



STATE OF CALIFORNIA  
**STANDARD AGREEMENT**  
 STD. 213 (Rev. 6/03)

AGREEMENT NUMBER <b>15B-3008</b>	AMENDMENT NUMBER <b>0</b>
REGISTRATION NUMBER	

1. 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  
**El Dorado County Health and Human Services Agency**
2. The term of this Agreement is: **January 1, 2015 through January 31, 2016**
3. The maximum amount of this Agreement is: **Total \$ 2,121,529.00**
4. The parties agree to comply with the terms and conditions of the following exhibits that are by this reference made a part of the Agreement:  
 Part I  
 Preamble  
 Article 1 - Scope of Work  
 Article 2 - Contract Construction, Administration, Procedure  
 Part II\*  
 Subpart A - Administrative Requirements\*  
 Subpart B - Financial Requirements\*  
 Subpart C - Programmatic Requirements\*  
 Subpart D - Compliance Requirements\*  
 Subpart E - Certification and Assurances\*  
 Subpart F - State Contracting Requirements (GTC 610)\*  
 Subpart G - Definitions\*  
 Subpart H - Table of Forms\*  
 Items shown with an Asterisk (\*) are hereby incorporated by reference and made a part of this agreement as if attached hereto. These documents can be accessed at <https://providers.csd.ca.gov/>.

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

<b>CONTRACTOR</b>		<b>CALIFORNIA Department of General Services Use Only</b>
CONTRACTOR'S NAME <i>(If other than an individual, state whether a corporation, partnership, etc.)</i> <b>El Dorado County Health and Human Services Agency</b>		"I hereby certify that all conditions for exemption have been complied with, and this document is exempt from the Department of General Services approval."
BY <i>(Authorized Signature)</i> 	DATE SIGNED <i>(Do not type)</i>	
PRINTED NAME AND TITLE OF PERSON SIGNING <b>Brian Veerkamp, Chair, County of El Dorado, Board of Supervisors</b>		
ADDRESS <b>3057 Briw Rd #A, Placerville, CA 95667</b>		
<b>STATE OF CALIFORNIA</b>		
AGENCY NAME <b>Department of Community Services and Development</b>		
BY <i>(Authorized Signature)</i> 	DATE SIGNED <i>(Do not type)</i>	<input type="checkbox"/> Exempt per _____ 15-0086 B 1 of 178
PRINTED NAME AND TITLE OF PERSON SIGNING <b>Cindy Halverstadt, Deputy Director, Administrative Services</b>		
ADDRESS <b>2389 Gateway Oaks Drive, Suite 100, Sacramento, California 95833</b>		

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**PART I**

**PREAMBLE**

This subvention agreement, for the implementation of the Low-Income Home Energy Assistance Program (LIHEAP) in program year 2015 (“Agreement”), is entered into between the Department of Community Services and Development (“CSD” or “Department”) and the contractor named on Form STD 213, the face sheet of this document (“Contractor”), and shall be enforceable on the date last signed.

NOW THEREFORE, in consideration of the promises and of the mutual agreements and covenants hereinafter set forth, the CSD and Contractor hereby agree as follows:

**ARTICLE 1 – SCOPE OF WORK**

**1.1 General**

- A. Contractor shall provide Weatherization (WX) assistance, Home Energy Assistance Program (HEAP) assistance, and Energy Crisis Intervention Program (ECIP) assistance to eligible participants residing in the service area described in Section 1.2, pursuant to Title 42 of the United States Code (USC) Section 8621 et seq. (the Low-Income Home Energy Assistance Act of 1981, as amended) and Government Code Section 16367.5 et seq., as amended. Unless otherwise specified in the Contractor’s LIHEAP Agency Plan elsewhere in this Agreement, Contractor shall make its services and activities available to the low-income community within its service area throughout the entire term of this Agreement. Contractor shall ensure that the highest level of assistance will be furnished to those households which have the lowest incomes and the highest energy costs or needs in relation to income, and that the services and activities funded by this Agreement shall also meet all other assurances specified at 42 U.S.C. § 8624.
- B. The LIHEAP Catalog of Federal Domestic Assistance number is 93.568. Award is made available through the United States Department of Health and Human Services.

**1.2 Service Area**

- A. The services shall be performed in the Service Territory comprised of the following service area(s) :

See Part II, Subpart H. The 2015 LIHEAP Numbers, Contractors, and Service Territories listing may be accessed at <http://providers.csd.ca.gov>.

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- B. Contractors that provide services in Los Angeles and San Diego counties shall refer to the ZIP Codes listing located at <http://providers.csd.ca.gov> to determine the zip codes for their respective area.

**1.3 Contract Amount**

- A. The contract amount as represented on the face sheet (Form STD 213) of this Agreement consists of Contractor’s total allocation to include the “Direct Services” (formerly “consideration”) and “Utility Assistance” (formerly “non-consideration”) portions attributable to Contractor’s service area(s).
- B. Direct Services and Utility Assistance, as defined in Part II, Subpart G that are allocated to Contractor, shall be expended, reported and accounted for in accordance with the provisions of this Agreement at Part II, Subpart B – Financial Requirements.

**1.4 Service Area Expenditure Requirements**

Contractor shall be subject to special expenditure requirements as provided in Article 5, Section 5.6 of Part II, if any of the following pertain:

- A. This Agreement involves funding for LIHEAP services provided by Contractor in multiple counties or service areas; or
- B. Contractor has additional agreements with CSD for the provision of LIHEAP or Department of Energy, Weatherization Assistance Program (DOE WAP) services in counties or service areas other than the county or service area to which this Agreement applies.

**1.5 Program Authorities – Requirements, Standards and Guidance**

- A. All services and activities are to be provided in accordance with 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, the following:
  - 1. The Low-Income Home Energy Assistance Program Act of 1981, 42 U.S.C. §§ 8621 et seq., and 45 Code of Federal Regulation (CFR) Part 96;
  - 2. The California Government Code §§ 16367.5 et seq., as amended, and Title 22, California Code of Regulations (CCR), §§ 100800 et seq.; and

