

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Community Action Partnership of Riverside County

SUBMITTAL DATE:
May 26, 2010

SUBJECT: Agreement #09C-1778 with Department of Community Services and Development for the 2009 Department of Energy Weatherization Assistance Program

RECOMMENDED MOTION: That the Board of Supervisors approve and:

- 1) Authorize the Chairman of the Board to sign the attached Agreement #09C-1778 between the Department of Community Services and Development (CSD) and the Community Action Partnership of Riverside County (CAP Riverside) to fund the Department of Energy Weatherization Assistance Program (DOE-WAP) for \$552,737, covering the term April 1, 2010 through March 31, 2011;
- 2) Authorize the Executive Director of CAP Riverside to sign assurances, exhibits, and reports made under this agreement; and
- 3) Authorized the Executive Director of CAP Riverside to administer the program.

Lois J. Carson
Lois J. Carson, CCAP, Executive Director

(CONTINUED 3 Pages)

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	FY 09/10

SOURCE OF FUNDS: 100% Federal	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE
BY: *Debra Courmoyer*
Debra Courmoyer

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Buster, seconded by Supervisor Stone and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone and Ashley
Nays: None
Absent: Benoit
Date: June 8, 2010
xc: CAP

Kecia Harper-Ihem
Clerk of the Board
By: *Kecia Harper-Ihem*
Deputy

Prev. Agn. Ref.: 9/28/08 (3,13) **District:** All **Agenda Number:**

3.15

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

Dep't Recomm.: Consent Policy
 Per Exec. Ofc.: Consent Policy

CAP APPLICANT COUNTY COUNSEL
Lois J. Carson 5/25/10

FROM: CAP Riverside

DATE: 5/26/10

SUBJECT: Agreement #09C-1778 with Department of
Community Services and Development for the
2009 Department of Energy Weatherization
Assistance Program

PAGE: 2 of 3

BACKGROUND:

Since 1979, CAP Riverside has administered contracts with CSD for weatherization services to low-income families. CSD provides funds for DOE-WAP. Under this program, weatherization services are offered countywide, at no cost to aid low-income families in reducing home energy consumption. CAP Riverside utilizes experienced subcontractors to install allowable energy conservation measures.

Therefore, the Executive Director of CAP Riverside requests that the Board approve and authorize the Chairman of the Board to sign Agreement #09C-1778 with CSD in the amount of \$552,737 covering the term April 1, 2010 through March 31, 2011.

FINANCIAL IMPACT: No County General Funds will be required. Funds will not be expended in FY 2009/2010. \$233,542 was budgeted through the FY 2010/2011 County budget process and the balance of \$319,195 will be submitted through FY 2010/2011 First Quarter Budget Process.

CONCUR/EXECUTE: Purchasing
Auditor Controller

LJC:MYJ:KA:jb

WHEN DOCUMENT IS FULLY EXECUTED RETURN
CLERK'S COPY
 to Riverside County Clerk of the Board, Stop 1010
 Post Office Box 1147, Riverside, Ca 92502-1147
 Thank you.

AGREEMENT NUMBER 09C-1778	AMENDMENT NUMBER 0
REGISTRATION NUMBER	

- This Agreement is entered into between the State Agency and the Contractor named below
 STATE AGENCY'S NAME
Department of Community Services and Development
 CONTRACTOR'S NAME
Community Action Partnership of Riverside County
- The term of this Agreement is: **April 1, 2010 through March 31, 2011**
- The maximum amount of this Agreement is: **\$ 552,737.00**
- The parties agree to comply with the terms and conditions of the following exhibits that are by reference made a part of the Agreement:

- Exhibit A - Scope of Work
- Exhibit B - Budget Detail and Payment Provisions
- Exhibit C - General Terms and Conditions (GTC - 307)
- Exhibit D - Special Terms and Conditions
- Exhibit E - Additional Provisions
- Exhibit F - Programmatic Provisions
- Exhibit G - Definitions
- Exhibit H - Certification Regarding Lobbying/Disclosure of Lobbying Activities

RECEIVED
 CONTRACT SERVICES UNIT
 2010 JUN 10 PM 3:38

ATTEST:
 KECIA HARPER-IHEM, Clerk
 By *[Signature]*
 DEPUTY

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR	CALIFORNIA Department of General Services Use Only
CONTRACTOR'S NAME (If other than an individual, state whether a corporation, partnership, etc.) Community Action Partnership of Riverside County	
BY (Authorized Signature) <i>[Signature]</i>	DATE SIGNED (Do not type) 6/8/10
PRINTED NAME AND TITLE OF PERSON SIGNING MARION ASHLEY CHAIRMAN, BOARD OF SUPERVISORS	
ADDRESS 2038 Iowa Ave, Suite B-102, Riverside, CA 92507	
STATE OF CALIFORNIA	
AGENCY NAME Department of Community Services and Development	
BY (Authorized Signature) <i>[Signature]</i>	DATE SIGNED (Do not type) 6.21.10
PRINTED NAME AND TITLE OF PERSON SIGNING Leisa Maestretti, Chief Financial Officer	
ADDRESS 2389 Gateway Oaks Drive, Suite 100, Sacramento, California 95833	
<input type="checkbox"/> Exempt per _____ APPROVED COUNTY COUNSEL BY: <i>[Signature]</i> LARISA R-MICKENNA DATE	

I hereby certify that all conditions for exemption have been complied with, and this document is exempt from the Department of General Services' approval.

[Signature]

JUN 08 2010 3:15 2010-07-10/11

EXHIBIT A
(Standard Agreement)

SCOPE OF WORK

1. **SCOPE OF WORK**

Contractor agrees to provide Weatherization (WX) assistance to eligible participants residing in the service area described in Exhibit A, pursuant to Title 42 of the United States Code (U.S.C) Section 6861 et seq., as amended, and 10 Code of Federal Regulations (CFR), Part 440, as amended, the Department of Energy Weatherization Assistance Program (DOE WAP) for low-income persons. Contractor shall ensure that the highest level of assistance will be furnished to those households which have the lowest income and highest energy costs or needs in relation to income.

2. **COMPLIANCE**

All services and activities are to be provided in accordance with all applicable federal, state, and local laws and regulations, and as those laws and regulations may be amended from time to time, including but not limited to, pursuant to the following:

- A. The Energy Conservation in Existing Buildings Act of 1976, 42 U.S. C. §§ 6851 et seq., and 10 Code of Federal Regulation (CFR) Part 440;
- B. The Single Audit Act, 31 U.S.C. §§ 7301 et seq., and Office of Management and Budget (OMB) Circular A-133 and its appendices and supplements.

3. **REQUIREMENTS, STANDARDS, AND GUIDELINES**

The federal government directs the State to establish fiscal control and fund accounting procedures regarding DOE funds. Federal law also directs the State to ensure that the cost and accounting standards of the Office of Management Budget (OMB) apply to recipients of DOE funds. Therefore, Contractor agrees to apply all of the requirements, standards and guidelines contained in the following authorities, as they may be amended from time to time, to all of the procurement, administrative and other costs claimed under this Agreement, including those costs under subcontracts to this Agreement:

- A. OMB Circular A-102 (Common Rule for State and Local Governments), as codified by the Department of Energy (DOE) at 10 CFR Part 600 Subpart C;
- B. OMB Circular A-110 (Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and other Non-profit Organizations), as codified by DOE at 10 CFR Part 600 Subpart B;
- C. OMB Circular A-87 (Cost Principles for State, Local and Indian Tribal Governments);

**EXHIBIT A
(Standard Agreement)**

- D. OMB Circular A-122 (Cost Principles for Non-Profit Organizations)
- E. OMB Circular A-133 (Audits of States, Local Government, and Non-Profit Organizations)

Contractor further agrees to execute and abide by all requirements in California Contractors Certification Clause 307 (CCC-307).

The above documents are hereby incorporated by reference into this Agreement. To access these documents, please visit www.csd.ca.gov.

4. SERVICE AREA

The services shall be performed in the following service area:

Riverside County

5. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER

The DOE WAP Catalog of Federal Domestic Assistance number is 81.042. Award made available through the United States Department of Energy.

6. ADDRESS FOR THE STATE

Send all correspondence and fiscal and programmatic reports to:

State Agency: Department of Community Services and Development
Section/Unit: Field Operations
Address: P.O. Box 1947
Sacramento, CA 95812-1947

Hand Delivery: 2389 Gateway Oaks Dr.
Sacramento, CA 95833

Phone: (916) 576-7109
Fax: (916) 263-1406

EXHIBIT B
(Standard Agreement)

BUDGET DETAIL AND PAYMENT PROVISIONS

1. BUDGET CONTINGENCIES

A. State Budget Contingency

- 1) It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- 2) If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

B. Federal Budget Contingency

- 1) It is mutually understood between the parties that this Agreement may have been written for the mutual benefit of both parties before ascertaining the availability of congressional appropriation of funds, to avoid program and fiscal delays that would occur if this Agreement were executed after that determination was made.
- 2) This Agreement is valid and enforceable only if sufficient funds are made available to the state by the United States Government for the fiscal year 2009 for the purpose of this program. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or to any statute enacted by the Congress that may affect the provisions, terms, or funding of this Agreement in any manner.
- 3) The parties mutually agree that if the Congress does not appropriate sufficient funds for the program, this Agreement shall be amended to reflect any reduction in funds.
- 4) The Department has the option to invalidate the Agreement under the 30-day cancellation clause or to amend the Agreement to reflect any reduction in funds.

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(Standard Agreement)

- 5) The State shall authorize expenditures of funds under this Agreement based on the Continuing Resolution appropriations. CSD shall notify the Contractor in writing of authorized interval funding levels.
- 6) It is mutually agreed that if the Congress does not appropriate sufficient funds for this Program or appropriates additional funds, this Agreement shall be amended to reflect any increase or decrease in funds.

2. BUDGET GUIDELINES

A. Budget and Allocation Forms

- 1) Upon execution of this Agreement, Contractor shall submit the 2009 DOE Weatherization Budget (CSD 570) attached to this EXHIBIT B, based on the Maximum Amount of this Agreement in accordance with the accompanying instructions and other applicable provisions of this Agreement.
- 2) In the event the DOE annual grant award is yet to be determined and CSD funds this Agreement based on Continuing Resolution appropriations, Contractor shall complete the budget and allocation forms using the Estimated Budget Allocation amount as defined in EXHIBIT G. When this Agreement is amended to reflect the Final Allocation, the budget and allocation formula shall be amended to reflect the actual annual allocation.

B. Advance Payments

- 1) Upon written request by the Contractor, the State may issue one working capital advance in an amount not to exceed twenty-five percent (25%) of the total amount of this Agreement. Contractor shall submit an advance payment request and repayment schedule agreement on CSD Form 144 and Form 144-R.
- 2) In the event this Agreement is amended to increase the consideration of this Agreement, a subsequent advance payment plus any previous advances already allowed shall not exceed twenty-five percent (25%) of the total amount of this Agreement. Subsequent advance payments may be authorized by the State if Contractor requests such an advance payment and repayment schedule agreement on CSD Form 144 and Form 144-R. The need for such additional advance payment shall be based upon a review of Contractor's cash flow status as recorded on Contractor's current monthly expenditure report(s).

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- 3) The State will initiate repayment process of advance funds in accordance with the advance repayment schedule agreement (CSD Form 144-R) fully executed by Contractor and CSD. The repayment schedule must include the provisions that no less than thirty percent (30%) of the advance be repaid no later than the 3rd monthly fiscal expenditure reporting following issuance of the advance and no less than one-hundred percent (100%) of the advance be repaid no later than the sixth (6th) monthly fiscal expenditure report following issuance of the advance.

In the event any given month's scheduled repayment or portion of a month's repayment cannot be repaid due to an expense reimbursement request insufficient to cover the scheduled payment, the amount that is left unpaid will be added to the following month's scheduled repayment. At such time that Contractor has achieved thirty percent (30%) repayment, Contractor may elect to restructure the repayment of the advance, through resubmission of CSD Form 144-R. Any advance repayment revision must still provide for one-hundred percent (100%) of the advance repayment by the sixth (6th) month following the issuance of the advance. In the event that less than one-hundred percent (100%) of the advance is not repaid by the sixth (6th) month following the issuance of the advance as agreed, CSD will initiate full liquidation of subsequent expense reimbursements beginning in the seventh (7th) month following the issuance of the advance and continuing each month until the advance is paid in full.

- 4) Major Purchase Advances

In the event an agency needs significant cash outlay for large purchases, a special advance may be requested at any time during the contract term. Requirements include:

- a. Request must be completed via CSD Form 144 and 144-R.
- b. Limited to purchase of items in excess of \$5,000.
- c. No advance will be issued until the Request for Pre-approval of Purchase/Lease (CSD 558) has been approved by CSD and CSD has obtained DOE approval.
- d. Procurement must comply with the open and competitive bid process, which must be documented through the Request for Pre-approval of Purchase/Lease (CSD 558).
- e. Advance repayment for Major Purchases will be liquidated upon the first expenditure reporting period following the date of the

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purchase of the item or items identified in the Request for Pre-approval of Purchase/Lease (CSD 558). An Advance Request (CSD 144-R) must reflect one-hundred percent (100%) liquidation in the month following the expected date of purchase.

- f. Major Purchase advance requests will not be granted until such time as no less than fifty percent (50%) of the initial capital advance has been paid back and the total amount of all outstanding balances never exceeds twenty-five percent (25%) of the remaining contract balance.

C. Subsequent Payments

Subsequent payments to Contractor shall be contingent upon receipt by the State of the monthly reimbursement and activity reports. If Contractor owes CSD any outstanding balances for overpayments of any contract, current or previous, the balance may be offset, based on arrangements made with the Contractor.

D. Interest on Advances

Contractor shall deposit all advances in an interest-bearing account. Interest accrued over \$100 per year, if Contractor is a government entity, or \$250 per year, if contractor is a nonprofit, shall be reimbursed by check to the federal government pursuant to 10 CFR 600.122(l) and 600.221(i).

3. ALLOWABLE COSTS

A. Cost Reporting

- 1) All costs shall be reported using a "modified accrual" or "accrual" method of accounting.
- 2) Pursuant to the federal block grant and applicable regulations, Contractor may only claim reimbursements for actual, allowable, and allocable direct and indirect costs.
- 3) Contractor shall report all expenditures at actual cost and shall maintain records and source documentation in such a manner to substantiate all costs reported.

EXHIBIT B
(Standard Agreement)

B. Administrative

1) General

- a. Administrative costs shall not exceed the amounts as set forth in the 2009 DOE Allocation Spreadsheet. Contractor shall not use funds provided under this Agreement to cover administrative costs incurred under the Community Services Block Grant (CSBG).
 - b. Administrative Costs shall mean actual costs for auxiliary functions such as salaries, wages, workers compensation, and fringe benefits for administrative staff and related facilities, utilities, office and computer equipment, telephone, travel, accounting, auditing, monitoring assistance, office supplies, costs associated with the issuance of payroll and like services necessary to sustain the direct effort involved in administering a grant program or an activity providing services to the grant program.
 - c. Contractors funded at less than \$350,000 may request an additional five percent (5%) by submitting the DOE Application for Additional Administrative Funds (CSD 574). Approval is contingent upon CSD's determination that the additional amount is needed to effectively implement the administrative requirements of the program.
- 2) Local governments shall use 2 CFR Part 225 (OMB Circular A-87 – Cost Principles for State and Local Governments) as a guide for determining administrative costs.
 - 3) Private, nonprofit corporations shall use 2 CFR Part 230 (OMB Circular A-122 – Cost Principles for Nonprofit Organizations) as a guide for determining administrative costs.
 - 4) Travel and per diem costs related to the participation and attendance at policy advisory committees and work groups will be reimbursed by CSD as an administrative cost, upon submittal of an allowable claim to CSD.

C. Program Costs

Program costs are all allowable costs other than Administrative Costs. Program costs include those costs that are directly attributable to the performance of this Agreement and that are reasonable and necessary as determined by the State for the purpose of delivering services. Allowable costs shall be as set forth in Title 10, Code of Federal Regulations, Section 440.18(c).

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1) General/Operating Expenses

General and operating expenses shall mean those actual costs associated with the direct delivery of services and related facilities, office and computer equipment, office supplies, telephone, travel and utilities that are directly allocable to those activities defined as allowable program costs.

2) Client Education/Counseling Services

Contractor shall include those actual costs associated with providing group client education, energy conservation information, resource and referral, budget counseling, mold education, and lead safe education.

3) Liability Insurance

Liability Insurance shall mean those actual costs allocated for insurance bonds, general liability, and pollution occurrence insurance (if applicable).

4) Outreach

Outreach shall include those actual costs associated with outreach, its related services and training.

5) Training and Technical Assistance

- a. Training and technical assistance shall not exceed the actual cost as set forth in the project funding page and shall be reimbursed at actual cost.
- b. Associated training and technical assistance costs may include costs related to: travel, admission, materials, and actual salaries/wages.
- c. Crew members participating in on-the-job training or acting in a helper role shall be expensed to training and not to the installation of measures. The length of time for on-the-job training shall be in accordance with the Contractor's internal training program.
- d. Training and technical assistance shall include costs associated with the training of personnel or subcontractors to perform program activities related to outreach, intake, client education, and weatherization training. The completion of Weatherization-related training includes: Basic Weatherization Training, CSD Online

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Training Courses, Duct Sealing/Blower Door Training, and Combustion Appliance Safety Training. Training may also include internal Contractor training, safety training, attendance of weatherization-related training to include ServTraqLITE or other forms of training to aid the development and skill of staff in utilizing and supporting internal program automation systems, and/or workshops sponsored by DOE, CSD, and/or other organizations offering a component of weatherization training.

- e. Training and technical assistance funds may also be used to train Contractor's subcontractors participating in the program and excludes on-the-job training. In making the determination to pay for subcontractor training, Contractor should secure a retention agreement in exchange for the training. The subcontract agreement should stipulate that the subcontractors will work in the program, for a minimum of 12 months. The training costs are limited to travel, admission and materials.
- f. Training is limited to agency or subcontractor personnel who will be performing weatherization services directly funded by DOE WAP.

6) Minor Vehicle and Field Equipment Less Than \$5,000

Acquisition costs shall mean the actual costs associated with the purchase of vehicle and field and office equipment under \$5,000 per unit used for the purpose of delivery of direct services.

7) Major Vehicle and Field Equipment More Than \$5,000

- a. Acquisition costs shall mean the actual costs associated with the purchase of vehicle and field and office equipment over \$5,000 per unit used for the purpose of delivery of direct services.
- b. CSD and DOE must pre-approve purchases or lease-purchase option of vehicles and field and office equipment with a total value greater than \$5,000 utilizing the Request for Pre-approval of Purchase/Lease (CSD 558).

8) Vehicle Insurance

Vehicle Insurance shall mean those actual costs incurred for vehicle insurance of vehicles used in the direct delivery of services.

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(Standard Agreement)

9) Workers Compensation

Workers Compensation shall mean those actual costs associated with workers compensation coverage for program staff whose salaries and wages are chargeable under program costs. Workers Compensation for salaries and wages of staff chargeable under administrative costs shall be reimbursable at actual costs under administrative costs.

10) Intake

Intake costs shall include, but are not limited to, the process of completing an intake form and reviewing applicant documentation in order to verify eligibility.

11) Direct Program Activities

- a. Direct Program Activities shall mean those actual costs associated with the installation of measures to those dwellings weatherized and reported as completed, to include labor, materials, subcontractors, lead-safe weatherization materials, and other program costs. These costs shall represent the cumulative total of expenditures from the separate Direct Program Activities section of the DOE Monthly Expenditure Report.
- b. Other Program Costs shall include actual wages and labor hours for field staff while not on the job site and program management and support staff, lodging and per diem for field staff, fees for permits, disposals and HERS raters and maintenance of vehicle and equipment in support of direct delivery of services and related facilities, utilities, office and computer equipment, telephone, travel, program and supervision and office supplies.

12) Health & Safety Activities

- a. Health & Safety Activities shall mean those costs associated with installation of measures classified as health and safety measures and to include labor, materials and subcontractors. These costs shall represent the cumulative total of expenditures from the separate Health & Safety Activities section of the DOE Monthly Expenditure Report.
- b. Contractor shall apply no more than 25 percent of the total program operations funds expended toward mitigating health and safety hazards based on heating and cooling services. Costs in

EXHIBIT B
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excess of 25 percent of the total program operations funds may be disallowed.

