. ECOS Billing Technical Review Checklist

ECOS BILLING TECHNICAL REVIEW CHECKLIST Weatherization Assistance Program (WAP)

Applicant:	Billing Month/Year:
Property Owner:	Agency:
Property Address:	
Funding Source: <input type="checkbox"/> DOE <input type="checkbox"/> LIHEAP	Project Cost:

COMPLIANCE APPROVAL	
<input type="checkbox"/> Compliance Desk Review Complete <input type="checkbox"/> Review Approved <input type="checkbox"/> HOLD	Date _____ Date _____
Reviewed by: _____	
Comments:	

TECHNICAL REVIEW				
Required Review	Result	Findings/Notes		
BUILDING				
	Yes	No		
Building model accurate	<input type="checkbox"/>	<input type="checkbox"/>		
Drawings	<input type="checkbox"/>	<input type="checkbox"/>		
Photos of dwelling- pre and post WX documentation	<input type="checkbox"/>	<input type="checkbox"/>		
ASSESSMENT and DIAGNOSTIC TESTING				
	Yes	No		
Mold/Moisture Assessment conducted/good	<input type="checkbox"/>	<input type="checkbox"/>		
LBP test/notice documented	<input type="checkbox"/>	<input type="checkbox"/>		
<i>If LBP, LSW practices documented</i>	<input type="checkbox"/>	<input type="checkbox"/>		
ASHRAE 62.2 Ventilation worksheet/RED Tool pre and post	<input type="checkbox"/>	<input type="checkbox"/>		
Final Ventilation Checklist (ASHRAE)	<input type="checkbox"/>	<input type="checkbox"/>		
Adequate thermal barrier coverage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> N/A	
Combustion appliances listed	<input type="checkbox"/>	<input type="checkbox"/>		
Mechanical ventilation and other exhaust devices list complete	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> N/A	

CAZ test number acceptable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> N/A	
Steady State listed and acceptable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> N/A	
Ambient CO acceptable	<input type="checkbox"/>	<input type="checkbox"/>		
Spillage passed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> N/A	
Draft and Vent CO measurement passed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> N/A	

Required Review	Result		Findings/Notes	
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ASSESSMENT and DIAGNOSTIC TESTING, CONTINUED

	Yes	No		
Appliance Technician Evaluation	<input type="checkbox"/>	<input type="checkbox"/>		
Pressure Pan results (WAP 11)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> N/A	
Work Order/Signed Contract	<input type="checkbox"/>	<input type="checkbox"/>		
Quality Control Inspection done (WAP 08)	<input type="checkbox"/>	<input type="checkbox"/>		
<i>Reworks (WAP 08)</i>	<input type="checkbox"/>	<input type="checkbox"/>		
Post Wx blower door results acceptable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> N/A	
Supporting documentation acceptable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> N/A	

SIR and TASK CATEGORIES

	Yes	No		
All approved conductive tasks have SIR ≥ 1	<input type="checkbox"/>	<input type="checkbox"/>		
All incidental tasks are associated with an approved ECMs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> N/A	
All air infiltration tasks are allowable measures	<input type="checkbox"/>	<input type="checkbox"/>		
Air infiltration SIR ≥ 1	<input type="checkbox"/>	<input type="checkbox"/>		
All duct infiltration task were modeled on Infiltration tab	<input type="checkbox"/>	<input type="checkbox"/>		
Duct Infiltration SIR ≥ 1	<input type="checkbox"/>	<input type="checkbox"/>		
All health and safety tasks are in the right category	<input type="checkbox"/>	<input type="checkbox"/>		
Capital Intensive category applied	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> N/A	
Job total SIR ≥ 1	<input type="checkbox"/>	<input type="checkbox"/>		

COMMENTS:

OPEN ITEMS