**Article 1 – Scope Of Work**

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3. 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, except as otherwise provided in this Agreement.
- B. Contractor shall comply with all of the requirements, standards, and guidelines contained in the authorities listed below, as they may be amended from time to time, with respect to procurement, administrative, and other costs claimed under this Agreement, including those costs incurred pursuant to subcontracts executed by Contractor, notwithstanding any language contained in the following authorities that might otherwise exempt Contractor from their applicability. To the extent that the requirements, standards, or guidelines directly conflict with any State law or regulation at Government Code §16367.5 et seq. or 22 CCR §100800 et seq., or any provision of this Agreement, then that law or regulation or provision shall apply, unless, under specified circumstances, a provision of federal law applicable to block grants, such as 45 CFR 96.30, allows for the application of state law.
1. OMB Circular A-102 (Common Rule for State and Local Governments), as codified by the Department of Health and Human Services (HHS) at 45 CFR Part 92;
  2. 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 HHS at 45 CFR Part 74;
  3. OMB Circular A-87 (Cost Principles for State, Local and Indian Tribal Governments) as codified at 2 CFR Part 225;
  4. OMB Circular A-122 (Cost Principles for Non-Profit Organizations) as codified at 2 CFR Part 230.
  5. Contractor further agrees to abide by all requirements in California Contractor Certification Clauses 307 (CCC-307).
- C. CSD shall provide Contractor with specific program guidance which shall be binding on the Contractor as a condition of the Contractor's participation in the LIHEAP program, and as a condition of receipt of funds under the program, PROVIDED:
1. That such guidance shall be issued by CSD in writing in the form of "CSD Program Notice (CPN) No. XX-XX" posted at <https://providers.csd.ca.gov>.
  2. That such guidance shall be issued by CSD in the most timely and expeditious manner practicable;



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3. That such guidance shall be reasonably necessary to realize the purposes of LIHEAP;
  4. That major and material changes in the program and/or requirements which substantially affect the Contractor's and/or CSD's ability to fulfill their obligations or otherwise serve to create a substantial hardship on either the Contractor or CSD shall be subject to an amendment to this Agreement;
  5. That the parties' failure to execute a mutually acceptable amendment, as contemplated in subparagraph C 4, in a reasonable period of time, shall result in this Agreement being without force and effect subject only to such provisions contained herein as are intended to survive the Agreement in accordance with the express and implied provisions of applicable federal and state law; and
  6. That upon CSD's good faith determination, delivered to the Contractor by written notice that Agreement between the parties to any necessary amendment as contemplated in subparagraph C 4 cannot be achieved, then this contract shall be "closed out" and the funds disposed in accordance with established CSD procedure and policy and as required under federal and state law.
- D. The federal and state laws, regulations and other authorities referenced in this Section are hereby incorporated by reference into this Agreement. Copies may be accessed for reference at [www.csd.ca.gov](http://www.csd.ca.gov).
- E. Contract Elements Integral to Agreement
1. Contractor's Local Plan and the applicable portion(s) of the forms listed below (i.e. those portions concerning Direct Program Services or Utility Assistance, or both) are integral to this Agreement.
    - a. Agency Local Plan (referenced in Part II, Article 7.1)
    - b. LIHEAP Weatherization Budget, CSD 557D (referenced in Part II, Article 5.1)
    - c. LIHEAP EHA-16 Program Budget, CSD 537E (referenced in Part II, Article 5.1)
    - d. LIHEAP Performance and Expenditure Benchmark, CSD 622 (referenced in Part II, Article 10.5)

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- e. Certification Regarding Lobbying/Disclosure of Lobbying Activities
  - f. Executive Director and Board Roster (CSD 188)
  - g. Federal Funding Accountability and Transparency Act Report (CSD 279)
2. The Plan and forms must be completed by Contractor before CSD will execute the Agreement and Contractor is authorized to commence work. CSD will not forbear from executing this Agreement pending its own review and final approval of Contractor's submission, provided Contractor acts in good faith to rectify any outstanding issues associated with the Plan or forms. The approved Plan and forms shall become part of this Agreement.
- F. Contractor's signature affixed hereon shall constitute a certification that to the best of Contractor's ability and knowledge it will, unless exempted, comply with the provisions set forth in Part II, Article 11, Section 11.1, "Certifications" of this Agreement.

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**ARTICLE 2 – CONTRACT CONSTRUCTION, ADMINISTRATION,  
PROCEDURE**

**2.1 Base Contract and Whole Agreement**

- A. This Agreement consists of two parts, which together constitute the whole agreement between CSD and Contractor.
- B. Part I is the “Base Contract” which consists of the following:
  - 1. The face sheet (Form STD 213) which specifies:
    - a. the parties to the Agreement;
    - b. the term of the Agreement;
    - c. the maximum dollar amount of the Agreement; and
    - d. the authorized signatures and dates of execution.
  - 2. The Preamble, Article 1 and Article 2
  - 3. Zip Code Cross-Reference, if Contractor’s Service Area is defined in whole or in part by ZIP Codes.
- C. Part II consists of the “Administrative and Programmatic Provisions” which are comprised of Subparts A through H, including specified requirements, obligations, provisions, procedures, guidance, forms and technical materials, necessary for program implementation.
- D. Agreed upon Contract Execution Provisions and Procedures
  - 1. Only Part I, the Base Contract, will be exchanged by the parties for execution with original signatures, fully executed copies being retained by each party.
  - 2. Part II, Administrative and Programmatic Provisions is hereby incorporated by reference into this Agreement, is an essential part of the whole Agreement, and is fully binding on the parties.
  - 3. CSD shall maintain a certified date-stamped “hard copy” of Part II for inspection by Contractor during normal business hours, as well as a date-stamped, edit restricted, version of Part II on CSD’s “Provider Website,” which may be accessed by Contractor, “down-loaded” and printed at Contractor’s option.
  - 4. Neither Part I nor Part II of this Agreement may be changed or altered by any

Article 2 – Contract Construction, Administration, Procedure

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party, except by a formal written, fully executed amendment, or as provided in paragraph C 4 of Section 1.5 with respect to program guidance, or as provided Section 3.2 of Part II, Subpart A, Article 3, with respect to minor modifications. Upon such amendment of any provision of Part II, the amended version shall be date-stamped and locked-down until such time as a subsequent Agreement or amendment is executed by the parties.

**2.2 State Contracting Requirements – “General Terms and Conditions, GTC 610”**

In accordance with State contracting requirements, specified contracting terms and conditions are made a part of this agreement. The provisions in their entirety, previously located in Exhibit C of the Standard LIHEAP contract, are now found in Part II, Subpart F of this Agreement and are fully binding on the parties in accordance with state law.