4. REIMBURSEMENT GUIDELINES

A. General

- 1) Contractor may claim reimbursement for weatherization-related activities under the terms of this Agreement as documented on the Contractor's assessments and job worksheets as described in EXHIBIT F, PROGRAMMATIC PROVISIONS, RECORD-KEEPING RESPONSIBILITIES, Client Files – Weatherization.
- 2) Reimbursement for Weatherization shall be claimed only once when LIHEAP, DOE, or any other funding source, are used concurrently in the same unit. Contractor shall ensure that duplicate billings for the same product or service do not occur.
 - a. All completed units shall be submitted for payment within 90 days of completion or by the due date of the last reporting period of this agreement, whichever is less. A completed unit shall not be carried over into another contract period.
 - b. Contractor is prohibited from leveraging funds from American Recovery and Reinvestment Act (ARRA) DOE with standard DOE in any single dwelling.

B. Dwelling Maximums

- 1) Contractor shall be entitled to obtain a maximum average reimbursement of \$3,055 per dwelling unit weatherized for applying the conservation measures and activities described in EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS, ATTACHMENT II, Reimbursement Rates for Weatherization Activities.
- 2) In the event that the Governor declares a State of Emergency or Local Emergency under Article 13 or 14 of the Emergency Services Act or any federal official declares an emergency pursuant to 42 USC 8622(1), the maximum average reimbursement shall be \$3,243 per dwelling unit.
- 3) At the Contractor's discretion, Contractor may elect not to provide a weatherization measure in the event the total cost exceeds the maximum cost reimbursement for the measure or the accumulative total of all

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measures exceeds the maximum average reimbursement of \$3,055 per dwelling unit.

4) Group Homes

The maximum reimbursement that can be paid for a group home shall be equal to the current maximum average allowed for single family and multi-unit dwellings.

5) Temporary Shelters/Homeless Individuals

Maximum reimbursement will be based on the unit otherwise qualifying as a multi-unit structure. For the purpose of determining how many dwelling units exist in a shelter, a grantee may count each 800 square feet of the shelter as a dwelling unit or it may count each floor of the shelter as a dwelling unit.

C. Measure Reimbursement

- 1) For those weatherization measures that have an established maximum rate, the reimbursement amount shall be equal to the actual labor costs of weatherization staff, materials and subcontracted services up to the maximum reimbursement allowable.
- 2) For those weatherization measures that have an established maximum quantity, the quantity shall not exceed the maximum quantity allowable.
- 3) Weatherization measure costs or quantities exceeding the maximum reimbursement limit cannot be offset by charging the cost difference to another weatherization measure, minor envelope repair, or another CSD or non-CSD program.
- 4) When costs for a measure exceed the maximum cost reimbursement, labor hours and/or quantity limits allowed for a health and safety measure as described in EXHIBIT B, ATTACHMENT II, Contractor shall obtain prior written approval from CSD to exceed the maximum limitations for health and safety measures. However, in no case will Contractor be able to exceed the contract allocation for Health and Safety as shown on the 2009 DOE Allocation Spreadsheet.
- 5) When it is determined during an assessment that the weatherization measures to be installed will exceed the allowable costs for a measure and/or quantity limits as described in Exhibit B, Attachment II, Contractor may opt to defer the measure or may conduct an audit to determine if the

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measure meets the allowable SIR. If it does not meet allowable SIR, the measure will not be allowable under the DOE ARRA program.

6) Labor Reimbursement

- a. Actual labor hours for weatherization services shall not exceed the cumulative number of hours on the job site and shall be substantiated with client file documentation, job schedules and payroll time records.
- b. When the installation of a measure is subcontracted and there are billable labor hours for weatherization crew members who share in the installation of that subcontracted measure, Contractor shall bill, in addition to the subcontracted expenditure, the actual labor hours and labor costs incurred by crew members.
- c. Labor expenses for weatherization service delivery shall exclude labor expenses associated with training, travel to weatherization job sites, staff time not associated with the direct installation and/or performance of weatherization services and activities on the job site, downtime and general operating expenses.

7) Assessments and Diagnostics

- a. Contractor may claim reimbursement for one full dwelling assessment for each instance of weatherization services including initial weatherization and reweatherization services.
- b. If a dwelling was previously weatherized under a nonfederal program, the dwelling and occupant eligibility must be recertified; therefore, Contractor may claim reimbursement for assessment of dwelling and charge for intake.
- c. In the case of an unweatherized dwelling where the installation of measures was not feasible and/or the dwelling was not accessible to install measures, Contractor may claim reimbursement for any related assessments and/or diagnostic checks testing that were performed.
- d. Contractor may claim reimbursement for dwelling assessment and diagnostic testing only once when LIHEAP and DOE funds are used concurrently in the same unit.

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- e. Waivers from CSD shall be required for any assessments and diagnostic testing or health and safety and weatherization measure whose cost will exceed the maximum reimbursements allowable.

8) Heating and Cooling Appliance Repair and Replacement

For health and safety reasons:

- a. If during the course of repairing a defective unit, additional problems are found that would increase the cost of repairs to an amount beyond the established limits for repairs, Contractor may claim reimbursement for incurred costs related to the repair in addition to those costs associated with the replacement of the heating/cooling appliance.
- b. Dwellings in which a single appliance has been both repaired and replaced within the same Weatherization component; or under a reweatherization call-back, may claim reimbursement for both the repair and the replacement of the appliance. Contractor shall report the single appliance as both a repaired and replaced appliance.
- c. For multi-unit dwellings with a common water heater, Contractor may claim reimbursement for only one water heater. Contractor may claim reimbursement for the actual number of water heater blankets used to wrap the common water heater. Contractor shall prorate the cost among all dwelling units within that building envelope.

D. Other Program Costs

1) Wages – Field Staff

Contractor shall request reimbursement for the actual labor costs including benefits related to weatherization supervisors, assessors, inspectors, and crew members that are allocable to the program but not associated with the direct installation and/or performance of weatherization services/activities on the job site and training, including, but not limited to: job scheduling, job preparation, travel time, building and prepping of weatherization materials away from the job site and downtime.

2) Wages – Program Management and Support

- a. Contractor shall request reimbursement for the actual labor costs related to program management and support staff directly

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responsible for the direct management and oversight over the DOE Weatherization program activity or providing direct support to ensure the successful delivery of weatherization services.

- b. Reported costs shall include labor costs associated with performing direct support in coordinating the delivery and tracking of direct program services, including but not limited to: job scheduling, collating and aggregating of weatherization activities and materials, and coordination of subcontracted services.

3) Payroll Taxes

- a. Reported costs shall include payroll taxes associated with field, program management and support staff that are allocable to the program.
- b. Reported costs shall not include payroll taxes associated with wages allocable to administrative costs.

3) Lodging and Per Diem

Contractor may claim reimbursement for lodging and per diem related to the installation of weatherization measures subject to travel and per diem rates as described in EXHIBIT D, SPECIAL TERMS AND CONDITIONS, Section 1 – Travel and Per Diem.

4) Disposal, HERS Rater and Permit Fees

Contractor may claim reimbursement for disposal, HERS rater and permit fees related to the includes fees incurred by the Contractor and their subcontractor.

5) Vehicle and Equipment Repair and Maintenance

- a. Contractor may claim reimbursement for expenses related to upkeep and maintenance of vehicles and equipment used in the direct delivery of weatherization services. Allowable costs shall be limited to expenditures associated with the maintenance of the vehicles and equipment and fuel and oil.
- b. Contractor shall maintain records for fuel expenditures, vehicle maintenance and vehicle usage to substantiate allowable travel costs related to and allocable to DOE WAP.

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E. Clearance Inspections for HUD Units

Should a clearance inspection be required, agencies should defer the costs of the clearance inspection to the property owner and/or local housing authority. In many cases, the local housing authority has licensed inspectors and may possibly conduct a clearance inspection of a U.S. Department of Housing and Urban Development (HUD) unit free of charge. However, in those instances where the property owner and/or the local housing authority are unable to incur the costs of the clearance inspection, Contractors may seek a waiver from CSD allowing the cost of the inspection as a reimbursable activity. Waiver requests will be treated on a case-by-case basis and must be approved by CSD prior to beginning weatherization services. A copy of the clearance inspection must be placed and maintained in the client's file.

F. Leveraging

- 1) Contractor may perform services and install energy conservation measures as per this Agreement and in accordance with requirements of another CSD and non-CSD funding source concurrently in the same dwelling as feasible and in the best interest of the client; however:
 - a. Contractor may not leverage DOE program funded weatherization service or related activity with ARRA DOE WAP funding.
 - b. Contractor may split DOE material expenditures associated with a single measure with any funding source other than ARRA DOE WAP provided the combined expenditures reported to each contract does not exceed the maximum reimbursement for the individual measure. Contractor will be required to provide an accounting of labor, material, and quantities installed under each program.
 - c. Contractor may not claim duplicate reimbursement for the same costs charged to a CSD program with any other public or privately funded program.
 - d. Contractor may claim reimbursement for outreach and intake only once when DOE, LIHEAP and non-CSD program funds are used concurrently in the same unit.
- 2) When the total reimbursement for a measure is contracted under a non-CSD program and the reimbursement is intended to cover the entire costs of the contracted service, then all related costs associated with the installed

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measure shall be charged to that non-CSD program. Additional costs to facilitate or to offset cost deficits for the measure shall not be charged to CSD energy programs.

G. Dwelling Status

1) Completed Units

- a. Contractor shall not report a weatherized dwelling as completed nor shall Contractor request reimbursement for a weatherized dwelling until all weatherization measures identified during the dwelling assessment have been installed including post-weatherization inspections. Contractor shall not bill for incomplete units or prematurely close a unit with outstanding measures in order to receive reimbursement for work completed. If there are measures found to be nonfeasible by crew members after the initial assessment, the reason for the nonfeasibility shall be documented in the client file and the dwelling shall be considered completed.
- b. Contractor shall not report a dwelling as weatherized nor request reimbursement prior to the quality assurance certification confirming quality and completeness of work performed upon weatherized dwellings.

2) Unweatherized Dwellings

- a. Contractor may claim reimbursement for outreach and intake for each eligible unit not previously weatherized. Additionally, Contractor will be allowed to claim reimbursement when a safety check of combustion appliances reveals safety hazards that preclude installation of measures.
- b. Contractor may claim reimbursement for weatherization activities as documented on the Weatherization Building Assessment and Job Checklist (CSD 540) or Contractor's equivalent for each eligible household not previously weatherized.

3) Previously Weatherized Dwellings

- a. If the previous weatherization was performed under a nonfederal program or under this Agreement, the occupant eligibility must be certified; therefore, Contractor may claim outreach and intake costs.

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- b. Contractor shall report a previously weatherized dwelling as a reweatherized unit and not include the dwelling as a completed unit or report the dwelling and client demographics.

H. Disaster Relief

- 1) Contractor may claim reimbursement for approved services for qualified disaster victims in accordance with the EXHIBIT F, ATTACHMENT I, DISASTER RELIEF PLAN.
- 2) Reimbursement shall be limited to a maximum average reimbursement of \$3,243 per dwelling unit.

5. REPORTING REQUIREMENTS

A. Monthly Reports

- 1) Contractor shall complete and submit to CSD, Contractor's expenditures and activities for Weatherization by entry onto the web-based, Expenditure Activity Reporting System (EARS). The monthly reports shall be submitted and received by-CSD on or before the fifteenth (15th) calendar day following the reporting period, irrespective of the level of activity or amount of expenditure in the preceding period.
- 2) Expenditures for Weatherization shall be reimbursed through the DOE Monthly Weatherization Expenditure/Activity Report via EARS.
- 3) For disaster-related expenditures, Contractor shall contact CSD for invoicing instructions.
- 4) All adjustments, if any, must be reported through EARS under the report period in which the expenditures occurred.
- 5) Contractor shall also submit to CSD the physical addresses for recipients of services under Weatherization for the monthly period in which the service activity occurred and reimbursement for the service activity is requested.
 - a. Contractor shall submit the monthly reporting of client service addresses separately from the EARS monthly activity/ reimbursement reporting by completing the CSD 767, Monthly Service Address Report.

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- b. The report shall be sent electronically to the CSD Help Desk at SART@csd.ca.gov on or before the fifteenth (15th) calendar day following the reporting period in which direct service activity occurs.
- c. The monthly DOE Weatherization Expenditure/Activity Report will not be processed until the Monthly Service Address Report has been reviewed and approved by CSD

B. Annual Reports

- 1) DOE Annual Training and Technical Assistance Report (CSD 524)

Contractor shall submit information regarding training and technical assistance as well as group client education/counseling activities on an annual basis on the DOE Annual Training and Technical Assistance Report (CSD 524) to the State on or before the fifteenth calendar day following the reporting period, irrespective of the level of activity or amount of expenditures. The report shall cover the contract period of June 30, 2010 through June 30, 2011 and is due July 15, 2011.

- 2) DOE Annual Leveraging Report (CSD 523)

Contractor shall submit information regarding leveraging activities on an annual basis on the DOE Annual Leveraging Report (CSD 523) to the State on or before the fifteenth calendar day following the reporting period, irrespective of the level of activity or amount of expenditures. The report shall cover the contract period of June 30, 2010 through June 30, 2011 and is due July 15, 2011.

C. CSD Review

- 1) CSD shall review Contractor's monthly reimbursement/activity reports and evaluate Contractor's performance related to program and fiscal operations and its demonstrated ability to effectively utilize all funds available under this Agreement.
- 2) The issuance of other CSD contracts, including reimbursement payments to the Contractor, shall be contingent upon timely receipt of the required reports, and/or compliance of material requirements of this Agreement.

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D. Close-out Report

- 1) Contractor shall submit, on the appropriate CSD forms, a close-out report verifying all actual, allowable, and allocable costs expended during the term of this Agreement and return all unexpended funds to the State within 90 calendar days after expiration of this Agreement.
 - a. Administrative, Health and Safety, and Training and Technical assistance costs shall not exceed the maximum allowable amounts.
 - b. Any Administrative, Health and Safety, and Training and Technical assistance costs that exceed these limits shall be disallowed and returned to CSD within 90 calendar days after the expiration of this Agreement.
 - c. Subsequent payments, including advance payments, for DOE or other CSD contracts shall also be contingent upon timely receipt of the close-out report of this Agreement.
- 2) The close-out report shall include the following forms and be available on CSD's "Contractor's Only" website:
 - a. DOE Close-Out Checklist (CSD 720);
 - b. DOE Close-Out Equipment Inventory Schedule (CSD 720D); and
 - c. DOE Close-Out Reconciliation Report (CSD 720E).
- 3) Unexpended Funds
 - a. Contractor shall use the DOE Close-Out Reconciliation Report (CSD 720E) to reconcile and report actual costs, interest earned, and reimbursements and advance payments received.
 - b. Any unexpended funds shall be returned to CSD at the time the close-out report is submitted.
- 4) Any weatherization materials purchased with these grant funds and remaining at the expiration of this Agreement shall be credited against Contractor's weatherization materials expenditures under this Agreement and charged to whatever other weatherization program Contractor may have in effect. If Contractor has no other weatherization program in effect, the State shall be contacted for disposition instructions.

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6. SCHEDULE OF ATTACHMENTS

The following attachments to this exhibit are hereby attached and incorporated by this reference:

- A. ATTACHMENT I DOE WEATHERIZATION BUDGET (CSD 570);
- B. ATTACHMENT II REIMBURSEMENT RATES FOR WEATHERIZATION ACTIVITIES.

**EXHIBIT B - ATTACHMENT I
 2009 DOE WEATHERIZATION BUDGET**

Contractor Name: Community Action Partnership of Riverside County		Contract Number: 09C-1778	Telephone Number: (951) 955-6461
Class "B" Contractor's License No.: 1) 768277 (2) 710333 (3) 854890 (4) 884275 5) 885220 (6) 931416 (7) 845883 (8) 835016 9) 864393 (10) 799746		Name on License: 1) Ace & Sons (2) James D. Restoration (3) Vasquez Group (4) David Hopkins (5) David Starrett (6) Energy Partnership (7) BAB (8) Synergy Companies (9) Hawaii Blue (10) Atlantis	Expiration Date: 1) 9-30-2011 (2) 12-31-2011 (3) 2-28-2011 4) 9-30-201 (5) 10-31-2010 (6) 4-30-2011 7) 9-30-2010 (8) 3-31-2010 (9) 5-31-2011 10) 9-30-2011
Prepared By (Print Name/Title): Kathryn J. Armstrong		E-mail Address: kjarmstrong@capriverside.org	Fax Number: (951) 955-1399
10 - ADMINISTRATIVE COSTS			
1.	Administrative Costs		\$ 32,677
2.	Administrative Equipment (More than \$5,000)		0
3.	TOTAL ADMINISTRATIVE COSTS (Total of Lines 1 and 2 - Not to exceed allocated amount)		\$ 32,677
20 - PROGRAM COSTS			
1.	Client Education		\$ 5,000
2.	Liability Insurance		0
3.	Outreach		5,000
4.	Training and Technical Assistance (Not to exceed allocated amount)		45,419
5.	Minor Vehicle and Field Equipment (Less than \$5,000)		0
6.	Major Vehicle and Field Equipment (More than \$5,000)		0
7.	Vehicle Insurance		2,000
8.	Workers' Compensation		0
9.	Intake		5,000
10.	Direct Program Activities		328,981
11.	Health & Safety (Not to exceed 25%)		118,660
12.	General/Operating Expenses		10,000
13.	TOTAL PROGRAM COSTS (Total of Lines 1-12)		\$ 520,060
30 - TOTAL COSTS (Total of Lines 1 & 13)			\$ 552,737

INSTRUCTIONS
EXHIBIT B – ATTACHMENT I
DOE WEATHERIZATION PROGRAM BUDGET
CSD 570 (Rev. 03/05/2010)

SECTION 10 – ADMINISTRATIVE COSTS

Line 1 – Administrative Costs - Enter the amount of funds allocated for all Administrative Costs. Administrative costs include salaries, wages, workers compensation, and fringe benefits for administrative staff, accounting, facilities, office equipment and supplies, telephone, travel, utilities and other administrative costs related to activities subject to DOE program rules.

Line 2 – Administrative Equipment - Enter the acquisition (actual cost to purchase) office equipment. These are purchases that are over \$5,000.

Line 3 - Total Administrative Costs – Enter the total of lines 1 and 2. This amount should not exceed the allocated amount.

Note: In calculating the allowable administrative costs, any carryover funds allocated from a previous program year CANNOT be used in calculating the allowable administrative costs. Administrative costs are limited to funding only. Calculate the percentage of total Administrative Costs to the Contract Amount EXCLUDING ANY CARRYOVER AMOUNTS ALLOCATED TO YOUR AGENCY. The total of Administrative Costs is limited to five percent (5%) of the contract budget. (See CSD 574 to apply for additional administrative funds.)

SECTION 20 – PROGRAM COSTS

Line 1 – Client Education – Enter the amount of funds allocated for client education activities.

Line 2 - Liability Insurance - Enter the amount of funds allocated for insurance bonds, general liability and pollution occurrence insurance. Do not include vehicle insurance in accordance with DOE program rules.

Line 3 – Outreach – Enter the amount of funds allocated for Outreach.

Line 4 - Training and Technical Assistance - Enter the amount of funds allocated for training and technical assistance subject to DOE program rules. The funds allocated cannot exceed the amount as provided by CSD.

Line 5 – Minor Vehicles and Field Equipment (Acquisition Costs) - Enter the acquisition (actual cost to purchase) vehicle and field equipment. These are purchases that are under \$5,000.

Line 6 – Major Vehicles and Field Equipment (Acquisition Costs) - Enter the acquisition (actual cost to purchase) vehicle and field equipment. These are purchases that are over \$5,000. Vehicle and field equipment purchases or lease purchase option with a value over \$5,000 need prior approval from CSD.

Line 7 – Vehicle Insurance – Enter the amount of funds allocated for insurance for weatherization vehicles.

Line 8 – Workers' Compensation – Enter the amount of funds allocated for Workers' Compensation for program staff. Do not include workers' compensation for salaries allocated to administrative costs.

Line 9 – Intake – Enter the amount of funds allocated for Intake.

Line 10 – Direct Program Activities – Enter the amount of funds allocated for Direct Program Activities.

Line 11 – Health and Safety – Enter the amount of funds allocated for Health & Safety not to exceed 25%.

Line 12 – General/Operating Expenditures – Enter the amount of funds allocated for Operating Expenditures.

Line 13 - Total Program Costs - Enter the sum of Lines 1 through 12.

Note: The total Program Costs shall not be less than 95% of the total Contract Amount unless additional administrative funds have been applied for. (See CSD 574 to apply for additional administrative funds.)

SECTION 30 – TOTAL COSTS

Enter the sum of Lines 1 and 13. Verify the total allocation as provided by CSD.

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ATTACHMENT II
REIMBURSEMENT RATES FOR WEATHERIZATION ACTIVITIES

Line #	Measure	Type	Classification	Applicable DOE Climate Zones	Maximum Reimbursement (No Fixed Fees)	Quantity Limits Per Job	Measure Life	Footnotes
SECTION: Mandatory - Assessments/Diagnostics								
1	Dwelling Assessment	With Attic Without Attic Modified (For reweatherized dwellings)	ADS	All zones	No maximum at this time	1 assessment per dwelling unless expired	6 months	
2	Energy Audit		ADS	All zones	No maximum at this time	1 audit per dwelling	Until add'l work performed	1
3	Combustion Appliance Safety Test	Pre Post	ADS	All zones	No maximum at this time	No maximum at this time	60 days	2
4	Blower Door Test	Pre Post	ADS	All zones	No maximum at this time	No maximum at this time	Until add'l work performed	2, 3
5	Duct Leakage Test	Pre Post	ADS	All zones	No maximum at this time	No maximum at this time	Until add'l work performed	2, 4
6	Contractor Post-Weatherization Inspection		ADS	All zones	No maximum at this time	1 inspection per dwelling	Until add'l work performed	2
SECTION: Mandatory - Health & Safety (Does not require Energy Audit)								
1	Carbon Monoxide Alarm	Lithium Battery	HSM	All zones for H&S reasons only	\$135 per dwelling	1 occurrence per dwelling; no maximum quantity		5, 6, 7, 9, 10, 11, 12
2	Cooling Repair	AC Wall/Window	HSM	All zones for H&S reasons only	\$788 or 50% of replacement	1 repair or replacement per dwelling; primary only		5, 6, 11, 12
		Evaporative Cooler			\$726 or 50% of replacement			
		FAU Split System			\$1742 or 50% of replacement			
3	Cooling Replacement	Multi-Unit Central System	HSM	All zones for H&S reasons only	\$788 or 50% of replacement	1 repair or replacement per MUD unit/building; primary only		5, 6, 7, 8, 10, 11, 12
		AC Wall/Window			\$1575			
		Evaporative Cooler Roof			\$1451			
		Evaporative Cooler Window/Wall			\$1235			
		FAU Split System			\$3483			5, 6, 7, 9, 11, 12
		Multi-Unit Central System			\$1575			5, 6, 7, 8, 10, 11, 12
		Exterior Wall Direct Vent, Interior Wall & Floor Furnace			\$1742 or 50% of replacement	1 repair or replacement per dwelling; primary only		5, 6, 10, 11, 12
		Forced Air Unit (Split System)		\$2296 or 50% of replacement				
		Mobile Home Furnace		\$1631 or 50% of replacement				

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Line #	Measure	Type	Classification	Applicable DOE Climate Zones	Maximum Reimbursement (No Fixed Fees)	Quantity/Limits Per Job	Measure Life	Footnotes	
4	Heating Source Repair	Multi-Unit Central System	HSM	All zones for H&S reasons only	\$1742 or 50% of replacement	1 repair or replacement per MUD unit/building; primary only	DOE Rule	5, 6, 8, 10, 11, 12	
		Other Types Not Listed							
		Package (Dual Pack)							
		Wood-Fueled							
5	Heating Source Replacement	Exterior Wall Direct Vent, Interior Wall & Floor Furnace	HSM	All zones for H&S reasons only	\$3483	1 repair or replacement per dwelling; primary only	DOE Rule	5, 6, 11, 12	
		Forced Air Unit (Split System)							
		Mobile Home Furnace							
		Multi-Unit Central System							
6	Kitchen Exhaust Installation, Repair & Replacement	Other Types Not Listed	HSM	All zones for H&S reasons only	\$4591	1 repair or replacement per dwelling; primary only	DOE Rule	5, 6, 11, 12	
		Package (Dual Pack)							
		Wood-Fueled							
		Range Hoods, Wall/Ceiling Mounts							
7	Thermostat	Manual	HSM	Zones 1 - 3 for H&S reasons only	\$65 per thermostat	2 thermostats per dwelling	DOE Rule	5, 6, 12, 14	
		Programmable		Zones 4 & 5 for H&S reasons only; Requires NEAT audit in Zones 1 - 3	\$157 per thermostat in Zones 4 & 5; SIR per Energy Audit for Zones 1 - 3				
8	Water Heater Repair	Electric	HSM	All zones for H&S reasons only	\$647 or 50% of replacement	1 repair or replacement per dwelling; primary only	DOE Rule	5, 6, 12	
		Gas & Propane							
		Mobile Home							
		Multi-Unit Central System							
9	Water Heater Replacement	Electric	HSM	All zones for H&S reasons only	\$1293	1 repair or replacement per dwelling; primary only	DOE Rule	5, 6, 12	
		Gas & Propane							
		Mobile Home							
		Multi-Unit Central System							
SECTION: Mandatory - Infiltration Reduction Measures (Requires Energy Audit if cost exceeds maximum limit; to be installed in conjunction with Blower Door/Duct Blaster)									
1	Caulking	Mobile Home	INF	All zones	\$90	1 occurrence per dwelling	DOE Rule	19, 20, 21, 28	
2	Coverplate Gasket	Multi-Unit	INF	All zones; requires blower door	\$45	1 occurrence per dwelling	DOE Rule	19	
		Single			\$75				
3	Door Repair	Exterior (All Other Types)	INF	All zones; catastrophic leak only otherwise requires blower door	\$250 per door	3 repairs or replacements per dwelling	DOE Rule	19, 20, 21, 22	
		Sliding Glass - 72" x 80" and smaller			\$713				1 repair per dwelling
		Sliding Glass - greater than 72" x 80"			\$856				2 repair per dwelling
	Exterior (All Other Types)			All zones; catastrophic leak only otherwise requires blower door	\$500 per door	4 repairs or replacements per dwelling	DOE Rule	19, 20, 21, 23	

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Line #	Measure	Type	Classification	Applicable DOE Climate Zones	Maximum Reimbursement (No Fixed Fees)	Quantity Limits Per Job	Measure Life	Footnotes
4	Door Replacement	Sliding Glass - 72" x 80" and smaller Sliding Glass - greater than 72" x 80"	INF	All zones; requires blower door	\$1425 \$1782	1 replacement per dwelling 2 replacement per dwelling	DOE Re-wx Rule	19, 20, 23 19, 20, 24
5	Duct Repairs & Replacement		INF	All zones; requires Duct Blaster	\$2197	1 repair or replacement per dwelling		21
6	Glass Replacement		INF	All zones; catastrophic leak only otherwise requires blower door	\$525 per dwelling	1 occurrence per dwelling; no maximum quantity		19, 20, 21
7	Minor Envelope Repair		INF	All zones; requires blower door	\$1331; Disaster Relief \$6500	1 occurrence per dwelling		19, 20, 23, 24
8	Vent Cover, Interior	Evaporative Cooler/Air Conditioner	INF	All zones; requires blower door	\$66 per cover	2 covers per dwelling		19, 20, 21
9	Weatherstripping	Hinged Door Other	GHW INF	All zones	\$44 per door Not to exceed \$2.10 per lin ft	1 occurrence per dwelling; no maximum quantity		20, 21, 25, 28 19, 20, 21, 25
10	Window	Repair Replacement	INF	All zones; catastrophic leak only otherwise requires blower door	\$1200 per dwelling \$2400 per dwelling	1 occurrence per dwelling; no maximum quantity		19, 20, 21
SECTION: Mandatory - Other Measures (Requires Energy Audit if cost exceeds maximum limit)								
1	Compact Fluorescent Lamp	Hard Wire Thread Based	EBL	All zones	\$170 per dwelling \$10 per bulb	2 lamps per dwelling 10 bulbs per dwelling		18
2	Duct Insulation		INS	All zones, only if required by Title 24	Not to exceed \$0.95 per sq ft	1 occurrence per dwelling; no maximum quantity		
3	Filter Replacement	Air Conditioning Furnace	GHW	All zones	\$100 per dwelling \$100 per dwelling	1 occurrence per dwelling 1 occurrence per dwelling		28
4	Hot Water Flow Restrictor	Faucet Restrictor Low Flow Handheld Showerhead Low Flow Showerhead	GHW	All zones	\$8 per restrictor \$35 per showerhead \$27 per showerhead	1 occurrence per dwelling; no maximum quantity	DOE Re-wx Rule	28
5	Mechanical Ventilation			All zones	No maximum at this time	1 occurrence per dwelling; no maximum quantity		20
6	Refrigerator Replacement	19 cu. ft. and below Over 19 cu. ft.	EBL	All zones	\$1032 \$1187	1 replacement per dwelling		18, 26
7	Water Heater Blanket		GHW	All zones	\$55	1 blanket per dwelling		28
8	Water Heater Pipe Wrap		GHW	All zones	Not to exceed \$3.90 per lin ft	1 occurrence per dwelling; no maximum quantity		28
SECTION: Mandatory - DOE Priority List (Requires Energy Audit if cost exceeds maximum limit; DOE Climate Zone Specific)								
1	Attic Ventilation		INS	Zones 4 & 5 only, in conjunction with ceiling insulation	\$355 per dwelling	1 occurrence per dwelling; no maximum quantity		27
2	Ceiling Insulation	R-value 11 R-value 19 R-value 30 R-value 38	INS	Zones 4 & 5 only	Not to exceed \$0.86 per sq ft Not to exceed \$1.05 per sq ft Not to exceed \$1.18 per sq ft Not to exceed \$1.40 per sq ft	1 occurrence per dwelling; no maximum quantity		
3	Cooling Repair	Evaporative Cooler Evaporative Cooler/Roof	HCM	Zone 5 only, if not H&S	\$726 or 50% of replacement \$1451	1 repair or replacement per dwelling, primary only 1 repair or replacement per		5, 6, 11, 12 5, 6, 11, 12

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Line #	Measure	Type	Classification	Applicable DOE Climate Zones	Maximum Reimbursement (No Fixed Fees)	Quantity Limits Per Job	Measure Life	Footnotes
4	Cooling Replacement	Evaporative Cooler Window/Wall	HCM	Zone 5 only, if not H&S	\$1235	1 dwelling; primary only		13
5	Floor Foundation Venting		INS	Zone 4 only, in conjunction with floor insulation	\$360 per dwelling	1 occurrence per dwelling; no maximum quantity	DOE Re-wx rule	27
6	Floor Insulation	Over 36" Clearance Under 36" Clearance	INS	Zone 4 only	Not to exceed \$1.83 per sq ft Not to exceed \$2.23 per sq ft	1 occurrence per dwelling; no maximum quantity		
7	Kneewall Insulation	R-value 11 R-value 19	INS	Zones 4 & 5 only	Not to exceed \$1.05 per sq ft Not to exceed \$1.18 per sq ft	1 occurrence per dwelling; no maximum quantity		
8	Storm Window	Fixed, Glass Glazing	INF	Zone 5 only	Not to exceed \$12.40 per sq ft	1 occurrence per dwelling; no maximum quantity		20
		Fixed, Polycarbonate			Not to exceed \$18.40 per sq ft			
		Operable, Glass Glazing			Not to exceed \$13.90 per sq ft			
		Operable, Polycarbonate			Not to exceed \$21.40 per sq ft			
9	Thermostat	Programmable	HCM	Zones 4 & 5 only	\$157 per thermostat	2 thermostats per dwelling		17, 18
SECTION: Optional (Requires Energy Audit)								
1	Attic Ventilation		INS	Zones 1 - 3	SIR per Energy Audit	1 occurrence per dwelling; no maximum quantity		27
2	Ceiling Insulation	R-value 11 R-value 19 R-value 30 R-value 38	INS	Zones 1 - 3	SIR per Energy Audit	1 occurrence per dwelling; no maximum quantity		
3	Cooling Replacement (Energy Efficiency Upgrades and Non-Health and Safety Reasons)	AC Wall/Window	HCM	All zones for H&S reasons only	SIR per Energy Audit	1 repair or replacement per dwelling; primary only		5, 6, 7, 9, 11, 12, 13
		Evaporative Cooler Roof						
		Evaporative Cooler Window/Wall						
3	Duct Insulation	FAU Split System	INS	All zones	SIR per Energy Audit	1 repair or replacement per MUD unit/building; primary only		5, 6, 7, 9, 11, 12
		Multi-Unit Central System						
4	Floor Foundation Venting		INS	Zones 1 - 3, 5, in conjunction with floor insulation	SIR per Energy Audit	1 occurrence per dwelling; no maximum quantity		27
5	Floor Insulation		INS	Zones 1 - 3, 5	SIR per Energy Audit	1 occurrence per dwelling; no maximum quantity		
5	Heating Source Replacement (Energy Efficiency Upgrades and Non-Health and Safety Reasons)	Exterior Wall Direct Vent, Interior Wall & Floor Furnace	HCM	All zones for H&S reasons only	SIR per Energy Audit	1 repair or replacement per dwelling; primary only		5, 6, 11, 12
		Forced Air Unit (Split System)						
		Mobile Home Furnace						
		Multi-Unit Central System						

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Line #	Measure	Type	Classification	Applicable DOE Climate Zones	Maximum Reimbursement (No Fixed Fees)	Quantity Limits Per Job	Measure Life	Footnotes
		Other Types Not Listed Package (Dual Pack) Wood-Fueled				1 repair or replacement per dwelling; primary only		5, 6, 12, 14 5, 6, 11, 12 5, 6, 11, 12, 15
8	Kneewall Insulation	R-value 11 R-value 19	INS	Zones 1 - 3	SIR per Energy Audit	1 occurrence per dwelling; no maximum quantity		
9	Shadescreen		GHW	All zones	SIR per Energy Audit	1 occurrence per dwelling; no maximum quantity		
10	Shutter		INF	All zones	SIR per Energy Audit	1 occurrence per dwelling; no maximum quantity		
11	Storm Window	Fixed, Glass Glazing Fixed, Polycarbonate Operable, Glass Glazing Operable, Polycarbonate	INF	Zones 1 - 4	SIR per Energy Audit	1 occurrence per dwelling; no maximum quantity		20
12	Thermostat	Programmable	HCM	Zones 1 - 3	SIR per Energy Audit	2 thermostats per dwelling		17, 18
13	Tinted Window Film		GHW	All zones	SIR per Energy Audit	1 occurrence per dwelling; no maximum quantity		
14	Wall Insulation		INS	All zones	SIR per Energy Audit	1 occurrence per dwelling; no maximum quantity		
15	Water Heater Timer		GHW	All zones	SIR per Energy Audit	1 timer per dwelling		

* Classification Key	
ADS	Assessment/Diagnostics
EBL	Electric Baseload Measure
GHW	General Heat Waste
HCM	Heating Cooling Measure
HSM	Health & Safety Measure
INF	Infiltration Reduction Measure
INS	Insulation Measure

NO RATE ABOVE IS A FIXED FEE.

All actual labor hours must be documented in the client file. The total labor hours charged to the job can not exceed the total man hours at the time of the audit. These reimbursement rates were not determined by the current analysis being conducted using a new energy audit tool. Once the new energy audit tool and priority list are approved by DOE, the maximums and order of priority may change.

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ATTACHMENT II
FOOTNOTES TO REIMBURSEMENT RATES FOR WEATHERIZATION ACTIVITIES

1	For purposes of the energy audit, multi-unit buildings or complexes with 2 to 4 units are considered single family dwellings.
2	An inspection of one-hundred percent (100%) of the total number of dwellings weatherized under this Agreement must be completed in accordance with CSD Inspection Policies and Procedures. Reimbursement is allowable for the actual labor hours on the job site only for inspection activity including post-tests for CAS, blower door and Duct Blaster. It does NOT include travel to and from the job site and corrections to measures. If the inspector performs any corrections to measures, the time spent making the corrections shall be included in the amount billed for the measure and shall be subject to Davis Bacon requirements. The percentage of post-testing for CAS, blower door and Duct Blaster for quality control purposes is determined by each agency and shall be included in their local plan subject to CSD approval.
3	Blower door diagnostics are required on 100% of all dwellings in accordance with CSD 2009 PY Interim Blower Door Policies and Standards and is for shell sealing purposes only not including duct leakage. If blower door is not performed, minor envelope repairs excluding only doors and windows with catastrophic leaks can NOT be installed. Blower door diagnostics can not be used for duct leakage tests. The time expended for the installation for infiltration reduction measures during the test are not chargeable to this line item.
4	A Duct Blaster shall be used to perform duct leakage testing on all dwellings with an FAU. Duct testing is a stand-alone test billed separately, even when performed for a dwelling in which a Blower Door Test is required for purposes of assessing outside air infiltration.
5	If required by the local jurisdiction, a building permit must be obtained and finalized for vented appliance installations (Furnace, Boiler, Water Heater and Vented Space Heater), Evaporative Cooler, Central HVAC, and Wood-Fueled Space Heater installations. A copy of the finalized permit must be placed in client's file.
6	Special licensing is required for the installation of Central HVAC systems, Furnace, and Boilers. Special licensing may also be required for the installation and/or repair of Evaporative Cooler, Vented Space Heater, Air Conditioning, and Gas and Electric Water Heaters, if two or more weatherization measures are not installed in a single unit. Electrical wiring upgrade/replacement and knob-and-tube wiring certification will always require a C-10 license.
7	Technicians performing evacuation and charging of refrigerant must have EPA-approved certification as a Type II or Universal technician. Refrigerant shall be recovered, and all hazardous waste materials shall be disposed of in conformance with federal, state, and local codes.
8	The total cost per unit must be allocated to all units in the building being served by the central unit. Total costs of the central unit is subject to the sixty-six percent (66%) or fifty percent (50%) eligibility rule used to weatherize all units in a building.
9	Do not perform if dwelling has an operable evaporative cooler.
10	Repairs also include cleaning and filter replacement when applicable.
11	Reimbursement cannot be claimed under "Other Types Not Listed" for costs that exceed the maximums in the other categories of cooling and heating repairs and replacements.
12	Must be classified as health and safety if a gas or electrical safety hazard exists. Age of the appliance cannot be used as a criterion for replacement. Upgrades in heating and cooling appliances for energy efficiency purposes are subject to the energy audit unless required by Title 24.
13	Special training is a mandatory prerequisite for Contractors before performing Evaporative Cooler Installation and Window/Wall Air Conditioner Replacement. Contractor must contact CSD to schedule training.
14	Propane furnace repairs and replacements shall be reimbursed under Other Types Not Listed.
15	A wood-fueled space heater may only be installed if it is to be used to replace a fossil-fueled space heater and/or damaged or hazardous wood stove that cannot feasibly be repaired, i.e., cost of repair exceeds fifty percent (50%) of replacement cost, or existing unit is not a listed and labeled stove.
16	Repairs and replacements are allowable on pre-existing and vented kitchen exhausts in all unit types. New vented kitchen exhausts may be installed where one was not existing in mobile homes only.
17	Manual Thermostats may be installed in lieu of Programmable Thermostats only if the old thermostat is inoperable and if it is determined that the client receiving such services will not be able to operate and maintain a Programmable Thermostat properly and it is installed for health and safety reasons.
18	Contractors shall ensure the proper disposal of hazardous wastes products, such as fluorescent lamps (tubes, screw-in and plug-in), batteries, and mercury thermostats in accordance with the Universal Waste Rule (Hazardous Waste Management System: Modification of the Hazardous Waste Recycling Regulatory Program); Final Rule.
19	When using a blower door in conjunction with weatherizing a dwelling, do not apply these measures if the shell leakage is less than the Minimum Ventilation Requirement or if the economic stop point for air sealing has been reached. Does not apply to catastrophic leaks that are health and safety hazards, e.g., broken-out window, severely damaged door, etc.
20	If a combustion appliance safety hazard or other unsafe conditions requiring repair is found to exist and cannot be repaired under the scope of the program, Contractor may not install the infiltration reduction and duct sealing measures identified by this note.
21	If costs should occur such that the maximum time or costs are exceeded, the additional time or costs cannot be charged to Minor Envelope Repair.
22	When installing an exterior door, the installation of deadbolt locks in conjunction with an exterior door replacement is allowable on rental units only. Reimbursement will be based on the material costs for the door, the deadbolt lock, and the labor. On any dwelling, an existing and functional deadbolt may be reinstalled in the replacement door, with reimbursement limited to labor for the reinstallation.
23	The types of activity allowable under minor envelope repairs are included in EXHIBIT G, DEFINITIONS and the CSD weatherization installation standards.
24	Cabinet retrofits are not allowed under DOE for range, cook top, or previously built-in microwaves that have been replaced under LIHEAP.