**2.3 Contractor’s Option of Termination**

- A. Notwithstanding the provisions of paragraph C of Section 1.5, Contractor may, at Contractor’s sole option, elect to terminate this contract in lieu of adherence to the procedures set out in paragraph C of section 1.5, should Contractor determine that any subsequent program guidance or proposed amendment to the contract is unjustifiably onerous or otherwise inimical to Contractor’s legitimate business interests and ability to implement the contract in an effective and reasonable manner, PROVIDED:
  - 1. Such notice of termination is in writing and will be effective 30 days after receipt by CSD, delivered by U.S. Certified Mail, Return Receipt Requested.
  - 2. Notice contains a statement of the reasons for termination with reference to the specific provision(s) in the program guidance or proposed amendment in question.
- B. Contractor shall be entitled to reimbursement for all allowable costs incurred prior to termination of the contract. Such reimbursement shall be in accordance with the program guidance and contract provisions in effect at the time the cost was incurred.
- C. Contractor shall, within 60 days of termination, closeout the contract in accordance with contractual closeout procedures.
- D. CSD may at its option procure a temporary replacement provider, and may at its option, designate a permanent replacement provider for Contractor’s service area in accordance with federal and state law.

**Article 2 – Contract Construction, Administration, Procedure**

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**2.4 Budget Contingencies**

**A. State Budget Contingency**

1. It is mutually agreed that if funds are not appropriated for implementation of LIHEAP through the State budget process or otherwise, whether in the current year and/or any subsequent year covered by this Agreement, this Agreement shall be of no further force and effect. Upon written notice to Contractor by CSD that no funds are available for contract implementation, the Agreement shall be terminated and the State shall have no obligation to pay Contractor or to furnish other consideration under this Agreement and Contractor shall not be obligated for performance.
2. If program funding for any fiscal year is reduced to such degree that CSD reasonably determines that the program cannot be implemented effectively, the State shall at its sole discretion have the option either to terminate this Agreement upon written notice to Contractor or, in the alternative, to offer and negotiate an amendment addressing the reduced funding. If the parties fail to reach agreement on such amendment, CSD may at its option give written notice of termination without further obligation by either party except for contract closeout obligations and final settlement.

**B. Federal Budget Contingency**

1. The parties agree that because of uncertainty in the federal budget process, this Agreement may be executed before the availability and amounts of federal funding can be ascertained, in order to minimize delays in the provision of services and the distribution of funds. The parties further agree that the obligations of the parties under this Agreement are expressly contingent on adequate funding being made available to the State by the United States Government.
2. If federal funding for any fiscal year is reduced to such degree that CSD reasonably determines that the program cannot be implemented effectively, the State shall at its sole discretion have the option either to terminate this Agreement upon written notice to Contractor or, in the alternative, to offer and negotiate an amendment addressing the reduced funding. If the parties fail to reach agreement on such amendment, CSD may at its option give written notice of termination without further obligation by either party except for contract closeout obligations and final settlement.

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3. If federal funding authorities condition funding on any obligations, restrictions, limitations, or conditions not existent when this Agreement was executed, this Agreement shall be amended by mutual agreement for compliance with such obligations, restrictions, limitations or conditions. Failure of the parties to reach agreement on such amendment shall render this Agreement without force and effect.
4. Subject to the provisions of subparagraph B 2, CSD shall authorize expenditures of funds under this Agreement based on any Continuing Resolution appropriations that are adequate for the purpose. CSD shall notify the Contractor in writing of authorized interval funding levels.

**2.5 Miscellaneous Provisions**

- A. **Assignment.** Neither this Agreement nor any of the rights, interests, or obligations under this Agreement shall be assigned by any party without the prior written consent of the other parties, except in the case where responsibility for program implementation and oversight may be transferred by the State to another State agency. In the event of such transfer, this Agreement is binding on the agency to which the program is assigned.
- B. **Merger/Entire Agreement.** This Agreement (including the attachments, documents and instruments referred to in this Agreement) constitutes the entire agreement and understanding of the parties with respect to the subject matter of this Agreement and supersedes all prior understandings and agreements, whether written or oral, among the parties with respect to such subject matter.
- C. **Severability.** If any provision of this Agreement be invalid or unenforceable in any respect for any reason, the validity and enforceability of any such provision in any other respect and of the remaining provisions of this Agreement will not be in any way impaired and shall remain in full force and effect.
- D. **Notices.** Unless otherwise provided herein, notice given by the parties shall be in writing, delivered personally, by United States mail, or by overnight delivery service (with confirmation). Certain reporting and other communications may be delivered electronically as specified by CSD or as is customary between the parties. Notice shall be delivered as follows:
  1. To Contractor's address of record; and
  2. To CSD at:

**(2015 LIHEAP)**

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Department of Community Services and Development  
2389 Gateway Oaks Drive, Suite 100  
Sacramento, CA 95833

The County Officer or employee with responsibility for administering this Agreement is Michelle Hunter, Program Manager I, Health and Human Services Agency, or successor.

Article 2 – Contract Construction, Administration, Procedure

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**PART II**

**SUBPART A – ADMINISTRATIVE REQUIREMENTS**

**ARTICLE 3 – AGREEMENT CHANGES**

**3.1 Amendment**

- A. Changes to this Agreement shall be made by formal amendment with exceptions specified in subparagraph D 4 of Section 2.1, Article 2 of Part I and in Section 3.2, below.
- B. Contractor shall notify CSD in writing when any proposed amendment or change will significantly impact Contractor's Program Budget and/or Operations. CSD will afford Contractor a reasonable opportunity and sufficient time periods in which to phase-in the mandated change.

**3.2 Minor Modifications**

- A. Contractor may request modifications to make minor adjustments during the contract term. Minor Modifications shall not affect the Maximum Amount payable under this Agreement.
- B. Minor Modifications shall not alter the maximum limits established for specific budget line items, i.e., administrative costs, Assurance 16, intake, outreach, and training and technical assistance costs, except as otherwise provided herein.
- C. Allowable modifications to this Agreement include the minor budget modifications and expenditure requirements, specified in Article 5.



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**ARTICLE 4 – ADMINISTRATIVE POLICIES AND PROCEDURES**

**4.1 Board Roster, By Laws, Resolution, and Minutes**

- A. Upon execution of this Agreement, Contractor shall submit to CSD a Board Roster form (CSD 188) listing the current roster of members of its governing board, including contact information for each board member at a location other than the Contractor's offices, and the most recent version of the organizational bylaws. A link to the CSD 188 form is listed in Subpart H. 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 CSD 188, including contact information of the tripartite board. Contractor is responsible to notify CSD of any changes to the board 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 the signature of a Board member, affixed to the signature page of Part I, or by any lawful delegation of such authority that is consistent with Contractor's bylaws, the documentation of which has been communicated to CSD.
- C. Where Contractor elects to delegate the signing authority to the chief executive officer or designated officials, CSD will accept either a resolution specific to this Agreement or a resolution passed by the governing board that applies 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 before execution of this Agreement by CSD.
- 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 conducted 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 Low-Income Home Energy Assistance Program. Such minutes shall be submitted to CSD no later than 30 days after the related meeting.

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**4.2 Internal Controls Requirements**

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 be attested to within the Contractor's independent audit conducted pursuant to this Agreement and shall include:

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

**4.3 Record Maintenance Requirements**

- A. All records maintained by Contractor shall meet the OMB requirements contained in 45 CFR Part 92 and 45 CFR Part 74 (OMB 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 or until resolution of all related audit or monitoring findings, enforcement actions, including cost disallowance, legal proceedings or other pending matters, whichever is later.
- C. Contractor shall retain and secure all employee and client/applicant records and information in compliance with the Information Practices Act of 1977, as amended, and the Federal Privacy Act of 1974, as amended.
- D. To the extent Contractor maintains records in an electronic format, Contractor shall ensure that all records are "backed-up" or copied, utilizing appropriate,

**Article 4 – Administrative Policies and Procedures**

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secure technology in order to avoid unauthorized access, permanent loss or destruction, occasioned by theft, accident, willful acts or negligence, or by fire, flood, earthquake or other natural disaster.

**4.4 Insurance and Fidelity Bond**

**A. General Requirements**

1. Contractor agrees that the required insurance policies and bonds, specified below, 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 and, prior to any lapse or reduction in coverage, provide CSD with documentation, as specified in subparagraph 3. showing substitute coverage has been obtained or alternative measures have been taken to ensure compliance with the requirements of this Agreement.
3. In the event said insurance coverage expires 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 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, as well as reimbursement payments, to the Contractor may be suspended until evidence of the required current insurance coverage has been submitted to CSD.
8. 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).

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**B. Self-Insurance**

1. When Contractor is a self-insured governmental entity, the State, upon receipt of satisfactory proof of the entity's self-insurance authority, may waive the insurance requirements. A duly authorized county or city risk manager shall provide signed certification of the governmental entity's ability to cover any potential losses under this Agreement.
2. Governmental contractors 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 for coverage which is not self-insured.
3. If a governmental 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 previous year. This letter is due at the time of contract execution or within 30 days of coverage.

**C. Workers' Compensation Insurance**

1. During the term of this Agreement Contractor shall maintain legally sufficient workers' compensation insurance issued by an insurance carrier licensed to underwrite workers' compensation insurance in the State of California.
2. Contractor will not be paid an advance or any reimbursement of expenses unless it has first submitted to CSD either a Certificate of Insurance (ACORD 25) or a Certificate of Consent to Self-Insure, issued by the Director of the Department of Industrial Relations, as evidence of compliance with the workers' compensation insurance requirement.

**D. Commercial or Government Crime Coverage (Fidelity Bond)**

1. Contractor shall maintain commercial crime coverage. If Contractor is a public entity that elects to self-insure, Contractor shall make provision for adequate coverage to insure against crime risks. The commercial crime policy or government crime self-insurance coverage (hereinafter "fidelity bond") shall include the following coverage or the substantial equivalent: Employee Dishonesty/Theft, Forgery or Alteration, and Computer Fraud.

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2. Contractor's fidelity bond coverage limits shall not be less than a minimum amount of four percent (4%) of the total amount of Direct Services set forth under his agreement.
3. Contractor will not be paid an advance or any reimbursement of expenses unless it has first submitted to CSD an appropriate Certificate of Insurance (ACORD 25) as evidence of compliance with the fidelity bond requirement.

**E. General Liability Insurance**

1. Contractor shall maintain during the term of this Agreement general liability and property damage insurance for a combined single limit of not less than \$500,000 per occurrence.
2. Contractor will not be paid an advance or any reimbursement of expenses unless it shall first submit to CSD an applicable Certificate of Insurance (ACORD 25), naming the Department of Community Services and Development as an additional insured as evidence of compliance with general liability insurance requirements.

**F. Vehicle Insurance**

1. Contractor 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 non-owned 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 shall not be considered to be within the scope of employment.)
3. Contractor will not be paid an advance or any reimbursement of expenses unless it has first submitted an applicable Certificate of Insurance (ACORD 25), designating CSD as an additional insured, to the State as evidence of compliance with the stated vehicle insurance requirements.

**4.5 System Security Requirements**

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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 either of 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).
3. To the extent Contractor utilizes tablet or other internet-based or mobile devices for client intake and application purposes (“Electronic Intake”) in lieu of paper forms and documents, Contractor shall comply with all federal and state information security requirements and with such guidance and protocols as CSD may from time to time issue for the purpose of ensuring the integrity of Electronic Intake, including, but not limited to, the use of electronic signatures, data privacy, security, transfer and retention requirements.

**D. Information Exchange Security**

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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. 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,

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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**

Contractor will ensure that all primary and delegated secondary organizations that share, exchange, or use personal, sensitive, or confidential data, pursuant to this Agreement and subcontracts issued by Contractor, shall adhere to all CSD's policies and SAM guidelines. If data sharing is accomplished via interconnectivity of an application system, then data sharing must be certified to be secure by the parties involved.

**4.6 Travel and per diem**

- A. Contractor's total travel for in-state and/or out-of-state and per diem costs shall be included in the contract Budget(s). Out-of-state travel costs that exceed the budgeted amount shall not be reimbursed without prior written authorization from CSD.
- B. Contractor's employee travel costs and per diem reimbursement rates shall be reimbursed in accordance with Contractor's written policies and procedures not to exceed federal per diem requirements, and subject to the requirements of the OMB Circular A-87 Attachment B, Paragraph 43 (2 CFR, Part 225) or OMB Circular A-122 Attachment B, Paragraph 51 (2 CFR, Part 230) as applicable.
- C. In the absence of a written travel reimbursement policy, Contractor shall be subject to the provisions of California Code of Regulations Section 599.615 through 599.638, and shall be reimbursed in accordance with the terms therein.

**4.7 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 sub-agreements. 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.

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- 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 45 CFR Part 92 (for states and local governments) and 45 CFR Part 74 (for nonprofit organizations) (Office of Management and Budget Circular A-110, section 42).

**4.8 Conflict of Interest**

- A. Contractor shall ensure that its employees and the officers of its governing body do not engage in actual or potential conflicts of interest and that no officer or employee who has responsibility for any activity or function with respect to LIHEAP and the implementation of this Agreement shall have any personal financial interest in such activity or function or otherwise personally benefit or gain from the activity or function.
- 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 45 CFR § 74.42 and 92.36, Contractor shall not provide LIHEAP services or benefits in situations where an actual or perceived conflict of interest exists, unless the activity is explicitly allowed under Contractor's conflict of interest policies and procedures that are compliant with federal requirements. If Contractor provides: Program services to owner-occupied or rental dwellings that are owned or managed by the Contractor, its employees, or officers, such services must be pre-approved in writing by CSD whose approval shall be based on determination that other recipients or potential eligible recipients of services are not prejudiced or adversely affected by the receipt of services by Contractor.
- D. To obtain approval by CSD, Contractor must demonstrate that it will:
  - 1. Follow all regular eligibility and prioritization requirements of the federal and State LIHEAP programs, as applicable to each service or activity;
  - 2. Comply with all dwelling eligibility requirements of this Agreement, including but limited to rent increase and multiple dwelling restrictions;

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3. Substantiate the need for weatherization and EHCS services by completing a dwelling assessment for each individual dwelling unit served; and
4. Consent to any further conditions required by CSD. Failure to obtain prior written approval by CSD may result in costs being disallowed.