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25	Includes sliding glass doors. Does not include weatherstripping applied to attic and crawl space access hatches, to evaporative-cooler and air-conditioner covers, or to open combustion appliance enclosure doors. Expenditures for weatherstripping applied to covers and enclosure doors shall be charged under the appropriate appliance repair line item. When insulation is not installed, applies to access hatches and windows.
26	CSD Policies and Procedures for electric base-load measures state that a replacement refrigerator may be replaced only if it was manufactured in 1992 or earlier. Documentation in the client file shall contain the manufacturer, make, model and age of all replaced refrigerators. Age must be verified utilizing the Refrigerator Energy Use Data at www.waptac.org or other applicable resources, per the 2009 PY Interim Policies and Standards.
27	Attic and floor foundation venting may only be performed in conjunction with ceiling and floor insulation, respectively.
28	General heat waste measures are intended to be low-cost items that can be quickly and easily installed. The weatherstripping for exterior doors does not include door shoes or thresholds which will remain as part of minor envelope repair.

EXHIBIT C
(Standard Agreement)

GENERAL TERMS AND CONDITIONS GTC - 307

1. APPROVAL: This Agreement is of no force or effect until signed by both parties.
2. AMENDMENT: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
3. ASSIGNMENT: This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.
4. AUDIT: Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).
5. INDEMNIFICATION: Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.
6. DISPUTES: Contractor shall continue with the responsibilities under this Agreement during any dispute.
7. TERMINATION FOR CAUSE: The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.

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8. INDEPENDENT CONTRACTOR: Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.

9. NON-DISCRIMINATION CLAUSE: During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

10. CERTIFICATION CLAUSES: The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 307 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.

11. TIMELINESS: Time is of the essence in this Agreement.

12. COMPENSATION: The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.

13. GOVERNING LAW: This contract is governed by and shall be interpreted in accordance with the laws of the State of California.

14. CHILD SUPPORT COMPLIANCE ACT: "For any Agreement in excess of \$100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:
 - a) The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in

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Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and

- b) The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.”
15. UNENFORCEABLE PROVISION: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.
16. PRIORITY HIRING CONSIDERATIONS: If this Contract includes services in excess of \$200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by the Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.

EXHIBIT D
(Standard Agreement)

SPECIAL TERMS AND CONDITIONS

1. TRAVEL AND PER DIEM

- A. Contractor's employee travel costs and per diem reimbursement rates shall be reimbursed based on the Contractor's policies and procedures not to exceed federal per diem requirements.
- B. In absence of a travel policy, Contractor shall defer to the rules and regulations established in the California Code of Regulations Sections 599.615 through 599.638 and be reimbursed in accordance with the definitions, terms, and provisions contained therein.

2. CERTIFICATIONS

- A. Contractors' signature affixed hereon shall constitute a certification that to the best of its ability and knowledge it will, unless exempted, comply with the provisions set forth in the following:
 - 1) Drug-Free Workplace Requirements, Contract Certification Clauses 307 (CCC-307)
 - 2) National Labor Relations Board Certification (CCC-307)
 - 3) Expatriate Corporations (CCC-307)
 - 4) Domestic Partners (CCC-307)
 - 5) Contractor Name Change (CCC-307)
 - 6) Resolution (CCC-307)
 - 7) Air or Water Pollution Violation (CCC-307)
 - 8) Information Integrity and Security (Department of Finance, Budget Letter 04-35).
 - 9) Safeguarding Against and Responding to a Breach of Security Involving Personal Information (Office of Information Security and Privacy Protection, Management Memo 08-11).
- B. The above documents are hereby incorporated by reference into this Agreement. To access these documents, please visit www.csd.ca.gov

EXHIBIT D
(Standard Agreement)

C. Internal Control Certification

Contractor shall ensure the establishment and maintenance of a system of internal accounting and administrative control. This responsibility includes documenting the system, communicating system requirements to employees, and assuring that the system is functioning as prescribed and is modified, as appropriate, for changes in conditions. The system of internal accounting and administrative control shall include:

- 1) Segregation of duties appropriate to safeguard state assets;
- 2) Limited access to agency assets to authorized personnel who require these assets in the performance of their assigned duties;
- 3) Authorization and recordkeeping procedures adequate to provide effective accounting controls over assets, liabilities, revenues, and expenditures;
- 4) Established practices to be followed in performance of duties and functions;
- 5) Personnel of a quality commensurate with their responsibilities; and
- 6) Effective internal reviews.

3. CONFLICT OF INTEREST

- A. Contractor certifies that its employees and the officers of its governing body shall avoid any actual or potential conflicts of interest and that no officer or employee who exercises any functions or responsibilities in connection with this Agreement shall have any personal financial interest or benefit that either directly or indirectly arises from this Agreement.
- B. Contractor shall establish safeguards to prohibit its employees or its officers from using their positions for a purpose that could result in private gain or that gives the appearance of being motivated for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
- C. Pursuant to 10 CFR § 600.142 and 236, Contractor shall not provide DOE WAP services or activities to beneficiaries where there is an actual or perceived conflict of interest, unless CSD has provided prior written approval of either: a) Contractor's conflict of interest policies and procedures, or b) any individual service or activity that presents an actual or perceived conflict including but not limited to:

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- 1) Providing program services to Contractor's employees, officers, or other persons or entities with whom Contractor's employee or officer has family, business, or other ties; and
 - 2) Providing program services to owner-occupied or rental dwellings that are owned or managed by the Contractor, employees, or officers.
- D. To obtain prior written approval by CSD, Contractor must demonstrate that it will:
- 1) Follow all regular eligibility and prioritization requirements of the Federal programs, as applicable to each service or activity;
 - 2) Comply with all dwelling eligibility requirements of this Agreement, including but not limited to rent increase and multiple dwelling restrictions;
 - 3) Substantiate the need for weatherization services by completing a dwelling assessment for each individual dwelling unit served; and
 - 4) Consent to any further conditions if required by CSD. Failure to obtain prior written approval by CSD will result in costs being disallowed.

4. CODES OF CONDUCT

- A. Contractor shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts or subcontracts. No employee, officer, or agent of the Contractor shall participate in the selection, award, or administration of a subcontract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the Contractor shall neither solicit nor accept gratuities, favors, or anything of monetary value from subcontractors or parties to subagreements. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipients.
- B. Contractor shall not pay Federal funds received from CSD to any entity in which it (or one of its employees, officers, or agent, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicated herein) has an interest. As ownership constitutes a financial interest, Contractor shall not subcontract with a subsidiary. Similarly, Contractor shall not subcontract with an entity that employs or is about to employ any person described in 10 CFR 600.236 (for states and local governments) and

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10 CFR Part 600.142 (for nonprofit organizations) (Office of Management and Budget Circular A-110, section 42).

5. BOARD ROSTER, BYLAWS, RESOLUTION, AND MINUTES

- A. Upon execution of this Agreement, Contractor shall submit to CSD a current roster of members of its governing board's Executive Committee, including contact information for each Committee member at a location other than the Contractor's office, and the most recent version of the organizational bylaws. If Contractor is a nonprofit or public entity that qualifies as an eligible entity under the federal CSBG Act, then Contractor shall instead submit a roster, including contact information, of Executive Committee of the tripartite board. Contractor is responsible to notify CSD of any changes to the Committee roster within thirty (30) days of such occurrence.
- B. Contractor's governing board must authorize the execution of this Agreement. Contractor has the option of demonstrating such authority by direct signature by a Board member, or by any lawful delegation of such authority that is consistent with Contractor's bylaws.
- C. Where Contractor elects to delegate the signing authority to the chief executive officer, CSD will accept either a resolution specific to this Agreement or a resolution passed by the governing board that is more generally applicable to any CSD program contract or amendment. Where Contractor provides a general resolution, Contractor shall maintain documentation that the chief executive officer provided timely and effective communication of the execution and terms of this Agreement to the Board. Either a specific or current general resolution must be on file with CSD prior to CSD's finally executing this Agreement.
- D. Contractor shall submit to CSD the minutes from regularly scheduled meetings of the governing board and/or tripartite board no later than 30 days after the minutes are approved. Regularly scheduled meetings shall be in accordance with the board's bylaws.
- E. If the Contractor's board is both tripartite and advisory to the elected members governing a local government, the Contractor shall submit to CSD the approved minutes from any meeting of the elected officials where matters relating to this Agreement are heard, including but not limited to discussions about or decisions affecting the DOE WAP. Such minutes shall be submitted to CSD no later than 30 days after the related meeting.

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6. AUDITING STANDARDS AND REPORTS

A. Auditing Standards

Contractor must follow all audit requirements as set forth in OMB Circular A-133 and the 2009 CSD Supplemental Audit Guide. The 2009 Supplemental Audit Guide is attached herein as Exhibit D, Attachment I. The 2009 Supplemental Audit Guide may be accessed at www.csd.ca.gov.

B. Audit Reports

- 1) a. Funds provided under this Agreement shall be included in an audit conducted in accordance with the provisions of OMB Circular A-133 for nonprofit and public agencies, standards promulgated by the American Institute of Certified Public Accountants (AICPA), and those standards included in "Government Auditing Standards, 2007 Revision, as amended."
- b. Contractors falling below the federal funding threshold that mandates a single agency-wide audit in accordance with OMB Circular A-133 shall:
 - i. Submit an annual program-specific audit within nine months of the end of the Contractor's fiscal year; and
 - ii. Be subject to an audit and/or other fiscal- or program-specific review conducted by CSD or its agents, upon 30 days written notice.
- 2) The financial and compliance audit report shall contain the following supplementary financial information: a combined statement of revenue and expenditures for each contract that presents, by budget line item, revenue and expenditures for the audit period and a description of the methodology used to allocate and claim indirect costs and any administrative cost pools.
- 3) The audit report must specifically mention that a review for compliance with OMB Circulars A-87 and A-122 was conducted.
- 4) Contractors shall submit to CSD one printed copy and one electronic copy of the required audit report(s) and any management letter if issued by the accountant, within nine months of the end of the Contractor's fiscal year, accompanied by a copy of the signed, final engagement letter between Contractor and the independent auditor. Upon written request by the Contractor's independent auditor, which includes an explanation of why the audit cannot be submitted within nine months of the end of the Contractor's fiscal year, an extension may be granted by CSD Audit

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Services Unit for submittal of the audit report not to exceed an additional 30 calendar days from the original due date. The audit reports and supplementary financial information are to be submitted to the following addresses:

Printed copy:

Department of Community Services and Development
Attention: Audit Services Unit
P.O. Box 1947
Sacramento, CA 95812-1947.

Electronic copy:

audits@csd.ca.gov.

Local governmental agencies also shall submit the required number of copies of the audit report in accordance with the guidelines set by the Division of Audits of the State Controller's Office. Said reports are to be submitted to the following address:

State Controller's Office
Division of Audits
300 Capitol Mall, Fifth Floor
Sacramento, CA 95814.

- 5) Where services or funds under this Agreement are provided to, for, or by a wholly owned or wholly controlled subsidiary of Contractor, Contractor hereby provides assurance that an audit shall be performed of this subsidiary organization in accordance with this Section. Said required audit report shall be made available to the State upon request.
- 6) In the event an audit required under this section has not been submitted in a timely fashion, CSD may at its option impose sanctions as provided in OMB Circular No. A-133 at § ___.225, to include:
 - a) Withholding a percentage of Federal awards until the audit is completed satisfactorily;
 - b) Withholding or disallowing overhead costs;
 - c) Suspending Federal awards until the audit is conducted; or
 - d) Terminating the Federal award.

7. SUBCONTRACTS (CSD)

Contractor may enter into subcontract(s) to perform part or all of the services contemplated under this Agreement. Prior to the commencement of subcontracted services under this Agreement, Contractor shall obtain board approval, to include but not be limited to an assurance that the subcontractor agreement(s) shall comply with all terms, conditions, assurances, and certifications of this Agreement for the nonprofit and

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local governmental agencies performing services in the area(s) described in EXHIBIT A, SCOPE OF WORK, Section 4.

- A. Contractor shall provide written notification to the State within 60 calendar days of execution of each subcontractor agreement the name of the subcontractor entity, its address, telephone number, contact person, contract amount, and program description of each subcontractor activity to be performed under this Agreement.
- B. Contractor remains responsible to substantiate the allowable and allocable use of all funds under this Agreement and to adopt fiscal control and accounting procedures sufficient to permit the tracing of funds paid to any subcontractor to a level of expenditure adequate to establish that such funds have not been used in violation of this Agreement. Contractor shall ensure that any subcontracts under this Agreement contain all provisions necessary to ensure adequate substantiation and controls of the expenditure of such funds. Contractor may achieve this through detailed invoices, by periodic monitoring of subcontractor's program activities and fiscal accountability, by retaining a right of reasonable access to the subcontractor's books and records, or by any other method sufficient to meet Contractor's responsibility to substantiate costs required by OMB Circulars A-87, 122, and 133.
- C. Contractor shall immediately notify subcontractor(s) in writing within five days of such action in the event the State suspends, terminates, and/or makes changes to the services to be performed under this Agreement.
- D. Contractor is the responsible party and shall remain liable for the performance of the terms, conditions, assurances, and certifications of this Agreement, without recourse to the State, regarding the settlement and satisfaction of all contractual and administrative issues arising out of subcontract agreement(s) entered into in support of this Agreement, including disputes, claims, or other matters of a contractual nature as well as civil liability arising out of negligence or intentional misconduct of the subcontract(s).
- E. Nothing contained in this Agreement or otherwise shall create any contractual relation between the State and any subcontractors, and no subcontract shall relieve the Contractor of its responsibilities and obligations hereunder. Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

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- F. All subcontractors shall be subject to the training and record-keeping provisions in Exhibit F. In addition, subcontractors whose training is provided at the Contractor's expense will be subject to a retention agreement, as indicated in Exhibit B1, section C. 5) d.

8. INSURANCE AND FIDELITY BOND

A. General Requirements

- 1) By execution of this Agreement, Contractor agrees that the below-required insurance policies and bond shall be in effect at all times during the term of this Agreement.
- 2) Contractor shall provide the State with written notice at least 30 calendar days prior to cancellation or reduction of insurance coverage to an amount less than that required in this Agreement.
- 3) In the event said insurance coverage expires at any time or times during the term of this Agreement, Contractor agrees to provide, at least 30 calendar days prior to said expiration date, a new Certificate of Insurance (ACORD 25) evidencing insurance coverage as provided for herein for not less than the remainder of the term of this Agreement. The Certificate of Insurance (ACORD 25) shall identify and name the State as the Certificate Holder.
- 4) New Certificates of Insurance are subject to review for content and form by CSD.
- 5) In the event Contractor fails to keep in effect at all times the specified insurance and bond coverage as herein provided, the State may, in addition to any other remedies it may have, suspend this Agreement.
- 6) With the exception of workers' compensation and fidelity bond, the State shall be named as additional insured on all certificates of insurance required under this Agreement.
- 7) The issuance of other CSD contracts, to include reimbursement payments, to the Contractor may be contingent upon required current insurance coverage being on file at CSD for this Agreement.

B. Self-Insurance

- 1) When Contractor is a self-insured governmental entity, the State, upon satisfactory proof, may waive the appropriate insurance requirements upon written certification. An appropriate county or city risk manager shall sign this certification that shall contain assurance of the adequacy of the

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governmental entity's ability to cover any potential losses under this Agreement.

- 2) Contractor shall specify in writing a list of which coverage(s) will be self-insured under this Agreement and shall list all applicable policy numbers, expiration dates, and coverage amounts.
- 3) In the case that the Contractor's self-insurance coverage does not contain any changes from the prior year, CSD will accept a certified letter signed by authorized personnel; stating that no changes have occurred from the last year. This letter is due at the time of contract execution or within 30 days of expiration of insurance.
- 4) Should Contractor utilize a subcontractor(s) to provide services under this Agreement, Contractor shall indemnify and hold the State harmless against any liability incurred by that subcontractor(s).

C. Workers' Compensation Insurance

- 1) Contractor shall have and maintain for the term of this Agreement workers' compensation insurance issued by an insurance carrier licensed to underwrite workers' compensation insurance in the State of California.
- 2) Contractor shall submit either an applicable Certificate of Insurance (ACORD 25) or a Certificate of Consent to Self-insure issued by the Director of the Department of Industrial Relations to the State as evidence of compliance with the workers' compensation insurance requirement prior to issuance of an initial cash advance.

D. Fidelity Bond

- 1) Contractor shall maintain a fidelity bond in the minimum amount of four percent of the total amount of consideration set forth under this Agreement.
- 2) Contractor shall submit an applicable Certificate of Insurance (ACORD 25) to the State as evidence of compliance with the fidelity bond requirement prior to issuance of an initial cash advance.

E. General Liability Insurance

- 1) Contractor shall have and maintain for the term of this Agreement general liability, property, and pollution occurrence insurance for a combined single limit of not less than \$500,000 per occurrence. Pollution occurrence insurance is optional.

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- 2) Contractor shall submit an applicable Certificate of Insurance (ACORD 25), naming CSD as an additional insured, to the State as evidence of compliance with general liability, property and pollution insurance requirements prior to issuance of an initial cash advance.

F. Vehicle Insurance

- 1) Contractor shall have and maintain for the term of this Agreement vehicle insurance in the amount of \$500,000 for each person and each accident for bodily injury and in the amount of \$500,000 for each person and each accident for property damage.
- 2) When employees use their own vehicles to perform duties within the scope of their employment, Contractor shall have and maintain for the term of this Agreement nonowned and hired-auto liability insurance in the amount of \$500,000 for each person and each accident for bodily injury and \$500,000 for each person and each accident for property damage. (Driving to and from work is not within the scope of employment.)
- 3) Contractor shall submit an applicable Certificate of Insurance (ACORD 25), designating CSD as an additional insured, to the State as evidence of compliance with said vehicle insurance requirements prior to issuance of an initial cash advance.

9. COMPLIANCE MONITORING

- A. As the recipient of federal DOE WAP grant funds under this Agreement, Contractor is responsible for substantiating that all costs claimed under this Agreement are allowable and allocable under all applicable federal and state laws, and for tracing all costs to the level of expenditure.
- B. As the administrator of the DOE WAP grant for the State, CSD is required to ensure the funds allocated to Contractor are expended for the purposes identified in federal and state DOE WAP law, and for allowable and allocable costs under the applicable rules of the Office of Management and Budget.
- C. CSD is required to conduct onsite and follow-up monitoring of Contractor to ensure that Contractor meets the performance goals, administrative standards, financial management requirements, and other requirements of the federal and State DOE WAP.
- D. CSD shall provide Contractor reasonable advance notice in writing of on-site monitoring reviews of Contractor's program or fiscal performance.
- E. Contractor shall cooperate with CSD program and audit staff and other representatives and provide access to all programs, records, documents, resources,

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personnel, inventory, and other things reasonably related to the administration and implementation of the services and activities funded directly or indirectly by this Agreement.

- F. In the event that CSD determines that Contractor is in noncompliance of material or other legal requirements of this Agreement, CSD shall provide the observations, recommendations, or findings in writing, along with a specific action plan for correcting the noncompliance.