**4.9 Procurement**

**A. Contract Administration**

1. Contractor shall administer this Agreement in accordance with all federal and state rules and regulations governing LIHEAP block grants pertaining to procurement, including the Office of Management and Budget's (OMB) Circulars and amendments thereto, consistent with the general OMB compliance requirement in Section 1.5, Article 1, Part I of this Agreement. Contractor shall establish, maintain, and follow written procurement procedures consistent with the procurement standards in 45 CFR Part 92 (OMB Circular A-102 for state and local governments) and 45 CFR Part 74 (OMB Circular A-110 for nonprofit organizations) and the applicable 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 only award a subcontract to the bidder or offer or whose bid or offer is responsive to the solicitation and is most advantageous to Contractor when considering price, quality, and other factors relevant to the procurement. Contractor's solicitations shall clearly set forth all requirements that the bidder or offer or must fulfill in order for the bid or offer to be adequately and fairly evaluated by the recipient.
3. All supplies, materials, equipment, or services purchased or leased with funds provided pursuant to this Agreement shall be used solely for the activities allowed under this Agreement, unless the fair market value for such use is charged to the benefiting program and treated as program income earned under this Agreement.

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4. Contractor shall provide an open and free competition, to include a cost analysis, in accordance with federal and state law, for the procurement of materials, supplies, equipment, or services.
5. If a service or product is of a unique nature, or more than one potential vendor/provider cannot reasonably be identified, Contractor shall document adequate justification for the absence of competitive bidding. “Adequate justification” must include but is not limited to:
  - a. Explanation of why the acquisition of goods or services is limited to one vendor or supplier;
  - b. Description of sole vendor/supplier’s unique qualifications to provide the goods or services in question; and
  - c. Cost analysis to demonstrate reasonability.
6. **Emergency Procurements.** In cases of 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.
7. **CSD Lease/Purchase Pre-Approval Requirements.** To ensure that significant procurement transactions are conducted in an open and freely competitive manner, Contractor shall prepare and submit a Request for Purchase/Lease Pre-Approval (CSD 558) to CSD at least fifteen (15) calendar days prior to executing the subcontract for each of the following procurement transactions:
  - 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.
8. In all procurements, whether requiring CSD pre-approval or not, Contractor is solely responsible for maintenance of adequate procurement records demonstrating compliance with Federal and State requirements.
9. Noncompliance with any of the provisions in this section may result in a disallowance of the costs of the procurement transaction.

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10. Contractor 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.
  - 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.

**4.10 Subcontracts (CSD)**

- A. Contractor may enter into subcontract(s) to provide services pursuant to this Agreement in the service area(s) specified in Section 1.2 of Article 1, Part I Subcontracts must require that parties comply with all applicable provisions of this Agreement. Such requirement shall not relieve Contractor from any performance obligation created herein, nor from liability for a subcontractor's failure of performance.
- B. If Contractor elects to subcontract for services, the board's authorization and approval must be obtained and communicated to CSD in writing together with notice of execution of the subcontract as provided in paragraph C. Contractor may elect to delegate the signing authority for the approval of subcontractors to the Chief Executive Officer or designated authority through a resolution passed by the governing board.
- C. Within 60 days of the execution of any subcontract, Contractor shall provide written notification to CSD of the execution of the subcontract as well as identifying information, to include the name of the subcontractor entity, its address, telephone number, contact person, contract amount, and program description of each subcontractor activity to be performed by the subcontractor.
- D. Notification of subcontract execution shall contain certification by Contractor that to the best of Contractor's knowledge, the subcontractor is not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any federal department or agency. For purposes of

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this certification of subcontractor eligibility, Contractor may rely on information available at <https://www.sam.gov/portal/public/SAM/#1>.

- E. If CSD determines that Contractor has executed a subcontract with an individual or entity listed as disbarred, suspended or otherwise ineligible on the Excluded Parties List System (EPLS) as of the effective date of the subcontract, costs Contractor has incurred under the subcontract may be disallowed.
- F. Contractor must ensure that funds expended pursuant to this Agreement are allowable and allocable and Contractor must adopt fiscal control and accounting procedures sufficient to enable 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 the OMB Circulars A-87, 122, and 133.
- G. Contractor shall immediately notify subcontractor(s) in writing within five (5) working days of such action in the event the State suspends, terminates, and/or makes changes to services to be performed that materially alter the obligation of the subcontractor under this Agreement.
- H. Contractor is liable for the failure of performance of the terms, conditions, assurances, and certifications of this Agreement, without recourse against the State over matters involving subcontracts entered into for the implementation of this Agreement, including but not limited to disputes, claims, or other legal action for breach of contract, negligence, torts or criminal acts and other misconduct.
- I. Nothing in this Agreement creates or implies a contractual relationship between the State and any subcontractor or creates any obligation by the State to any subcontractor. Contractor is liable to the State for damages to the State for the acts and omissions of its subcontractors that occur in connection with the implementation of this Agreement. Contractor's obligation to pay its subcontractors is independent of any obligation of the State to pay Contractor, and Contractor shall not represent to subcontractors any such obligation of the State to pay or ensure payments to subcontractors.

**4.11 Complaint Management Policies and Procedures**

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- A. Contractor shall establish and maintain policies and procedures for handling complaints and provide applicants an opportunity to register a complaint based on their experience with attempts to obtain services under LIHEAP. The policies and procedures shall be in writing and Contractor shall provide the complaint process to interested individuals upon request.
- B. Contractor shall ensure that all formal complaints are documented and include the date, time, client name and address, and nature of the complaint and the actions undertaken by the Contractor to resolve the issue. For purposes of this section, “formal complaint” means a written complaint filed with the Contractor by the complainant.
- C. If the Contractor’s efforts did not result in a resolution, the Contractor may refer the client to the CSD Field Representative assigned to the Contractor. The Contractor shall contact the CSD Field Representative directly and explain the issue, actions taken to resolve the issue, and provide the CSD Field Representative with any supporting documentation that indicates the nature and extent of Contractor’s effort to resolve the issue.
- D. The CSD Field Representative shall immediately be notified if the Contractor has reason to believe that the complainant will contact the media, a State or Federal oversight agency or the Governor’s Office regarding the complaint.