10. NONCOMPLIANCE WITH REQUIREMENTS OF THE AGREEMENT

A. Consequences for Entities Not Meeting Terms of the Agreement

Contractor shall ensure that all requirements set forth in this Agreement are met, that all required documentation is submitted in a timely manner, and that any specific corrective action plans are fulfilled. In the event that prescribed timelines are not met or corrective action is not taken, it shall be deemed a material breach of this Agreement, and CSD shall take appropriate action, including but not limited to withholding of advance payments and initiation of the suspension and termination procedures provide by State and federal DOE WAP law and the provisions of this Agreement

B. Suspension

- 1) The State may, upon reasonable notice to Contractor or Subcontractor, suspend this Agreement in whole or in part. In the case of Contractor's fraud or gross negligence, suspension without prior notice by the State is permissible.
- 2) If Contractor has failed to comply with the material terms of this Agreement, the State shall:
 - a. Notify the Contractor in writing by certified mail or personal service;
 - b. Specify the effective date of the suspension;
 - c. Specify the reasons for the suspension and what corrective action is expected;
 - d. Give a specified period of time in which to take corrective action; and
 - e. Inform the Contractor that if the corrective action is not taken within the specified time frame, the State will terminate the contract.

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- 3) A suspension shall remain in effect until Contractor has taken corrective action satisfactory to the State.
- 4) New obligations, including costs for goods, services, or related expenses, incurred by Contractor under this Agreement during the suspension period will not be allowed unless expressly authorized by the state in the notice of suspension.

C. Special Conditions

- 1) CSD will implement Imposed Special Conditions on a progressive basis, which may include:
 - a. Additional training and technical assistance;
 - b. Additional reporting requirements; and
 - c. Formal high-risk designation and possible suspension and termination.
- 2) Based on the severity and frequency of the identified circumstances, CSD may impose any one or more Special Conditions. Should Special Conditions be warranted, CSD shall send the Contractor a written Notice of Special Conditions, which shall contain the following information:
 - a. The nature of the Special Condition(s) and/or Sanction(s) being imposed;
 - b. The reason(s) for imposing Special Condition(s) and/or Sanction(s); and
 - c. The corrective actions that must be taken and the time allowed for completing them before CSD removes the Special Condition(s) and/or Sanction(s).

D. Termination

- 1) Either party may terminate this Agreement at any time prior to its date of expiration upon 30 calendar day's notice to the other party. Such notice shall be delivered to the other party in writing, stating the reason for termination and the effective date thereof.
- 2) Upon termination of this Agreement, the State, unless expressly granted in writing, shall not pay Contractor for any obligations incurred after the effective date of such termination. Contractor shall be paid for work performed prior to termination, as long as the work was performed

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according to the covenants contained herein at the time and in the manner provided herein.

E. Lien Rights

The State retains lien rights on all funds advanced.

11. APPEAL PROCESS WHEN SPECIAL CONDITIONS ARE IMPOSED

When Special Conditions are imposed, Contractor may rebut and/or appeal the action pursuant to Title 22, California Code of Regulations, § 100875.

12. AGREEMENT CHANGES

A. Amendment

- 1) A formal Amendment is required for changes to the term, total cost, or Maximum Amount of this Agreement, scope of work, and formal name changes. No amendment to this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
- 2) Contractor shall advise the State when proposed changes to the contract also affect the Program Budget.

B. Minor Modifications

- 1) Minor Modifications shall not affect the Maximum Amount payable under this Agreement.
- 2) Minor Modifications shall not affect the maximum limits set for specific line items under this Agreement, i.e., administrative costs, health and safety.

C. Process

- 1) If Contractor intends to request a contract amendment and/or modification, Contractor shall submit a Request for Amendment/Modification Energy, CSD 509, an updated budget if applicable, and a justification supporting the funds transfer request. Contractor shall assure that the request is submitted to CSD no later than 45 calendar days prior to the expiration date of this Agreement. Contractor may submit the signed request for amendment/modification to CSD via fax and/or mail.
- 2) Exceptions to this requirement include the following:

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Modifications to the projected budget(s) that do not affect the maximum amount payable under this contract or the work to be performed within the specific DOE WAP program component and the exceptions provided for in EXHIBIT E, ADDITIONAL PROVISIONS, Section 2, PROVISION FOR FEDERALLY FUNDED GRANTS.

13. SYSTEM SECURITY REQUIREMENTS

Contractor shall, in cooperation with CSD, institute measures, procedures, and protocols designed to ensure the security of data and to protect information in accordance with California State Administrative Manual (SAM) Section 5310, Item 4, and such other State and Federal laws and regulations as may apply. The parties hereto agree to the following requirements, obligations, and standards:

A. General Information/Data Description

The interconnection between CSD and Contractor is a two-way data exchange. The purpose of the data exchange or direct input is to deliver application records for payment processing or contract activity reimbursement.

B. Services Offered

Data exchange between CSD and Contractor shall be handled through two methods: 1) a Contractor user must authenticate to upload data files in a secure socket layer connection; or 2) a secure user interface that is only available to Contractor users with a unique software authentication to see the login window and also a secure tunnel between CSD and the Contractor user.

C. Data Sensitivity

- 1) The sensitivity of data exchanged between CSD and Contractor may vary from sensitive to personal or confidential because of personal data such as social security numbers to private data, e.g., family income level, family member name, etc. No personal financial information, i.e., credit card, bank account numbers, shall be stored or exchanged in the data exchange sessions.
- 2) Appropriate levels of confidentiality for the data shall be based on established data classification (see SAM Section 5320.5).

D. Information Exchange Security

- 1) The security of the information being passed on this primary two-way connection shall be protected through the use of encryption software. The connections at each end shall be secured plus the physical location the application systems shall be within a controlled access facilities.

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Individual users may not have access to the data except through their systems security software that is logged in detail or controlled. All access will be controlled by authentication methods to validate the approved users.

- 2) Standards for secure transmission may be accomplished through such means as certificates, secure socket layer, etc., and storage of the data with encryption, if applicable.
- 3) Both CSD and Contractor shall maintain security patches and anti-virus software updates.

E. Trusted Behavior Expectations

CSD's application system and users shall protect Contractor's application system/data, and the Contractor's application system and users shall protect CSD's application system/data, in accordance with the Privacy Act and Trade Secrets Act (18 U.S. Code 1905) and the Unauthorized Access Act (18 U.S. Code 2701 and 2710).

F. Formal Security Guidelines

CSD's Computer Security Policy and Contractor's policy and procedures for internal controls shall conform to the standards and obligations for the protection of data established herein and shall ensure their implementation.

G. Incident Reporting

Any party discovering a security incident shall report it in accordance with its incident reporting procedures. Contractor shall within 24 hours of discovery report to CSD any security incident contemplated herein. Policy governing the reporting of Security Incidents is detailed in section D 2 – L of the SAM Management Memorandum entitled, "Safeguarding Against and Responding to a Breach of Security Involving Personal Information."

H. Audit Trail Responsibilities

Both parties are responsible for auditing application processes and user activities involving the interconnection. Activities that will be recorded include event type, date and time of event, user identification, workstation identification, success or failure of access attempts, and security actions taken by system administrators.

I. Data Sharing Responsibilities

All primary and delegated secondary organization that share, exchange, or use personal, sensitive, or confidential data shall adhere to all CSD's policies and

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SAM guidelines. If data sharing is accomplished via interconnectivity of an application system, then data sharing must be certified to be secure by both parties.

14. SPECIAL CONDITIONS – FISCAL PERFORMANCE REQUIREMENT

- A. Adequate fiscal performance will be the achievement of one hundred percent (100%) of stated expenditures by June 30, 2011. Achievement of the following expenditure percentages shall occur as follows:
- 50% by December 31, 2010
100% by June 30, 2011
- B. Contractor shall complete Attachment II, Expenditure and Production Goal chart. CSD shall review Contractor's achievement of expenditure and production goals each quarter.
- C. At the conclusion of each quarterly period of the contract term, CSD shall review Contractor's achievement of goals, and if they are not being achieved, CSD shall notify Contractor that contract goals are not being met and Contractor shall be required to provide an immediate resolution.
- D. If the Contractor has previously been contacted regarding noncompliance and is found to have another quarterly period of noncompliance, the Contractor shall be notified in writing that contract goals are not being met and that the Contractor has established a pattern of non-achievement of goals. The Contractor shall have to meet all goals inclusive to the next quarter period.
- E. If, at the conclusion of December reporting period, the Contractor has failed to achieve 50% of the contract goals or has failed to meet contract goals or has failed to meet contract goals after written notification disclosing noncompliance, the State shall enter into negotiations with the Contractor to assess a realistic capacity to expend the remaining funds and a determination may be made as to the viable amount of funds that will remain in the contract. If a determination results in unexpended funds becoming available, the State will redistribute such funds to an eligible performing Contractor within the general geographic region of the Contractor-of-record. In the event a performing Contractor does not exist in the general geographic region, then the State shall reserve the right to redistribute funds to a performing Contractor within the state. If negotiations result in a modified expiration of the contract, EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS, SECTION 1. BUDGET, ITEM A. shall prevail.

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(Standard Agreement)

15. SPECIAL PROVISIONS – PROGRAMMATIC PERFORMANCE REQUIREMENTS,
AND ADJUSTMENT TO FUNDING ALLOCATIONS

- A. Notwithstanding any other provision in this Agreement, should CSD determine that, based on quarterly production reporting data, Contractor is unable to meet Contractor's production goals for the program, CSD shall notify Contractor in writing via Certified Mail that the Agreement will be suspended and that the unexpended funds allocated to Contractor shall be redistributed, in whole or in part, to other contractors with excess production capacity, PROVIDED however that Contractor shall have thirty (30) days from receipt of notice to show cause, in a writing or informal hearing, why the Agreement shall not be suspended and adjustments made to funding allocations.
- B. CSD shall make a final determination in the matter within ten (10) days of the expiry of the thirty (30) day period referenced in subparagraph A above, and shall proceed in accordance with the provisions of this Agreement and applicable federal and state statutes and regulations to terminate the contract or, in the alternative to negotiate an amendment to this Agreement with Contractor, which effects the intent of the parties hereto.

16. SCHEDULE OF ATTACHMENTS

The following attachments to this exhibit are hereby attached and incorporated by this reference:

- A. ATTACHMENT I 2010 SUPPLEMENTAL AUDIT GUIDE
- B. ATTACHMENT II EXPENDITURE AND PRODUCTION GOALS

DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT

P.O. Box 1947
Sacramento, CA 95812-1947
(916) 341-4200
(916) 341-4203 (FAX)
(916) 327-6318 (TDD)



To: All Community Service Block Grant, Low-Income Home Energy Assistance Program, Department of Energy, and Other Program Contractors

From: CSD Audit Services Unit

Date: February 3, 2010

SUPPLEMENTAL AUDIT GUIDE**Introduction**

The purpose of this 2009 Supplemental Audit Guide is to provide further instructions for the independent auditor and/or CPA firms that perform audits of agencies that contract with the California Department of Community Services and Development (CSD) to deliver programs. As specified in each program contract, all independent auditors and CPA firms must follow this Supplemental Audit Guide if the Contractor being audited is funded totally or in part by CSD contracts. This guide is not intended to be an auditing procedure manual but rather to further instruct the independent auditor and CPA firm in testing certain costs identified by CSD as needing more detailed disclosure.

The primary focus of this guide is auditing and reporting on specific items of costs funded by CSD contracts. The procedures outlined in this guide either clarify and complement or, exceed the requirements of Office of Management and Budget (OMB) Circular A-133.

Auditor's Judgment

Auditors performing the work according to this Supplemental Audit Guide must continue to exercise professional judgment. The auditor shall follow the procedures included in this audit guide unless, in the exercise of his or her professional judgment, the auditor determines that other procedures are more appropriate in particular circumstances. The auditor, however, must justify in writing any change from the audit procedures suggested by this Supplemental Audit Guide. The audit report must contain assurances that a review for compliance with OMB Circulars A-87 and A-122 was conducted.

Supplemental Audit Guide

Selected Items of Cost

Inventory System (All Contracts)

1. The independent auditor or CPA firm must gather evidence to validate the inventory listed as an asset on the balance sheet.
2. The closeout report on CSD contracts requires an inventory listing on all items purchased with CSD contract funds.
3. Inventories listed on the balance sheet and on the CSD closeout reports must be verified that they physically exist, are owned (not leased), and are in operable condition.
4. Inventory listings must be accurately compiled in the inventory accounts. Inventories are to be properly stated at cost (except when the market rate is lower).

Subcontracts (All Contracts)

1. Subcontracts must be arms-length agreements and free of actual or apparent conflicts of interest. Validate and report to CSD. CSD-funded agencies should be aware that contracting with wholly owned subsidiaries might not be considered arms-length agreements. This is especially true where both boards have similar members.
2. Contractors are required to substantiate that all costs expended under subcontracts are allowable and allocable to the particular program pursuant to the same standards as the costs expended directly by the Contractor under the specific CSD contract. Document the Contractor's system of ensuring this level of accountability, and report to CSD.

Weatherization Crew Hours (LIHEAP and DOE Contracts)

Document the methodology the Contractor uses to capture the actual hours each weatherization worker spends on each house, specific work performed and address. If this data is maintained in an automated system, obtain and review system documentation.

1. Verify that the monthly report summaries used to report weatherization crew hours provide accurate information by selecting and testing a representative sample.
2. Trace the monthly closeout report totals for weatherization labor hours to the Contractor's monthly report summaries and reconcile this to the supporting source documents.

Supplemental Audit Guide

Prohibition on Lobbying

The independent auditor shall verify that no CSD contract funds were used to influence or attempt to influence an officer or employee of a state or federal government agency, or a member of Congress or the State Legislature, in connection with the awarding of any contract, grant, loan, or cooperative agreement.

System of Internal Control

Audits must include an examination of the systems of internal control. Internal control systems must be established to ensure compliance with laws and regulations affecting the expenditure of State and/or Federal funds, financial transactions and accounts, and the agency's process for submission of Contractor billings submitted to CSD for the performance of the contract.

The Contractor's accounting system must provide for accumulating and recording of expenditures by cost category (budget line items) shown in the approved budget. The independent auditor or CPA firm must give an opinion on the internal controls of the Contractor being reviewed.

Administrative Cost Cap

CSD contracts have an administrative cost cap. Administrative costs charged to each CSD contract must not exceed this cost. In addition, other Federal funds must not be used to exceed the total administrative cost cap charged to the CSD contract, unless specifically allowed by Federal statute.

Use of Indirect Cost Rates or Other Indirect Cost Methodology

1. A Federally Approved Indirect Cost Allocation Rate may be used for selected items of costs up to the maximum allowed by the CSD contract's administrative cost rate. Costs claimed for a specific line item in the budget cannot be reported as direct costs and also as indirect costs.
2. Validate the indirect cost rate or methodology and the application of the rate used by the Contractor.
3. Ensure compliance with OMB Circulars A-87 and A-122.

Basis for Allocation of Costs

1. The independent auditor or CPA firm must identify the Contractor's basis for allocating costs to CSD contracts. Costs charged to CSD contracts must be allocable, allowable, and based on actual expenses incurred by the Contractor for the CSD contract. Costs charged to the CSD contract must also have an approved contract budget line item.
2. Ensure Compliance with OMB Circulars A-87 and A-122.

Supplemental Audit Guide

Going Concern and Subsequent Events

The independent auditor or CPA firm must provide a "positive assurance" statement that any (significant) subsequent events, related directly or indirectly, that occurred after the final closeout report and single agency-wide audit are submitted to CSD do not materially affect the closeout report, as submitted by the Contractor. Additionally, the independent auditor or CPA firm must provide "positive assurance" whether or not the Contractor will continue as a going concern. Some examples are litigation settlement, bankruptcy, mergers, large loans, cash flow problems, etc.

Representation Letter

A Representation Letter between the independent auditor or CPA firm and the Contractor must be forwarded to CSD. The Representation Letter must be signed by the Contractor's controller (or equivalent) and either the Chair of the Audit Committee if it exists or the Executive Director.

Engagement Letter

In the event a Contractor is more than one month late in submitting the required independent audit report, the Contractor shall submit one copy of the finalized, signed Engagement letter between the Contractor and the Contractor's independent auditor or CPA firm.

Supplemental Statements

Beginning with the 1994 program year, CSD contract provisions have required the financial and compliance audit to include supplemental statements. These supplemental statements must be included as part of the package submitted to CSD with the single agency-wide audit for each fiscal year. CSD uses the above information to reconcile the audited costs to the costs reported by the Contractor.

The supplemental statements should be based on the budget line items contained in the contract. The supplemental statement must include the contract budget line items, expenditures for each budget line item by fiscal year, total audited costs and total reported expenses by budget line item.

Auditing Standards and Reports

The financial and compliance audit report shall contain the following supplemental financial information: a combined statement of revenue and expenditures for each contract that presents, by budget line item, revenue and expenditures for the audit period and a description of the methodology used to allocate and claim indirect costs and any administrative cost pools.

Supplemental Audit Guide

Testing of Transactions

A sufficient number of items should be selected for review that represent all material costs categories. The audit should determine whether:

- a. Contractor's internal control over the contract is effective and working as intended;
- b. Reported program expenditures are allowable and allocable;
- c. Reported expenditures conform to funding or program limitations or exclusions;
- d. Reported expenditures are not charged to, or reimbursed by, other programs or funding sources;
- e. Transactions are properly approved, reported, and supported by source documents;
- f. Reported expenditures were incurred within the appropriate contract term; and
- g. Contractor complied with applicable laws, regulations, and contract requirements.

American Recovery and Reinvestment Act of 2009 (ARRA) Funds

ARRA IDENTIFICATION

Contractors covered under the Single Audit Act and OMB circular A-133 must specifically identify ARRA funds on the SEFA by CFDA number, contract number, and by attaching the prefix "ARRA-" to the Federal program name. This information may be used by CSD to monitor the Contractor's expenditures of ARRA funds. In addition, the Contractor should maintain documentation to identify sub-award and project funded through the ARRA.

SEPARATE ACCOUNTING

Contractors must segregate the obligations and expenditures related to funding under the Recovery Act. Financial and accounting systems should be revised as necessary to segregate, track and maintain these funds apart and separate from other revenue streams. No part of the funds from the Recovery Act shall be commingled with any other funds or used for a purpose other than that of making payments for costs allowable for Recovery Act projects. Recovery Act funds can be used in conjunction with other funding sources as necessary to complete projects, but tracking and reporting must be separate to meet the reporting requirements of the Recovery Act and OMB Guidance.

PREVAILING WAGE

Supplemental Audit Guide

Determine if there is a designated payroll person to certify, on a weekly basis, that the Contractor is paying residential prevailing wage in accordance with the wage determinations as set forth in the ARRA contract.

ATTACHMENT II EXPENDITURE AND PRODUCTION GOALS

50% Expenditure by 12/31/11

Expenditure and Production Goals		2010		2011	
		7/1 - 9/30	10/1 - 12/31	1/1 - 3/31	4/1 - 6/30
Agency: CAP Riverside					
Total Expenditures by County	Total	35%	35%	30%	0%
		0%			
		0%			
		0%			
		0%			
		0%			
		0%			
		0%			
Total	100%	35%	35%	30%	0%
Unit Production by County		7/1 - 9/30	10/1 - 12/31	1/1 - 3/31	4/1 - 6/30
Total	Total	189	66	66	57
		0			
		0			
		0			
		0			
		0			
		0			
Total	189	66	66	57	0

Instructions

Expenditures by County -

- Enter the name of each county in your service territory on separate lines.
- For each county, enter the percentage of funds you plan to expend by the end of each

Unit Production By County -

- Enter the name of each county in your service territory on separate lines.
- For each county, enter the number of units you plan to complete by the end of each

Note: Although this sheet is protected, there is no password. To remove the protection, go to Tools, choose Protection and lastly choose Unprotect Sheet.

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ADDITIONAL PROVISIONS

1. **PROVISIONS FOR FEDERALLY FUNDED GRANTS**

A. Contractor certifies that it possesses legal authority to apply to the State for DOE WAP funds and assures compliance with the purposes as set forth in 42 USC 8621 et seq., as amended.

B. Eligibility to Receive Federally Funded Public Benefits

Pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) and Executive Order W-135-96, dated August 27, 1996, while in effect, applicants for federally funded public benefits are required to provide proof of U.S. citizenship, U.S. non-citizen national, or qualified alien status. Contractor shall verify client eligibility in accordance with CSD Applicant Verification of Eligibility Procedures and Regulations, forms, and other written guidance provided by CSD.

C. IIRIRA Section 508. NO VERIFICATION REQUIREMENT FOR NONPROFIT CHARITABLE ORGANIZATIONS. Section 432 (d) of the personal responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1642) as amended exempts non profit Charitable Organizations under this title to determine, verify, or otherwise require proof of U.S. citizenship, U.S. non-citizen national, or qualified alien status of any applicant for such benefits in providing any Federal public benefit (as defined in section 401 (c)) or any State or local public benefit (as defined in section 411(c)).

2. **FEDERAL CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND RELATED MATTERS**

Contractor hereby certifies to the best of its knowledge that it or any of its officers:

A. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;

B. Have not within a three (3) year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

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- C. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph 2 of this certification; and
- D. Have not within a three (3) year period preceding this Agreement had one or more public (federal, state, or local) transactions terminated for cause or default.
- E. If any of the above conditions are true for the Contractor or any of its officers, Contractor shall describe such condition and include it as an attachment to this Exhibit E. Based on the description, CSD in its discretion may decline to execute this Agreement or set further conditions of this Agreement. In the event any of the above conditions are true and not disclosed by Contractor, it shall be deemed a material breach of this Agreement, and CSD may terminate this Agreement for cause immediately pursuant to the termination provisions of State and federal law governing the DOE WAP.

3. PROCUREMENT

A. Contract Administration

- 1) Contractors shall administer this Agreement in accordance with all federal and state rules and regulations governing DOE WAP grants pertaining to procurement, including Office of Management and Budget (OMB) Circulars and amendments thereto, consistent with the general OMB compliance requirement in EXHIBIT B to this Agreement. Contractors shall establish, maintain, and follow written procurement procedures consistent with the procurement standards in OMB Circulars A-102 and A-110 and all additional provisions in this Agreement, including but not limited to a code of conduct for the award and administration of contracts and a procedure that provides, to the maximum extent practical, open and free competition.
- 2) Contractor shall not permit any organizational conflicts of interest or noncompetitive practices that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective subcontractor performance and eliminate unfair competitive advantage, individuals or firms that develop or draft specifications, requirements, statements of work, invitations for bids and/or requests for proposals shall be excluded from competing for such procurements. Contractor shall award any subcontract to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to Contractor when considering price, quality, and other factors. Contractor's solicitations shall clearly set forth all requirements that the bidder or offeror shall fulfill in order for the bid or offer to be evaluated by the recipient.

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- 3) Contractor assures that all supplies, materials, equipment, or services purchased or leased with funds provided by this Agreement shall be used solely for the activities allowed under this Agreement, unless a fair market value for such use is charged to the benefiting program and credited to this Agreement.
- 4) In addition to adhering to all OMB requirements and the Contractor's established procedures for all procurement transactions of any amount, for each purchase, lease, or subcontract for any articles, supplies, equipment, or services obtained from vendors or subcontractors where the per-unit cost exceeds \$5,000, three competitive quotations shall be obtained or adequate justification documented and maintained as to the absence of bidding. In cases of a bona fide emergency where awarding a subcontract is necessary for the immediate preservation of public health, welfare, or safety, documentation of the emergency will be sufficient in lieu of the three-bid process.
- 5) To ensure that significant procurement transactions are conducted in an open and freely competitive manner ensuring that all qualified individuals and entities are made aware of the opportunity to participate. Contractor shall comply with the following requirement:

Contractor shall prepare and submit a Request for Purchase/Lease Pre-Approval (CSD 558) to CSD. CSD must approve. Contractors cannot execute purchases, leases, or subcontracts for services until approved by CSD when the purchase or lease meets either of the following provisions:

 - a. Any articles, supplies, equipment, or services having a per-unit cost in excess of \$5,000; or
 - b. Any articles, supplies, or equipment where the total contract amount exceeds \$100,000.
- 6) Noncompliance with any of the provisions in this Section 3 shall result in a disallowance of the costs of the procurement transaction.
- 7) Contractor assures that it shall exercise due care in the use, maintenance, protection, and preservation of State-owned property in Contractor's possession or any other property or equipment procured by Contractor with State funds. Such care shall include, but is not limited to, the following:
 - a. Maintaining insurance coverage against loss or damage to such property or equipment.

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- b. Ensuring that the legal ownership of any motor vehicle or trailer is in the name of the Contractor.

B. Limitation on Use of Funds

Contractor shall assure that funds received under this Agreement shall not be used for the purchase or improvement of land or for the purchase, construction, or permanent improvement of any building or other facility other than low-income weatherization or energy-related home repairs.

4. AFFIRMATIVE ACTION COMPLIANCE

- A. Each Contractor or subcontractor with 50 or more employees and an agreement of \$50,000 or more shall be required to develop a written Affirmative Action Compliance Program.
- B. The written program shall follow the guidelines set forth in Title 41 CFR Section 60-1.40, Sections 60-2.10 through 60-2.32, Sections 60-250.1 through 60-250.33, and Sections 60-741.4 through 60-741.32.
- C. Each Contractor or subcontractor with less than 50 employees shall comply with Section 202 of Part II of Executive Order 11246, as amended by Executive Order 11375. Contractor shall ensure that subcontractors falling within the scope of this provision shall comply in full with the requirements thereof.

5. NONDISCRIMINATION COMPLIANCE

- A. Contractor's signature affixed hereon shall constitute a certification that to the best of its ability and knowledge will, unless exempted, comply with the nondiscrimination program requirements set forth in this section.
- B. Contractor hereby certifies compliance with the following:
 - 1) Federal Executive Order 11246, as amended by Executive Order 11375, relating to equal employment opportunity.
 - 2) Title VI and Title VII of the Civil Rights Act of 1964, as amended.
 - 3) Rehabilitation Act of 1973, as amended.
 - 4) Vietnam Era Veterans Readjustment Assistance Act of 1972, as amended.
 - 5) Title 41, Code of Federal Regulations (CFR), Chapter 60, Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor, as amended.

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- 6) Public Law 101-336, Americans with Disabilities Act of 1990, as amended.

6. SPECIFIC ASSURANCES

A. Pro-Children Act of 1994

- 1) This Agreement incorporates by reference all provisions set forth in Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act).
- 2) Contractor further agrees that the above language will be included in any subcontracts that contain provisions for children's services and that all subcontractors shall certify compliance accordingly. For detailed explanation, see www.csd.ca.gov.

B. American-Made Equipment/Products

Contractor shall assure, pursuant to Public Law 103-333, Section 507, to the extent practicable, that all equipment and products purchased with funds made available under this Agreement shall be American made.

C. Federal and State Occupational Safety and Health Statutes

Contractor assures that it shall be in compliance with the provisions as set forth in Federal and State Occupational Safety and Health Statutes; the California Safe Drinking Water and Toxic Enforcement Act of 1986; Universal Waste Rule (Hazardous Waste Management System: Modification of the Hazardous Waste Recycling Regulatory Program); Final Rule; and Workers' Compensation laws.

D. Political Activities

- 1) Contractor shall refrain from all political activities if such activities involve the use of any funds that are the subject of this Agreement.
- 2) Contractor is prohibited from any activity that is designed to provide voters or prospective voters with transportation to the polls or to provide similar assistance in connection with an election if such activities involve the use of any funds that are subject to this Agreement.

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E. Lobbying Activities

- 1) Contractor shall refrain from all lobbying activities if such activities involve the use of any funds that are the subject of this Agreement or any other fund, programs, projects, or activities that flow from this Agreement.
- 2) If Contractor engages in lobbying activities, Contractor shall complete, sign and date the CERTIFICATION REGARDING LOBBYING/DISCLOSURE OF LOBBYING ACTIVITIES, EXHIBIT H, as required by the U.S. Department of Health and Human Services under 45 CFR Part 93.

7. RIGHT TO MONITOR, AUDIT, AND INVESTIGATE

- A. Any duly authorized representative of the federal or state government, which includes but is not limited to the State Auditor, CSD Staff, and any entity selected by CSD to perform inspections, shall have the right to monitor and audit Contractor and all subcontractors providing services under this Agreement through on-site inspections, audits, and other applicable means the State determines necessary.
- B. Contractor shall make available all reasonable information necessary to substantiate that expenditures under this agreement are allowable and allocable, including, but not limited to books, documents, papers, and records. Contractor shall agree to make such information available to the federal government, the state, or any of their duly authorized representatives including representatives of the entity selected by CSD to perform inspections, for examination, copying, or mechanical reproduction, on or off the premises of the appropriate entity upon a reasonable request therefor.
- C. Any duly authorized representative of the federal or state government shall have the right to undertake investigations in accordance with Public Law 97-35, as amended.
- D. All agreements entered into by Contractor with audit firms for purposes of conducting independent audits under this Agreement shall contain a clause permitting any duly authorized representative of the federal or state government access to the working papers of said audit firm(s).

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8. FAIR HEARING PROCESS FOR ALLEGED VIOLATION OF THE CIVIL RIGHTS ACT AGAINST CONTRACTOR

- A. In the event of any violation or alleged violation of Title VI of the Civil Rights Act of 1964, as amended, Contractor has the right to request a fair hearing in response to such violation or alleged violation within 30 calendar days from the date of such action.
- B. The State shall conduct such fair hearing in accordance with Title 45, Code of Federal Regulations (CFR), Section 81.1 et seq.

9. FAIR HEARING PROCESS FOR APPLICANTS FOR DENIAL OF BENEFITS BY CONTRACTOR

- A. Contractor shall provide all interested individuals equal opportunity to apply for DOE WAP programs, and shall not discourage any interested individual from submitting an application for DOE WAP assistance. Contractor shall act upon all applications in writing within fifteen (15) working days.
- B. Pursuant to Title 22 of the California Code of Regulations, Section 100805, Contractor shall establish a written appeals process to enable applicants who are denied benefits or services, or who receive untimely response or unsatisfactory performance, the right to appeal the decision or performance to the Contractor. Contractor's process shall include, at a minimum, all of the requirements of Section 100805 subdivision (b), plus:
 - 1) Provisions that ensure that each applicant is notified in writing of the right to appeal a denial of or untimely response to an application, or to appeal unsatisfactory performance, and the process to request such an appeal, at the time that each applicant submits an application. Such notification shall include information about the right to appeal to both the Contractor and to CSD.
 - 2) Provisions that ensure that Contractor will make a good faith effort to resolve each appeal.
 - 3) Provisions that ensure that Contractor notifies the applicant in writing of the Contractor's final decision within fifteen (15) working days after the appeal is requested. If the appeal is denied, the written notification shall include instructions on how to appeal the decision to CSD. Whenever Contractor notifies an applicant of a denial of an appeal, Contractor shall simultaneously provide a copy of the final decision to the Manager of CSD's Energy Services Division.

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- 4) Provisions to enable Contractor to collate information on denials and appeals in its regular program reporting.

10. RECORD-KEEPING

- A. All records maintained by Contractor shall meet the OMB requirements contained in the following Circulars: A-102, Subpart C, (“Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments”) or A-110, Subpart C, Nonprofit Organizations, whichever is applicable.
- B. Contractor shall maintain all records pertaining to this Agreement for a minimum period of three years after submission of the final report. However, Contractor shall maintain all such records until resolution of all audit and monitoring findings are completed.
- C. Contractor assures that employee and applicant records shall be maintained in a confidential manner to assure compliance with the Information Practices Act of 1977, as amended, and the Federal Privacy Act of 1974, as amended.

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PROGRAMMATIC PROVISIONS

1. **SERVICE PRIORITY GUIDELINES**

- A. Contractor shall give first priority for weatherization services to those households that have the highest energy burden and high residential energy users and shall factor into its first priority for services those households with the following vulnerable populations: families with children under the age of 19, persons with disabilities, and elderly persons (ages 60 years or older).
- B. Contractor may give first priority for services to those households whose members have life-threatening emergencies.
- C. Additional priorities shall be as set forth in EXHIBIT F, ATTACHMENT I, DOE Weatherization Priority Plan Narrative must include consideration for determining households that would qualify for energy audit assessments and installation of optional measures. Contractors serving previously weatherized dwellings shall include the selection process for serving previously weatherized dwellings.
- D. Due to limited funding, Contractors shall ensure compliance with the DOE Reweathering Policy when providing services to dwellings previously weatherized from September 30, 1993 and earlier.
- E. Equitable Treatment

Contractor shall assure that owners and renters receive equitable treatment under this program.

2. **OUTREACH AND INTAKE ACTIVITY GUIDELINES**

A. Outreach

Contractor shall perform appropriate outreach activities to ensure that households in the service area are informed about all DOE WAP program services and have an opportunity to apply for such services.

B. Intake

Contractor shall use intake program funds for determining eligibility of applicants seeking DOE WAP services. Services include the process of completing an intake form and reviewing applicant documentation. Contractor shall:

- 1) Establish reasonable hours whereby customers/applicants will have access during regular business hours to seek program information with an

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assurance that the Contractor shall respond to the customer/applicant's request within a reasonable amount of time.

- 2) Accept applications for assistance during regular business hours.
- 3) Accept applications at sites that are geographically accessible to all households in the area served by Contractor.
- 4) Provide low-income individuals who are physically infirm the means to submit applications without leaving their residences.
- 5) Provide intake only at sites accessible to the disabled.
- 6) Contractor shall utilize the Energy Intake Form as a multipurpose form for referrals to the DOE WAP program, the ECIP program, ECIP EHCS program, SWEATS program, HEAP program, and LIHEAP Weatherization program.

3. CLIENT EDUCATION/COUNSELING ACTIVITIES

Client Education/Counseling Activities program funds shall be used for such services, including needs assessment, client education and budget counseling, that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance.

A. Needs Assessment

Contractor shall conduct a needs assessment for each client that shall include computing the energy burden of each applicant's household and prioritizing households as described in EXHIBIT F, PROGRAMMATIC PROVISIONS, Section 4, WEATHERIZATION ACTIVITY GUIDELINES.

B. Client Education / Budget Counseling

- 1) Contractor shall provide to all recipients of energy assistance under this Agreement applicable energy conservation information and budget counseling in accordance with the Contractor's approved DOE Weatherization Priority Plan Narrative. Contractors shall include at least the following:
 - a. Information to the client regarding the importance of applying for energy assistance prior to being in an arrearage situation and to include information concerning various utility company budget

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- payment plan(s) and other forms of energy assistance offered within the State;
- b. Written information that describes energy-saving behavioral adjustments that will decrease the energy consumption of the household;
 - c. Resource information, referral, family, and budget counseling in order to assist clients in achieving self-sufficiency;
 - d. The EPA pamphlet “Renovate Right: Important Lead Hazard Information for Families, Child Care Providers and Schools” for occupants of pre-1979 dwellings;
 - e. The EPA pamphlet “A Brief Guide to Mold, Moisture, and Your Home”;
 - f. A description of the benefits that the client can expect to receive as a result of the weatherization measures installed and diagnostic tests performed in the dwelling;
 - g. An explanation of the action of each measure in terms of preventing air infiltration or the escape of heated or cooled air from the dwelling and how to maximize the effect of such measures;
 - h. Disclosure of any identified health, safety, or structural hazard conditions or deficiencies to the property owner and occupying tenant.
- 2) Contractor shall place in the client’s file the Client Education Confirmation of Receipt (CSD 321) or Contractor’s equivalent, which substantiates that the client was provided with energy conservation, budget counseling and mold and lead-based paint education.
- 3) In the event pre-existing health, safety, or structural conditions prevent the delivery of weatherization services or a particular measure, Contractor shall complete the CSD Weatherization Deferral Form to document the reason(s) for the service deferral and provide a copy to the property owner and occupying tenant.

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C. Coordination

Contractor shall refer all potentially eligible applicants including HEAP applicants, to the LIHEAP Weatherization Program, ECIP EHCS, CARE/RRP, DOE WAP, or other energy or conservation programs. Contractor shall coordinate its activities with other federal, state, or local energy conservation programs with the goal of conserving energy, improving thermal efficiency, or defraying energy costs of low-income households.

4. WEATHERIZATION ACTIVITY GUIDELINES

A. Applicant Eligibility

- 1) Assistance shall be available only to households with incomes that do not exceed an amount equal to seventy-five percent (75%) of the State median income.
- 2) Income verification must be for one month and current within six (6) weeks of the application intake date or an annual award letter. For acceptable types of documentation, refer to the 2010 LIHEAP Eligibility and Verification Guide at www.csd.ca.gov/programs.
- 3) Contractor shall certify a household's income eligibility prior to the delivery of all energy program services.
- 4) Contractor shall collect and maintain copies of all of the household's energy utility bills for the current month, and if applicable, receipt(s) for wood, propane, and oil to determine the client's energy burden.
- 5) Contractor shall reimburse DOE for all costs associated with the delivery of weatherization services covered under this agreement to dwellings occupied by family units ineligible for weatherization assistance at the time such services were provided.

B. Dwelling Eligibility

- 1) The certification shall remain in effect for a period of 120 days from the date the household is determined income eligible.
- 2) Contractor shall perform the assessment of weatherized dwellings within 120 days of the determination of the household's income eligibility to receive weatherization assistance services. In the event the Contractor is unable to perform the weatherization dwelling assessment within the 120-day period, the Contractor shall obtain updated income verification

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documentation to recertify the household's income eligibility, prior to commencing the delivery of any form of weatherization assistance service, include the dwelling assessment.

- 3) Contractor shall complete the post-combustion appliance safety test within sixty (60) days from the date of the pre-combustion appliance safety test. In the event the Contractor is unable to perform the work associated with the combustion appliance safety testing and the post-combustion appliance safety test within the 60-day period, Contractor shall perform another pre-test for the dwelling prior to commencing the delivery of any form of weatherization assistance services.
- 4) Contractor shall complete weatherization services within six (6) months from the date of the original assessment of a dwelling. In the event the Contractor is unable to perform all weatherization services within the six (6) month period, the Contractor shall obtain updated income verification documentation to recertify the household's income eligibility.
- 5) **Permission to Provide Services**
 - a. Contractor shall obtain general written permission of the owner-occupied dwelling or the tenant and the owner of a rental unit or owner's agent to perform an assessment and weatherization work prior to performing any such services. Such permission for rental units shall be recorded on the Energy Service Agreement for Occupied/Unoccupied Single or Multi-Family Rental Units (CSD 515).
 - b. If during the course of performing weatherization and/or heating and cooling appliance repair or replacement services in a dwelling, Contractor identifies that significant structural and/or engineering changes may occur, Contractor shall notify the owner-occupied dwelling and/or from the owner of a rental unit prior to continuing with the scheduled work.
- 6) **Rent Increase Restrictions**
 - a. For a period of two years after weatherization work has been completed on a dwelling containing a unit occupied by an eligible household, the tenants in that unit (including households paying for their energy through their rent) will not be subjected to rent increases unless those increases are demonstrably related to matters other than the weatherization work performed.

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- b. Tenants shall be given a written summary of these conditions with the current telephone number of the Contractor with instructions on how to file a complaint should these conditions not be met. Contractor shall investigate all complaints filed and shall forward a copy of all written complaints to CSD or, if a verbal complaint has been made, contact CSD with the details of the complaint including date complaint was made, date investigations began, and results.
 - c. Should a complaint be found valid, Contractor shall obtain the amount equal to the weatherization work performed on that unit from the landlord and, if previously reimbursed from CSD, remit that amount to CSD along with details of the investigation.
- 7) Multiple Unit Dwellings
- a. In accordance with 10 CFR 440.22(b)(2), Contractor may weatherize a large multi-family building or complex containing more than 5 individual dwelling units when not less than 66 percent of the dwelling units in the building, or in the case of duplexes and four-plexes, where 50 percent of the units within the building:
 - i. Are eligible dwelling units, or
 - ii. The dwelling units will become eligible (occupied by eligible low-income tenants) within 180 days under a federal, state, or local government program for rehabilitating the building or making similar improvement to the building.
 - b. If dwelling units are qualified for services through a federal, state, or local government rehabilitation program, documentation to verify participation in the rehabilitation program is required.
 - c. The amount of funds, however, applied to weatherization services in a building shall not exceed the number of eligible dwelling units multiplied by the \$3,055 maximum average per unit.
 - d. Contractor shall complete a Multi-Family Dwelling Unit Eligibility Certification (CSD 75P) or Contractor's equivalent for each complex and shall maintain a copy in each individual client file.