**4.12 Fair Hearing Process for Applications for Denial of Benefits by Contractor:**

- A. Contractor shall provide all interested individuals equal opportunity to apply for the Low-Income Home Energy Assistance Program and shall not discourage any interested individual from submitting an application for LIHEAP 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. At the time the applicant applies for services, applicant shall be informed of appeal rights and appeal procedures, to include the right to appeal to both the Contractor and to CSD.

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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 at the same time provide a copy of the final decision to the Manager of CSD's Energy Services Division.
4. Provisions to enable Contractor to collate information on denials and appeals in its regular program reporting process.

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**SUBPART B – FINANCIAL REQUIREMENTS**

**ARTICLE 5 – ADMINISTRATIVE AND PROGRAM EXPENDITURES  
REQUIREMENTS**

**5.1 Budget Guidelines**

**A. Budget and Allocation Forms**

1. Upon execution of this Agreement, Contractor shall submit all budget and allocation forms, a link to each form is found in Subpart H, including the 2015 LIHEAP Weatherization Budget (CSD 557D) and 2015 LIHEAP EHA-16 Program Budget (CSD 537E) based on the Maximum Amount of this Agreement and in accordance with the accompanying instructions and other applicable provisions of this Agreement.
2. In the event the LIHEAP 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 Subpart G . When this Agreement is amended to reflect the Final Allocation, the budget and allocation forms shall be amended to reflect the actual annual allocation.

**B. Minor Modifications**

If Contractor intends to request a minor modification to this Agreement, Contractor shall submit a *Request for Amendment/Modification Energy, CSD 509*, an updated budget if applicable, and a justification supporting the funds transfer or change request. Contractor may submit the signed request for amendment/modification to CSD via email, fax, or hard copy with signature via Mail.

Minor modifications which Contractor may propose for approval by CSD include the following:

1. Transferring funds within or between Direct Program Services and/or Utility Assistance program components as defined:
  - a. Direct Program Services shall include Direct Weatherization, Direct Program Activities, ECIP EHCS, ECIP WPO, and HEAP WPO.

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- b. Utility Assistance shall include ECIP Fast Track and HEAP Electric and Gas.
  - c. Support Lines are those activities other than Direct Program Services and Utility Assistance.
2. If Contractor transfers funds from Administrative, Outreach and other Support costs to Direct Services and/or Utility Assistance for a specific service area, then later transfers funds from the remaining service area to replenish the Administrative, Intake, Outreach or other Support costs such transfer of funds should not unduly impair the equitable provision of services or otherwise disadvantage potential recipients of benefits in any Service Area.
- a. Subsequent transfer of funds to replenish the Support line(s) with Direct Service(s) and/or Utility Assistance funds shall be limited to fund transfer from Service territory/territories that benefited from the proceeding transfer.
3. Changes to the Agency Local Plan
4. Changes to the Expenditure and Performance Benchmarks
- C. Fund Transfer Requirements

Subject to CSD approval, Contractor may elect to transfer funds between each of the LIHEAP programs, components and between Utility Assistance, i.e., Weatherization, ECIP HCS, and/or ECIP/HEAP WPO.

- 1. Funding transfers that would increase or decrease amounts available for Weatherization above or below the twenty-five percent (25%) maximum are prohibited.
- 2. Contractor must provide justification for a proposed transfer of funds that would result in allocations that fall outside the statewide program funding ranges outlined below:

ECIP Expenditures	Statewide Range
ECIP Fast Track	7% - 42%
ECIP WPO	1% - 21%
ECIP HCS	1% - 30%

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3. Fund Transfer in Service Territory with Multi-Service Areas

If Contractor transfers funds from Administrative, Intake, Outreach and other Support costs to Direct Services and/or Utility Assistance for a specific service area, then later transfer funds from the remaining service areas to replenish the Administrative, Intake, Outreach or other Support costs such transfer of funds should not unduly impair the equitable provision of services or otherwise disadvantage potential recipients of benefits in any Service Area.

D. Sufficient Funds for Crisis Services

Contractor must allocate sufficient funds to offer crisis services through the term of the contract and in accordance with the Agency Local Plan, WEATHERIZATION AND ECIP-EHCS or, in the alternative, Contractor may request authorization from CSD to transfer any unspent ECIP funds into direct assistance payment services (HEAP – Electric and Gas, and WPO).

E. Weatherization Waiver

Unless and until the Federal Department of Health and Human Services (HHS) grants the State a weatherization waiver, Contractor may not expend or be reimbursed for costs in excess of the amount reflected in Column A of Contractor's Weatherization Budget. If the weatherization waiver is granted, Contractor may, upon written notification from CSD, expend and will be reimbursed for expenditures up to 100% of the available allocation, as reflected in Column B of Contractor's Weatherization Budget.

**5.2 Utility Assistance Expenditure Requirements**

A. The Utility Assistance portion of Contractor's grant allocation (formerly "non-consideration") shall be retained by CSD to enable the State to make direct utility assistance payments to clients and/or to utility companies. Contractor's administrative and Assurance 16 budget line item shall be based on Contractor's total allocation, including Utility Assistance.

1. Energy Crisis Intervention Program (ECIP): Electric and Gas (Fast Track)

The total amount allocated to the ECIP Fast Track Program shall be administered by Contractor in accordance with the terms of this Agreement, with payments to recipients issued by the State.

2. Home Energy Assistance Program (HEAP): Electric and Gas Allocation

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The total amount allocated to the HEAP Electric and Gas Program shall be administered by Contractor in accordance with the terms of this Agreement, with payments to recipients issued by the State.

**B. ECIP Payments - Electric and Gas (Fast Track)**

Payment for applicant's electric and/or gas energy bills shall be made by CSD directly to the utility company or in the form of a dual-party warrant, payable to the applicant and the utility company. All payments shall be deducted from Contractor's Utility Assistance allocation.

**C. HEAP Payments – Electric and Gas**

Payment for applicant's electric and/or gas energy bills shall be made by CSD directly to the utility company or in the form of either a dual-party warrant, payable to the applicant and utility company; or, in the case where the cost of energy is included in applicant's rent, a single-party warrant shall be issued, payable to the applicant. All payments shall be deducted from Contractor's Utility Assistance allocation.