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- e. Contractor shall certify unit eligibility by completing Energy Intake Form (CSD 43) or Contractor's equivalent for each dwelling unit in each building. Certification of eligibility by the owner/manager of the occupants of the building/complex is not acceptable.
 - f. The owner has signed a copy of the Energy Service Agreement for Rental Units (CSD 515), authorizing the weatherization work, accepting conditions protecting the interests of tenants, and other provisions required by CSD;
 - g. No undue or excessive enhancement shall occur to the value of the dwelling units.
 - h. The repair and replacement of heating appliances, and water heaters shall be performed at the option of the Contractor in unoccupied multi-unit dwellings under DOE WAP only if a dangerous indoor air quality condition is found to exist, e.g., carbon monoxide hazard or gas leak and/or fire hazard.
 - i. If a dangerous indoor air quality condition and/or fire hazard is found to exist, Contractor shall disable the appliance to eliminate the immediate hazard in accordance with CSD Weatherization Installation Standards and Policies and Procedures.
 - ii. If the dwelling is later occupied with an eligible applicant, Contractor may provide the appliance services and shall report the dwelling as previously weatherized. Upon the completion of service, Contractor shall report the dwelling as previously weatherized.
- 8) Previously Weatherized Dwellings
- a. Weatherization services for a dwelling unit previously weatherized using DOE funds are not allowable EXCEPT if:
 - i. A dwelling unit has been damaged by fire, flood, or act of nature and repair of the damage to weatherization materials is not paid for by insurance;
 - ii. A dwelling unit weatherized using DOE WAP or other Federal program funds prior to September 30, 1993 needs further weatherization assistance; or

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- iii. A dwelling unit weatherized using DOE WAP or other Federal program funds after September 30, 1993 did not receive a full complement of services and previously unapplied allowable measures are to be installed.
 - b. Each dwelling must receive a new assessment, diagnostic testing and energy audit which takes into account any previous energy conservation improvements to the dwelling. Only those energy conservation measures at or above a savings-to-investment ratio (SIR) of 1 are allowable.
 - c. Measures installed outside those weatherization measures disclosed during the dwelling's initial weatherization assessment constitute a reweatherized dwelling.
 - d. Once a dwelling has been submitted to CSD for reimbursement as a completed unit, any subsequent weatherization services provided to the dwelling shall be considered reweatherization. Contractor shall not report demographics for reweatherized dwellings.
 - e. If the previous weatherization was performed under CSD or other federal or a nonfederal program, the dwelling and occupant eligibility must be recertified.
- 9) Ineligible Dwellings
- a. Contractor shall not weatherize a dwelling unit that is designated for acquisition or clearance by a federal, state, or local program within 12 months from the date weatherization of the dwelling unit would be scheduled to be completed.
 - b. Contractor shall not weatherize any dwelling under this Agreement unless the property owner agrees to all the terms and conditions of the Weatherization Building Assessment and Job Order Sheet (CSD 540) and the Energy Services Agreement for Rental Units (CSD 515) as applicable.
 - c. Contractor shall not weatherize a dwelling having master-metered units unless direct savings to individual tenants can be documented. Contractor shall place such documentation in the client's file.

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- d. No institutional or commercial building including, but not limited to, universities, schools, nursing homes, hospital, hotel, motel, etc. may be weatherized under this Agreement.

10) Temporary Shelters/Homeless Individuals

Eligibility of the occupants may be assumed if the owner/operator will certify in writing that occupancy is limited to no more than 90 calendar days and that admittance criterion complies with CSD contract eligibility guidelines, whether or not rent is paid has no effect on eligibility.

11) Group Homes

If the building does not qualify as a multi-family structure, income eligibility is based on all occupants as a group, and the building must be weatherized as a single dwelling unit.

C. Minimum Requirements for Weatherization Services

- 1) Single-family detached and other single-story dwellings that have not been previously weatherized under a CSD program or other program may be weatherized under this Agreement only if:
 - a. Ceiling Insulation plus two (2) additional Mandatory Measures are installed, or
 - b. In the event Ceiling Insulation is not feasible, at least three (3) Mandatory Measures are installed.
 - c. Blower door and duct leakage diagnostics may be counted as Mandatory Measures for the purpose of meeting the minimum number of measures.
- 2) Multi-unit dwellings that have not been previously weatherized under a CSD program or other program, may qualify for weatherization services only if ceiling insulation plus two (2) additional Mandatory Measures are installed or, in the event ceiling insulation is not feasible, at least three (3) Mandatory Measures.
 - a. Installation of ceiling insulation may be counted as a ceiling insulation measure for each unit within that building envelope.

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- b. Installation of a common water heater shall qualify as a Priority measure for each unit served by the same water heater.
 - c. Insulation of a common water heater shall qualify as a Priority measure for each unit served by the same water heater.
 - d. Blower door and duct leakage diagnostics may be counted as Mandatory Measures for the purpose of meeting the minimum number of measures.
- 3) If the required minimum number of weatherization measures cannot be installed due to the deferral of measures, then the entire unit shall be deferred and the dwelling ineligibility documented in the client file.
 - 4) Repair of large leaks identified by blower door testing may reduce shell leakage so close to the Minimum Ventilation Requirement (MVR) that caulking and/or weatherstripping are not feasible, thus reducing the number of feasible Mandatory Measures to fewer than needed to qualify the dwelling for weatherization. In this case, Contractor may substitute noninfiltration reduction Optional Measures as needed for the nonfeasible caulking and/or weatherstripping measures only if a NEAT energy audit has been performed and the savings-to-investment ratio (SIR) is greater than 1 for any Optional Measures to be installed.
 - 5) The minimum number of weatherization measures may be leveraged with other weatherization programs except DOE ARRA. All leveraged measures used to fulfill the minimum number of required weatherization measures shall meet CSD installation standards.
- D. Dwelling Assessments
- 1) Contractor shall assess eligible dwellings to identify the specific energy-efficiency and health and safety services to be offered under the allowable scope of services outlined in this agreement.
 - 2) Contractor shall ensure that all dwelling assessments are performed by trained individuals possessing all the required skill and training, including the completion of Combustion Appliance Safety Training, and Duct Diagnostic Training, CSD's Dwelling Assessment Field Training, and Basic Weatherization Training. In addition, Assessors must complete all required online based training courses to include: Environmental Hazard, Lead Safe Weatherization, and Worksite Safety.

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- 3) Contractor shall ensure job separation between staff performing dwelling assessments and the crew personnel responsible for performing the actual installation of weatherization measures. Assessors may not install weatherization measures in the same dwelling where the assessor performed the assessment for weatherization services. Exemptions to this requirement may be granted to agencies where it is economically challenging and/or operationally impractical to achieve the desired job separation between weatherization field staff. In order to receive an exemption, Contractor must submit a written request to CSD for review and approval.
- 4) Contractor shall provide notification to the owner-occupant and the owner of a rental unit or owner's agent and inform the tenant of the following:
 - a. Any significant structural and engineering changes required to complete the weatherization work before the specified work commences; and
 - b. Confirmation of the work completed.
- 5) Dwelling Assessment Performance
 - a. Dwelling assessments shall include the following required activities:
 - i. The visual assessment of the eligible dwelling to identify safety and structural hazards conditions present within the dwelling that may limit ability to perform any or all of the required weatherization services in accordance with CSD weatherization guidelines and terms of this agreement. Assessor shall disclose all noted safety and structural hazard conditions to the property owner and tenant, where applicable.
 - ii. The visual inspection and pre-CAS diagnostic testing of all combustion appliances as to identify the presence of combustion appliance safety conditions within the occupied living space and requiring immediate attention, and the offering of prescribed list of health and safety measures needed to remedy noted conditions.
 - iii. The visual inspection of dwelling to identify any structural deficiencies and/or barriers inhibiting the ability for required pressurized diagnostics to occur. Assessor shall

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also inform client of the various types of diagnostic testing to be performed within the dwelling, including the general nature and benefits of each form of required diagnostic testing.

- b. Combustion Appliance Safety (CAS) Tests
 - i. The completion of a pre- combustion appliance safety (CAS) test is required on all dwellings with combustion appliances.
 - ii. If it is determined during the CAS test that the dwelling unit contains a condition that is hazardous to the occupants, proper steps must be taken to alleviate the hazard. In these cases, infiltration reduction measures may not be installed until the hazard has been corrected; however, Contractor may install noninfiltration reduction measures.
- c. If the dwelling unit is not eligible because of the need for extensive repair, the unit shall not be serviced and the applicant should be referred to the local Housing and Community Development Department, U.S. Farmers Home Administration Housing Loan Program, or other similar organizations or programs.
 - i. Documentation of such ineligibility due to the need for extensive repairs shall be recorded on the CSD Weatherization Deferral Form.
 - ii. If the applicant can obtain the necessary repairs to make the dwelling unit eligible for weatherization services, weatherization activities may be accomplished following the repair work.

E. Diagnostic Testing

- 1) Contractor shall perform blower door diagnostic testing only for shell sealing purposes on a all single-family and multi unit building types weatherized under this agreement in accordance with CSD blower door testing standards and policies and procedures.
- 2) Following a determination that no combustion byproduct hazards exist, Contractor shall perform pressure diagnostic guided infiltration reduction using a preweatherization blower door test.

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- 3) Duct Blaster diagnostic testing shall be required on all weatherized dwellings units with forced-air systems.
- 4) Contractor shall ensure that all dwelling diagnostic tests are performed by trained individuals possessing all the required skill and training, including the completion of: Blower Door and Duct Diagnostic Training, Basic Weatherization Training and all required online based training courses for Environmental Hazard, Lead Safe Weatherization, and Worksite Safety.
- 5) If an unvented space heater is being utilized, infiltration reduction measures shall not be applied unless venting is installed or the unit is replaced.

F. Health and Safety Measures

- 1) Contractor is authorized to mitigate health and safety hazards generated by combustion appliances, preserve or improve indoor air quality, and address knob-and-tube wiring. In addition to all provisions in this Agreement regarding Health and Safety Measures, Contractor must adhere to the attached HEALTH AND SAFETY APPLIANCE REPLACEMENT POLICY, EXHIBIT F, ATTACHMENT II, to seek reimbursement for replacing specified appliances.
- 2) All Health and Safety and Priority Measures must be installed before optional measures, and no measure shall be excluded, unless the:
 - a. Blower door and/or pressurized duct diagnostic test indicates that installation of the measure is not necessary;
 - b. Dwelling already has that measure in place;
 - c. Measure cannot be properly installed;
 - d. Client refuses installation (client refusal is to be documented and placed in file);
 - e. Maximum dollar limit is reached; or
 - f. Measure is not needed or required.
- 3) If a health or safety hazard is found to exist that requires replacing or repairing a combustion appliance, the cost of which will preclude the installation of the required number of Priority Measures for a unit to be

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weatherized, the dwelling may qualify for weatherization under the following conditions:

- a. The combustion appliance is repaired or replaced; and
 - b. All remaining feasible Priority Measures are installed up to the maximum quantity and dollar amounts specified for each measure as referenced on the measure matrix attachment in Exhibit B, Attachment II.
- 4) If the dollar limit has not been reached in installing feasible Priority measures, Contractor may install optional measures after performing a NEAT energy audit.

G. Allowable Heating and Cooling Appliance Repair and Replacement Services

- 1) Prior to the performance of any heating/cooling service, a qualified technician must perform a diagnostic inspection of the primary heating/cooling appliance to assess operational performance. If the inspection discloses a problem related to the appliance's operational performance, the technician or an HVAC contractor will need to isolate the specific problem and determine the estimated cost to repair the defective unit before deciding whether or not to repair or replace the defective unit.
- 2) The following guidelines are restricted to occupied SFD and/or MUD units:
 - a. A residential heating source that qualifies for repair and replacement services must be a single, pre-existing heating appliance, serving as the dwelling's primary heating source.
 - b. A residential cooling source that qualifies for cooling services must be a single, pre-existing cooling appliance, serving as the dwelling's primary cooling source, limited to mechanical air conditioners, central and window/wall air conditioners, and evaporative coolers.
- 3) Heating and/or cooling services may be provided when one of the following conditions exists:
 - a. Existing primary heating/cooling appliance is deemed hazardous by a qualified technician, HVAC contractor or utility company gas service technician; or

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- b. Existing primary heating/cooling appliance is verified by a qualified technician, HVAC contractor or utility company gas service technician to be inoperable or in need of repair.
- 4) Any and all heating/cooling services shall be performed in accordance with the following guidelines:
- a. All repair and replacement services are limited to dwellings with pre-existing heating and cooling appliances. An exception to this rule exists under the sole circumstance where the residential dwelling is not equipped with the necessary appliances to provide adequate heating and/or cooling during a climatic seasonal period that would pose imminent risk to the health and well being of the household occupants. Under the circumstances, the Contractor may install a heating and/or cooling appliance to mitigate the potential safety risks to clients. The installation of any heating and appliance must be within the allowable quantity and maximum reimbursement limits specific to the individual appliance installation and as referenced on the measure matrix in Exhibit B, Attachment II.
 - b. All such appliance replacements are further subject to the HEALTH AND SAFETY APPLIANCE REPLACEMENT POLICY, EXHIBIT F, ATTACHMENT II.
 - c. The age of a heating/cooling appliance shall not be used as a basis for replacement.
 - d. Upgrades to heating and cooling appliances for energy efficiency purposes are subject to the energy audit unless required by Title 24.
- 5) Contractor shall repair a defective primary heating appliance when the cost to assess and repair is estimated at less than fifty percent (50%) of the cost of installing a new replacement unit.
- 6) If during the course of repairing the defective unit, additional problems are found that would increase the cost of repairs to more than the allowable limit for repair costs, the unit may be replaced.
- 7) When replacement of a defective primary heating/cooling appliance is performed, Contractor shall perform necessary duct repair and/or replacement services in order to conform to Title 24 requirements.

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H. DOE Waiver for Fuel Switching

Contractor shall not switch fuel when replacing furnaces or any other allowable appliance unless CSD and DOE provides a waiver in writing. Contractor shall keep a copy of such waiver in the client's file.

I. Priority Measures

After the Outreach, Intake, Assessment, Health and Safety check of combustion appliances, the following feasible Priority measures shall be installed in all types of allowable dwellings prior to Priority List Measures:

- 1) Infiltration measures
- 2) General heat waste measures
- 3) Electric baseload measures

J. Priority Lists of Energy Conservation Measures

- 1) Contractor shall install the following energy conservation measures where feasible in site-built single-family dwellings and small multi-unit dwellings (less than five units) excluding manufactured homes and multi-unit dwellings (more than five units):

a. Climate Zone 4 (less than 2,000 CDD and less than 4,000 HDD)

- i. Programmable thermostats
- ii. Ceiling insulation
- iii. Kneewall insulation
- iv. Floor insulation
- v. Attic venting, only in conjunction with ceiling insulation
- vi. Floor foundation venting, only in conjunction with floor insulation

b. Climate Zone 5 (2,000 CDD or more and less than 4,000 HDD)

- i. Programmable thermostats

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- ii. Ceiling insulation
 - iii. Kneewall insulation
 - iv. Evaporative cooler
 - v. Storm windows for slab-on-grade site-built single family dwellings and small multi-family dwellings only.
 - vi. Attic venting, only in conjunction with ceiling insulation
- 2) Contractor shall install measures from these priority lists in the above numerical order, and Contractor shall not exclude or skip any measure unless:
- a. A blower door and/or pressurized duct diagnostic test indicates that installation of the measure is not feasible;
 - b. Dwelling already has that measure in place;
 - c. Measure cannot be properly installed, or
 - d. Client refuses installation (client refusal is to be documented and placed in file);
 - e. Maximum dollar limit of an average of \$6,500 per dwelling is reached; or
 - f. Measure is not needed or required.
- 3) Contractor shall include notations of exception(s) in the client file.

K. ENERGY AUDIT REQUIREMENTS

If the reimbursement limit of an average of \$3,055 per dwelling has not been reached from the activities of outreach, intake, assessments and diagnostics and infiltration reduction, general heat waste, electric baseload and allowable priority list measures, Contractor shall install optional measures based on a site-specific energy audit for:

- 1) All multi-unit dwellings (five or more units);
- 2) All manufactured homes;

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- 3) All site-built dwellings in Climate Zone 1, less than 2,000 CDD and more than 7,000 HDD;
- 4) All site-built dwellings in Climate Zone 2, less than 2,000 CDD and 5,500-7,000 HDD;
- 5) All site-built dwellings in Climate Zone 3, less than 2,000 CDD and 4,000-5,499 HDD;
- 6) All site-built dwellings in Climate Zone 4, less than 2,000 CDD and less than 4,000 HDD, beyond the above priority list;
- 7) All site-built dwellings in Climate Zone 5, 2,000 CDD or more and less than 4,000 HDD, beyond the above priority list; unless otherwise allowable as per the Policies and Procedures manual.
 - a. Contractor shall perform energy audits as per the above protocol using the National Energy Audit Tool (NEAT) for single-family site-built dwellings and small multi-family dwellings (less than five units). Contractor shall perform energy audits using the Manufactured Home Energy Audit (MHEA) for manufactured homes.
 - b. Contractor shall install those feasible energy conservation measures shown by the NEAT or MHEA energy audit to have a savings-to-investment ratio (SIR) of 1 or more, beginning with the highest SIR on the list and working down in SIR order.
 - c. Multi-unit complexes shall have the NEAT energy audit performed on at least one typical unit on each ordinal wall (north, east, west, and south) and at least one inside unit, if applicable. The most common resulting prescribed weatherization measures from these separate energy audit reports above a SIR of 1 shall be installed on eligible units. A separate energy audit shall be performed for each unit that varies from the "typical" units in the same complex. Contractor shall install those feasible energy conservation measures shown by the energy audit to have a SIR of 1 or more, beginning with the highest SIR on the list and working down in SIR order.

L. Natural Disasters

- 1) When a dwelling that has been damaged by a natural disaster such as fire, flood, earthquake, hurricane, etc., a scope of work shall be submitted to

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CSD for approval prior to beginning work related to a natural disaster. See DOE WAP DISASTER RELIEF PLAN, EXHIBIT F - ATTACHMENT II.

- 2) Contractor may provide services to repair damages that are within the scope of the weatherization program if the same services will not be paid for or reimbursed by any other source.
- 3) The occupant shall be certified as currently eligible and a dwelling assessment shall be performed.

5. PROGRAM STANDARDS AND REGULATORY REQUIREMENTS

A. Program Standards

- 1) Contractor shall adhere to all CSD program standards pursuant to the following documents and manuals which have been incorporated by reference and made part of this Agreement as if attached hereto:
 - a. CSD Low-Income Weatherization Assistance Program Policies and Procedures;
 - b. CSD Conventional Home Weatherization Installation Standards (WIS);
 - c. CSD Mobile Home Weatherization Installation Standards (WIS);
 - d. CSD Lead-Safe Weatherization Policies;
 - e. CSD Health and Safety Plan for Weatherization Programs;
 - f. CSD Inspection Policies and Procedures;
 - g. CSD LIHEAP/DOE Program HEALTH AND SAFETY APPLIANCE REPLACEMENT POLICY, EXHIBIT F, ATTACHMENT III;
 - h. CSD Carbon Monoxide (CO) Analyzer and Manometer Calibration Policy;
 - i. DOE WAP DISASTER RELIEF PLAN, EXHIBIT F, ATTACHMENT II; and
 - j. **2010 LIHEAP Eligibility Verification Guide.**

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- 2) In the event of disagreement between policies and field protocols contained within the Weatherization Installation Standard Manual and/or the Weatherization Policies and Procedures Manual and this Agreement, Contractor shall abide by the terms of this Agreement.