**5.3 Working Capital Advance and Major Purchase Advances**

**A. Working Capital Advance (WCA)**

Contractor may, in accordance with applicable law, receive WCA payments of allowable program costs contemplated under this Agreement, *provided* Contractor shall comply with the provisions of this section and such additional guidance issued by the State as is needed to implement this section (collectively "WCA Requirements") to ensure that:

1. The time elapsing between the transfer of funds and the disbursement or expenditure of the funds by Contractor is minimized; and
2. Contractor's financial management systems are compliant with the provisions of this Agreement and the standards for fund control and accountability as established in the OMB Circular A-133 and in the Model Federal Advance Requirements as defined in subparagraph 3. below with particular reference to 10 CFR 600.121.
3. Working Capital Advance (WCA) Requirements include the following standards:

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- a. The WCA shall be for the minimum amounts necessary, timed in accordance with Contractor's immediate cash requirements, which will enable Contractor to carry out the purposes of this Agreement;
  - b. The Model Federal Advance Requirements are hereby incorporated by reference and adopted by the parties, for purposes of guiding and informing WCA requirements under the Agreement. The "Model Federal Advance Requirements" are defined as the provisions set out in the Code of Federal Regulations (CFR), Title 10, Chapter II, Sections 600.122, 600.220 and 600.221; and
  - c. Guidance issued by the State regarding the scheduling of the WCA and the disbursement or expenditure of the funds by Contractor, while conforming to the requirements of subparagraphs A. 1 and 2 of this section, shall also take into account the practical requirements and limitations of efficient administration and the effective implementation of this Agreement by both Contractor and the State.
4. In order to affect the purposes and requirements of subparagraphs A. 1 and 2 above, the State has established the following general provisions in order to give effect to the WCA Requirements set out in this Agreement and in such supplemental guidance as may be issued:
- a. To ensure a minimal lapse of time between the transfer of funds, and the disbursement or expenditure by Contractor, and to effect both the consolidation of advance requests and optimal administration of advance payments, the WCA will be based on Contractor's cash needs for the purpose of implementing this Agreement, with consideration given to the reasonable quarterly projections of anticipated expenditures allowable under the terms of this Agreement;
  - b. The WCA request shall be: 1) submitted in advance of the beginning of the quarter, in accordance with CSD's guidance; and 2) based on the Direct Service's portion of contract amount, exclusive of the Utility Assistance Portion and 3) is subject to CSD's review and approval;

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- c. Upon approval of the WCA request, a payment will be issued to Contractor, which shall be limited to one hundred percent (100%) of the Contractor's total projected expenditures for the entire quarter, not to exceed twenty-five percent (25%) of the Contractor's total contract amount. If the WCA request exceeds the remaining balance, then Contractor will only receive the amount of the remaining balance;
- d. The WCA will be liquidated immediately, and will be reconciled at the end of the third month of each quarter. After issuance of a WCA, the balance will be offset by monthly expenditures in EARS.
- e. All WCA requests will be issued and reconciled pursuant to CSD Energy Policy and Procedures number EP 11-01, incorporated by reference to this Agreement and available on the CSD Providers' website at <https://providers.csd.ca.gov>.
- f. If, at the end of the contract term Contractor has received WCA payments in excess of requests for reimbursement that have been approved by CSD, Contractor shall promptly remit the excess balance owed.
- g. Upon receipt of the WCA funds, Contractor shall deposit the funds in an interest-bearing advance account, in accordance with the provisions of this Agreement and Federal and State law. The account shall be sufficiently segregated to enable the tracking and accounting of WCA funds by CSD; and
- h. In the event the State determines that Contractor has used the WCA for reimbursement of expenses that are not allowable under the terms of this Agreement and/or under Federal and State law, the State may, in accordance with the applicable provisions of the CFR, compel Contractor to repay any WCA monies wrongfully used and/or may make such adjustments in future payments to Contractor as it deems appropriate in order to rectify such misuse of WCA funds.

5. 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:

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- a. Request must be completed via the Major Purchase Advance Request (CSD 144).
- 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.
- 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 purchase of the item or items identified in the Request for Pre-approval of Purchase/Lease (CSD 558). An Advance Request (CSD 144) 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 unless Contractor has fully complied with the obligations and conditions of any Working Capital Advance (WCA) Contractor has received.

**B. Special LIHEAP Provisions**

In accordance with 22 CCR § 100840 (a) the total amount advanced to Contractor at any time, whether in the form of a Working Capital Advance (WCA) or a Major Purchase Advance, shall not exceed twenty-five percent (25%) of Contractor's total contract amount or if the WCA request exceeds the remaining balance, then Contractor will only receive the amount of the remaining balance. Advance amounts repaid may be replaced by additional advances at any time as allowed in this section and corresponding guidance, so long as the aggregate amount advanced does not exceed the limit set out in this sub-paragraph.

**C. Interest on Advances**

Contractor should deposit all advances in an interest-bearing account. Any interest earned on LIHEAP advances shall be accounted for and expended pursuant to 22 CCR § 100855.

**D. Non-advance Payments and Offsets**

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If Contractor elects not to request a WCA, payment for allowable expenses under this Agreement shall be made upon approval by CSD of Contractor's monthly Expenditure Activity Report. If Contractor owes CSD any outstanding balances for overpayments under any contract, current or previous, the balance may be offset, based on arrangements made with the Contractor.

**5.4 Program Income**

- A. Contractor shall maintain records of the receipt and disposition of all "program income" defined in 22 CCR § 100855(c) as income that is generated or earned as a result of LIHEAP activities.
- B. Determining Net Program Income
  - 1. Except as provided below in paragraph 2, any costs Contractor incurs in generating program income may be deducted from gross program income to determine net program income.
  - 2. Contractor shall not deduct from gross program income any allowable program expenses for which Contractor has been, or will be, reimbursed from the LIHEAP grant award.
- C. Expenditure, Reporting, and Rollover of Program Income
  - 1. Program income must be expended in accordance with the requirements for expenditure of regular LIHEAP funds, for allowable program purposes.
  - 2. Contractor may expend program income during the term of this Agreement. Contractor shall report all such expenditures, along with remaining unexpended program income, at the close-out of this Agreement or at such other time(s) as CSD reasonably requires.
  - 3. Contractor's unexpended program income at the close-out of this Agreement shall roll over to subsequent LIHEAP Agreement(s) and be added to Contractor's grant allocation.
  - 4. If Contractor has generated program income with leveraged funding source(s) in addition to LIHEAP, the LIHEAP portion of rollover program income must be tracked by Contractor and can be used only for allowable LIHEAP expenditures.

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**5.5 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 as to substantiate all costs reported.