B. Regulations

- 1) Standards contained in the Uniform Building Code and local city and county codes shall take precedence over the CSD WIS if the code requirement is not included in the manual and/or is more stringent.
- 2) Weatherization work performed in all applicable dwellings shall be in compliance with California Energy Commission 2005 Building Energy Efficiency Standards, Alterations under Title 24, Part 6, of the California Code of Regulations, California Home Energy Rating System (HERS) Program regulations.
- 3) Services provided to all applicable pre-1979 dwellings shall be in compliance with the Environmental Protection Agency rules in 40 CFR 745, Lead-Based Paint Poisoning Prevention in Certain Residential Structures and the Housing and Urban Development rules in 24 CFR 35; and Lead Requirements for Hazard Education Before Renovation of Target Housing; Final Rule.
- 4) All materials procured for weatherization purposes shall be in conformance with the Department of Energy rules in 10 CFR Part 600.236, Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local and Tribal Governments or 10 CFR Part 600.140, Uniform Administrative Requirements for Awards and Subawards to Institutions of Higher Education, Hospitals, Other Nonprofit Organizations, and Commercial Organizations.
- 5) All materials must be in compliance with Department of Energy rules in 10 CFR 440, Appendix A.

C. Title 24

- 1) Contractor shall, when required by its local jurisdiction, obtain a building permit when additions or alterations of existing residential buildings are performed or when a component, system, or equipment of an existing building breaks and cannot be repaired.

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- 2) Title 24 requirements are applicable only to energy conservation measures installed to dwelling located within Contractor's specific California Energy Commission (CEC) Climate Zone. For a listing of the CEC climate zones, refer to the CSD website at www.csd.ca.gov.

Contractor shall exercise caution not to utilize the DOE Climate Zone for compliance with California's Title 24 Energy Efficiency Standards for Residential and Nonresidential Requirements.

- 3) Contractor shall obtain the services of a qualified Home Energy Rating System (HERS) Program Rater when required to perform required field verification and diagnostic testing on applicable weatherization measures and building alterations performed under this Agreement.
- 4) The HERS Rater shall be an independent entity from the builder or subcontractor performing the building alteration and/or energy-efficiency improvement being tested and verified and shall have no financial interest in the work performed.

D. Pre-1979 Dwellings

- 1) Lead-based paint is presumed to be present in all pre-1979 units unless the dwelling unit has previously been certified by a California Certified Inspector/Risk Assessor to be lead-free.
- 2) HUD units not previously certified to be lead free, built prior to 1979, and receiving weatherization services in which painted surfaces exceeding di minimis levels are disturbed require the successful achievement of lead-safe standards after the completion of weatherization services. Contractor shall assure that a third-party California Certified Inspector/Risk Assessor performs the clearance inspection after the completion of weatherization services and that the Assessor deems the weatherized HUD unit as lead-safe.
- 3) Contractor shall document notification to tenants of multi-unit housing of weatherization and/or renovation activities in common areas using the Notice of Weatherization/Renovation (CSD 320) or Contractor's equivalent and Record of Tenant Notification Procedures (CSD 322) or Contractor's equivalent.

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6. QUALITY ASSURANCE

A. Certification

Contractor, or its designee, shall establish a comprehensive, detailed, and fully documented Quality Control procedure to assess the quality and completeness of Weatherization work performed under this Agreement. Such assurance will be documented on the Weatherization Building Assessment and Job Order Sheet (CSD 540) or Contractor's equivalent and shall be signed and dated by a certifying agency representative.

B. Post-Weatherization Inspections

- 1) Contractor shall perform post-weatherization inspections on one-hundred percent (100%) of the total dwellings weatherized under this agreement and shall include a reasonable percentage of post-testing of CAS, Blower Door and Duct Blaster diagnostic tests.
- 2) Contractor shall make a reasonable attempt to schedule appointments for the post-weatherization inspection. A minimum of two written correspondences to schedule an appointment or one missed appointment shall constitute a reasonable effort.
- 3) Post-Weatherization inspections shall be conducted for the purpose of assessing the quality and completeness of performed weatherization services and compliance with CSD weatherization guidelines. At a minimum, the post-inspection shall:
 - a. Review the Dwelling Assessment and Weatherization Building Assessment and Job Checklist (CSD 540) to ensure that all feasible weatherization measures identified during the assessment were installed.

In the event weatherization crews identified and performed additional weatherization measure installations not disclosed during the dwelling assessment, then the Inspector shall ensure that these measures conform to CSD weatherization guidelines and are notated on the Weatherization Building Assessment and Job Checklist.

- b. Verify that all measures were completely installed in accordance with said terms and conditions of this Agreement.

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In addition, installed measures shall be reviewed to determine the absence of any feasible Priority Measure not installed, the installation of a measure (nonfeasible measure) that may not be in compliance with said standards and the terms and conditions of this Agreement and/or any health and safety hazards.

- c. Verification that the unit received blower door and duct leakage testing;
 - d. Verification that required CAS testing of eligible combustion appliances was performed and inspection of combustion appliances to verify the safe operating condition of combustion appliances within the dwelling residence; and
 - e. Inspection of the unit dwelling to ensure that all identified health and safety hazards, whether preexisting or resulting from the performance of weatherization services, have been successfully remedied.
- 4) Contractor shall ensure that Post-Weatherization Inspections are performed by trained staff successfully completing CSD Quality Assurance/Inspection Field Training, Basic Weatherization Training, Combustion Appliance Safety Training, Blower Door and Duct Diagnostic Training and fully versed in CSD's policies, standards, and contractual requirements guiding weatherization measures services and installations and protocols for remediating hazardous conditions.
 - 5) Contractor's shall ensure job separation between staff performing post-weatherization inspection activities and weatherization crew personnel performing the physical installation and performance of weatherization measure services funded under this agreement. Exemptions to this requirement may be granted to agencies where it is economically challenging and/or operationally impractical to achieve the desired job separation between weatherization field staff. In order to receive an exemption, Contractor must submit a written request to CSD for review and approval. Contractor may have the same staff perform unit dwelling assessment and post weatherization inspection activities.
 - 6) The Quality Assurance Inspector shall certify the performance of Post Weatherization Inspections of dwelling units by completing and signing Contractor Post-Weatherization Inspection Report (CSD 611). Contractor shall retain a copy of the completed and signed form in the client file.

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C. Third-Party Inspections

- 1) The State reserves the right to use a third-party inspector to review and verify that the weatherization activities performed under this Agreement conform to applicable standards and practices.
- 2) Unless Contractor assumes the task of arranging inspection visits with the selected weatherization clients, Contractor shall provide the use of a telephone to the inspector.
- 3) Contractor or a ride-along (designated representative) shall accompany the inspector on client inspection visits and shall provide transportation and equipment to the inspector. When possible, Contractor shall make corrections during the client inspections visits.
- 4) Contractor agrees to remedy all Nonhazardous Conditions (nonhazardous work deficiencies) noted by the State or its designee within 20 working days of written notification.
- 5) Contractor must remedy all Hazardous Conditions resulting from weatherization measure installation. The immediate hazard shall be eliminated within 24 hours, and hazardous conditions shall be completely resolved within five (5) working days of written notification. The time period may be extended for circumstances beyond the Contractor's control; however, the time extension must be approved in writing by CSD prior to the expiration of the five working days.

D. Subcontracted Services for Basic Weatherization

- 1) Contractor who subcontracts basic weatherization services shall submit to CSD for approval a written Weatherization Quality Control Plan for Subcontractors. This plan shall include field and fiscal monitoring.
- 2) Contractor shall have a minimum of one internal staff member who shall receive the online, classroom and field training coursework required by CSD for a field supervisor.

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E. Noncompliance

- 1) Contractor shall be subject to the withholding of reimbursement for failure to completely resolve a Hazardous Condition within five working days or within the modified completion date for units receiving a time period extension. The reimbursement sanction will immediately apply to the next fiscal reimbursement request associated with the primary funding source (program) of the weatherized unit in question. The reimbursement sanction will remain in effect until Contractor successfully resolves the Hazardous Condition and confirms the resolution with CSD and the designated Inspection Contractor. The sanction will apply to all subsequent fiscal reimbursement requests of the primary funding source in question.
- 2) If it is determined that the Contractor has failed to resolve an identified Hazardous Condition in accordance with the Hazardous Correction Work Plan, CSD may utilize the services of the designated Inspection Contractor to successfully resolve the delinquent Hazardous Condition. Contractor will assume responsibility for costs associated with the use of Inspection Contractor's services. The costs will include labor, materials, and travel equal to the Inspection Contractor's training and technical assistance hourly rate and the total amount will be withheld from the Contractor's next request for fiscal reimbursement.
- 3) If it is determined that the Contractor has incorrectly billed CSD because a measure was not installed or the quantity installed is less than the quantity billed, Contractor shall install the billed measure or quantity, if feasible. In cases when a physical remedy is not possible, repayment of the labor and material costs for the uninstalled measure or quantity will be withheld from subsequent reimbursements.
- 4) Contractors will be subject to Special Conditions if it is determined that one or more of the following conditions exist:
 - a. Contractor has a history of unsatisfactory performance.
 - b. Identification of one or more Hazardous Conditions in dwellings weatherized by Contractor.
 - c. Failure to remedy an identified Hazardous Condition in a timely manner (elimination of immediate hazard within 24 hours and complete resolution correction within five working days of written notification).

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- d. Substantial number of Nonhazardous Conditions and/or identified trends or patterns of nonconformance to installation criteria.

7. TRAINING REQUIREMENTS

- A. All training shall be provided through a CSD-approved training center utilizing CSD-approved training curriculum. In-house training shall no longer be an acceptable form of training to meet any CSD training requirements for weatherization services with the exception of HUD-approved Lead-Safe Weatherization Training or unless otherwise noted. Training coursework must be successfully completed.
- B. Training Provisions for New Staff of Contractor and Subcontractors with Prior CSD Experience Who Provide Basic Weatherization Services
- 1) For the purposes of this section, subcontractors must have prior experience providing basic weatherization pursuant to a CSD program. Subcontractors who do not have prior basic weatherization experience pursuant to a CSD program must follow the training provisions in Exhibit F, Section 1.D.
 - 2) Within 30 days of employment, weatherization employees of Contractor and subcontractors shall receive Worksite Safety, Environmental Hazards Awareness and Lead-Safe Weatherization Training. An Assessor, Worker, Supervisor, or Inspector shall not be allowed to enter, assess, weatherize, or inspect a dwelling unit until the required Worksite Safety, Environmental Hazards Awareness and Lead-Safe Weatherization Training has been completed.
 - 3) Within ninety (90) days of employment, all weatherization employees of Contractor and subcontractors shall receive Basic Weatherization Training.
 - 4) Within 180 days of employment, weatherization employees of Contractor and subcontractors shall receive Duct Leakage/Blower Door Diagnostic Training. No employee of Contractor and subcontractor shall perform diagnostic testing without having completed the required training.
 - 5) Within 180 days of employment, weatherization employees of Contractor and subcontractors shall receive Combustion Appliance Safety Training. No employee of Contractor and subcontractors shall perform combustion appliance safety checks without having completed the required CSD-approved training.

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- 6) Within 180 days of employment, weatherization employees of Contractor and subcontractors who perform assessments and/or field supervision shall receive Field Assessment Training. No employee of Contractor and subcontractors shall perform assessments without having completed the required training.
 - 7) Within 180 days of employment, weatherization employees of Contractor and subcontractors who perform inspections and/or field supervision shall receive Quality Assurance Training. No employee of Contractor and subcontractor shall perform inspections without having completed the required training.
- C. Training Provisions for Existing Staff of Contractor and Subcontractors With Prior CSD Experience Who Provide Basic Weatherization Services
- 1) For the purposes of this section, subcontractors must have prior experience providing basic weatherization pursuant to a CSD program. Subcontractors who do not have prior basic weatherization experience pursuant to a CSD program must follow the training provisions in Exhibit F, Section 1.D.
 - 2) Within 30 days from contract execution, existing weatherization employees of Contractor and subcontractors shall receive the, Worksite Safety, Environmental Hazards Awareness and Lead-Safe Weatherization Training.
 - 3) Within 90 days of the execution of this agreement, existing weatherization employees of Contractor and subcontractors that have completed the following classes at a CSD-approved training center prior to the dates listed below or for whom no training dates at a CSD-approved training center are recorded but have field experience of at least 12 months performing weatherization services and diagnostic testing for CSD weatherization programs shall be required to take and pass an online assessment test or receive the required CSD-approved trainings. Employees not completing the required diagnostic testing training or successfully test out of the training shall no longer be able to perform the diagnostic tests.
 - a. Basic Weatherization – November 2003
 - b. Duct Blaster – April 2006
 - c. Blower Door – April 2006
 - 4) Within 120 days of the execution of this agreement, existing weatherization employees of Contractor and subcontractors who perform

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the combustion appliance safety test and that have completed Combustion Appliance Safety Training through a CSD-approved training center prior to April 2006 or who have no training dates recorded shall receive Combustion Appliance Safety Training.

- a. Employees who received Combustion Appliance Safety Training prior to April 2006 through a CSD-approved training center can continue to perform the diagnostic testing; however, Contractor shall provide documentation verifying the past completion of the required training. Employees shall receive the training in order to continue performing the combustion appliance safety test after the required 120-day time period has lapsed or pass an online CAS test when it becomes available. Employees not completing the required CAS training or successfully test out of the training shall no longer be able to perform the diagnostic tests.
 - b. Employees who have never received the Combustion Appliance Safety Training through a CSD-approved training center shall not perform the combustion appliance safety test until the required training is received.
- 5) Within 120 days of the execution of this agreement, weatherization employees of Contractor and subcontractors who perform assessments and/or field supervision shall receive Field Assessment Training.
 - 6) Within 120 days of the execution of this agreement, weatherization employees of Contractor and subcontractors who perform inspections and/or field supervision shall receive Quality Assurance Training.
- D. Subcontractors who have never provided basic weatherization services pursuant to a CSD program are required to have all staff complete the entire required course of training, relative to their job classification, as detailed in Exhibit F, Attachment III prior to commencing unit production work.
- E. Training Provisions for Staff of Subcontractors Who Provide Specialty Services
- All field employees of subcontractors who perform the of HVAC work for a Contractor are strongly encourage to receive the required CSD-approved training. If the subcontractor does not receive the training, it shall be the responsibility of the Contractor to perform all pre- and post-combustion appliance safety diagnostic testing for all HVAC services performed by subcontractors.
- F. For weatherization services performed on HUD units, all work crews of Contractor and subcontractors who provide basic weatherization or specialty

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services are required to be trained in HUD-approved Lead-Safe Weatherization, although certification is not required. No employee of Contractor and subcontractors shall perform work in a pre-1979 HUD dwelling until the required training has been received. Although a crew supervisor can be certified as a HUD Lead Abatement Supervisor or Worker, it is not a substitute for the requirement of trained work crews.

- G. Contractor shall maintain and make available for reference to Contractor's employees and subcontractors who perform weatherization services the following:
- 1) Current CSD Conventional Home WIS Manual;
 - 2) Current CSD Mobile Home WIS Manual;
 - 3) CSD Low-Income Weatherization Assistance Program Policies and Procedures Manual;
 - 4) Other applicable policies and procedures; and
 - 5) Official Program Notices

8. CONTRACTOR LICENSING

Contractors that are nonprofit organizations and are performing weatherization activities under this Agreement certify that they possess and shall continue to have an active Class "B" General Building Contractor license, issued in the agency's name/qualifying individual by the Contractors' State License Board (CSLB). Contractor shall notify CSD when any changes in licensing occur. Contractor shall possess all applicable licenses as required by the CSLB to carry out the installation and/or repairs of Central HVAC Systems, Furnaces, and Boilers.

9. SPECIAL LICENSING - WEATHERIZATION

Special licensing may also be required for the installation and/or repair of Evaporative Cooler, Vented Space Heater, Air Conditioning, and Gas and Electric Water Heaters, if two or more weatherization measures are not installed in a single unit. Electrical wiring upgrade/replacement and knob and tube wiring certification shall always require a C-10 license.

10. CERTIFIED RENOVATOR

Contractor shall be certified to conduct lead-based paint activities and shall have a minimum of one Certified Renovator on staff in accordance with the Environmental Protection Agency (EPA) Lead: Renovation, Repair and Painting Program (40 CFR Part

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745) and CSD Lead-Safe Weatherization Policies. Lead-based paint activities in pre-1978 housing and child-occupied facilities shall be conducted by certified renovation firms, use renovators with accredited training, and follow the work practice requirements of the rule.

11. LEVERAGING ACTIVITIES

- A. Contractor is strongly encouraged to provide weatherization services to LIHEAP ECIP HCS-serviced dwellings using LIHEAP and/or utility-funded weatherization services. Contractor shall not leverage weatherization measures funded under this agreement with other forms of DOE WAP funding.
- B. Leveraging weatherization funds may be used to install priority and/or optional measures in a dwelling in any order practical to the application of weatherization measures. Client files shall be documented accordingly.
- C. Contractor shall ensure that any non-CSD leveraged-funded activity performed in conjunction with the DOE WAP program is in conformance with weatherization guidelines. If permitted by the leveraged-funding source, Contractor shall document within the Weatherization client file the activity performed, date of the activity performed, and the source of the leveraged funds. If the leveraged-funding source prohibits the disclosure of such information, Contractor shall at a minimum make reference to the leveraged activity within the weatherization client file.
- D. CSD ensures that this information will be utilized for the sole purpose of verifying the delivery of services. CSD also reserves the right to use a third-party inspector to review and verify that the leveraged-funded activities conform to applicable standards and practices. Contractor shall ensure that duplicate billings for the same product or service do not occur.

12. RECORD-KEEPING RESPONSIBILITIES

- A. Contractor shall maintain client intake/needs assessment form(s) for Weatherization, and appropriate supporting documentation and shall maintain separate client files containing supporting documents related to disqualifications, denials, and appeals for each applicant who is not certified as being eligible to receive assistance.

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B. Client Files – General Requirements

Contractor shall maintain a separate file for each applicant certified as eligible to receive assistance. Said files shall include at least the following documentation, if applicable:

- 1) For Public Agencies only - Statement of Citizenship, Alienage and Immigration Status for Public Benefits (CSD 600) and supporting documents;
- 2) Energy Intake Form (CSD 43) or Contractor's equivalent;
- 3) Utility/energy bill(s) for all sources of energy used by qualified households;
- 4) Source documentation supporting eligibility; and
- 5) Client Education Confirmation of Receipt (CSD 321) or Contractor's equivalent.

C. Client Files –Weatherization

Contractor shall maintain the following documents for each applicant receiving weatherization services, if applicable:

- 1) Weatherization Building Assessment and Job Order Sheet (CSD 540) or Contractor's equivalent;
- 2) Combustion Appliance Safety Inspection Form (CASIF);
- 3) Blower Door and Duct Blaster Data Sheet (BDDDBDS);
- 4) CSD Hazardous Correction Work Plan (HCWP);
- 5) CSD Weatherization Deferral Form and other source documentation supporting deferrals and appeals
- 6) Notice of Weatherization/Renovation (CSD 320) or Contractor's equivalent;
- 7) Record of Tenant Notification Procedures (CSD 322) or Contractor's equivalent;
- 8) Energy Service Agreement for Rental Units (CSD 515);

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- 9) Contractor Post-Weatherization Inspection Report (CSD 611)
- 10) Weatherization Inspection Report (WIR) (CSD 581);
- 11) Multi-Family Dwelling Unit Eligibility Certification (CSD 75P) or Contractor's equivalent;
- 12) Required building permits, building permit applications or documentation of permit cost, and a copy of the final permit with appropriate signatures;
- 13) Copy of lead clearance inspection by a California Certified Inspector/Risk Assessor for applicable pre-1979 HUD units;
- 14) Waivers from CSD to exceed maximums costs and quantity limits of weatherization measures and work outside of the scope of CSD weatherization policies and standards;
- 15) Approvals from DOE and CSD to make a fuel change for an installed appliance;
- 16) Source documentation that substantiates all actual labor hours and all costs for labor and materials;
- 17) Source documentation of weatherization measures installed and leveraged with other CSD and non-CSD weatherization program funds;
- 18) Source documentation that substantiates the criteria and basis for replacement of all gas and electric appliances including results of all required diagnostic tests results and the nonfeasibility of all mandatory measures not performed or installed;
- 19) Source documentation indicating the manufacturer, manufacture date, make, serial number and model of all replaced refrigerators;
- 20) Source documentation and records substantiating mileage claims by individual weatherized SFD and MUD Unit;
- 21) A copy of the energy audit output report listing the recommended energy conservation measures;
- 22) Source documentation of HERS inspect