**B. Administrative**

**1. General**

- a. Administrative costs shall not exceed the amounts as set forth in allocation spreadsheet. Contractor shall not use funds provided under this Agreement to cover administrative costs incurred in the Community Services Block Grant (CSBG) in excess of the CSBG contractual limitations.
  - b. Administrative Costs shall mean actual costs for auxiliary functions such as salaries, wages, workers compensation, and fringe benefits for administrative staff, as well as for facilities, utilities, equipment, telephone, travel, accounting, auditing, monitoring assistance, office supplies, and like services necessary to sustain the direct effort involved in administering a grant program or an activity providing services to the grant program.
2. Contractor 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. Administrative Equipment More Than \$5,000—Acquisition Costs
    - a. Acquisition costs shall mean the actual costs associated with the purchase of equipment over \$5,000 per unit used for administrative purposes.



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- b. CSD must pre-approve purchases or lease-purchase option of equipment with a total value greater than \$5,000 utilizing the Request for Pre-approval of Purchase/Lease (CSD 558).

C. Program Costs

1. General

Program costs are all allowable costs other than Administrative Costs. Program costs include those actual costs that are directly attributable to the performance of this Agreement and that are reasonable and necessary as determined by CSD for the purpose of delivering services.

2. Outreach

Outreach shall be allocated at five percent (5%) each of the Weatherization, ECIP/HEAP and Direct Service/ Utility Assistance, Assistance budgets based on the Interim Allocations and/or subsequently the Final Allocation. Reimbursement shall be limited to actual cost up to five percent (5%) of Final allocation.

3. Intake

Intake shall be allocated at eight percent (8%) of the Weatherization Budget and eight percent (8%) of the ECIP/HEAP Direct Services/ Utility Assistance Budget based on the Interim Allocations and/or subsequently the Final Allocation. Reimbursement shall be limited to actual cost up to eight percent (8%) of Final Allocation. Intake in excess of eight percent (8%) may be charged as an administrative cost not to exceed allowable administrative cost maximum.

4. Assurance 16

Assurance 16 costs shall not exceed the amount set forth in the allocation spreadsheet.

5. Weatherization Program Activities

Program Activities shall mean those costs associated with the installation of measures to those dwellings weatherized and reported as completed, to include but not limited to, assessment, diagnostic testing, labor, materials, subcontractors, disposal fees, permits, HERS raters, lead-safe weatherization materials, Historic Preservation Reviews, and travel.

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6. ECIP Emergency Heating and Cooling Services (EHCS)

ECIP EHCS shall mean those costs associated with emergency heating and cooling repair and replacement services and other related costs, including costs associated with labor, materials, subcontractors, disposal fees, permits, Home Energy Rating System (HERS) raters, lead-safe weatherization materials, diagnostics, and travel, all as further defined by the ECIP Policy and Procedures and the SWEATS Policy, when authorized by CSD. The ECIP Policy and Procedures and SWEATS Policy are hereby incorporated by reference to this Agreement and available on the CSD Providers' website at <https://providers.csd.ca.gov>.

7. 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.

8. Liability Insurance

Liability Insurance shall mean those actual costs allocated for insurance bonds, general liability, vehicle insurance, and pollution occurrence insurance (if applicable). Workers Compensation for salaries and wages of staff chargeable under administrative costs shall be reimbursable at actual costs under administrative costs.

9. Training - Weatherization and ECIP-EHCS

a. Training and technical assistance shall be allocated up to five percent (5%) of the total Weatherization allocation and up to two percent (2%) of the total ECIP/HEAP allocation based on the Interim Allocations and/or subsequently the Final Allocation. Training and technical assistance shall not exceed these limits and shall be reimbursed at actual cost. Reimbursement shall be limited to actual cost up to five percent (5%) of Weatherization allocation, and two percent (2%) of ECIP/HEAP allocation.

b. If Contractor determines that an increase in the allowable allocation for training and technical assistance is needed to cover the cost of the software database collection system or related automation training as specified below, then Contractor must submit a request to, and obtain prior approval from, CSD.

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- c. Associated training and technical assistance costs may include costs related to: travel, admission, materials, and actual salaries/wages. On-the-job training is not reimbursable when the labor hours associated with the training are charged to a Weatherization measure for reimbursement.
- d. Costs associated with 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 and will be charged at actual cost. The length of time for on-the-job training shall be in accordance with the Contractor's internal training program.
- e. Training and technical assistance shall include costs associated with the completion of weatherization-related training as specified in the TRAINING REQUIREMENTS of Article 9.1 of this Agreement. Training may also include internal contractor training, safety training, attendance of weatherization-related training to include the software database collection system or other forms of training to aid in the development and skill of staff in utilizing and supporting internal program automation systems, and/or weatherization-related workshops sponsored by utility companies, Department of Energy (DOE), CSD, and/or other organizations offering a component of weatherization training.
- f. Training for job corps and workforce development trainees shall be limited to required CSD health and safety training sessions, unless otherwise approved by CSD. All other training cost with the exception of work performed for the installation of measures (on-the-job training) shall not be an allowable program cost.

10. Acquisition Costs

- a. CSD must pre-approve purchases or lease-purchase option of vehicles and field office equipment with a total value greater than \$5,000 utilizing the Request for Pre-approval of Purchase/Lease (CSD 558).
- b. Minor Vehicle and Field Equipment Less Than \$5,000 – Acquisition Costs.

Minor Vehicle and Field Equipment costs shall mean the actual costs associated with the purchase of vehicle and field office equipment under \$5,000 per unit used for the purpose of delivery

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of direct program services. Purchases must follow the procurement standards.

11. General Operating Cost

General operating expenses may be charged to the program and are for activity/cost that are directly allocable to those activities defined as related facilities, office and computer equipment, office supplies, telephone, travel, and utilities as allowable program costs.

12. Solar Hot Water Heating Training

Contractor participating in the Solar Hot Water Heating pilot project can charge the actual costs for training associated with pilot participation.

13. Automation Supplemental Allocation

- a. Contractor can allocate funds to the Automation Supplemental Allocation (ASA) in an amount not to exceed fifty thousand dollars (\$50,000), to be used to meet Contractor's IT automation needs to comply with updated or new CORE requirements or contractual reporting requirements programmatic in nature, related CORE IT expenses, and with ongoing programmatic IT expenses. ASA funds are not limited exclusively to CORE-related IT expenditures but any IT expense related to CORE or costs incurred may include necessary training on upgrades to Contractor's system.
- b. If Contractor expended funds in prior year for a system and now wants to purchase a new system with ASA funds, Contractor must utilize unrestricted funds and bear the full cost of the conversion to such an alternative system. Contractor may be granted a variance from this requirement provided Contractor's ASA plan is appropriately revised and CSD gives its written approval of the plan and request for variance.
- c. In order to qualify for reimbursement of expenditures incurred pursuant to this section, Contractor must fully comply with the following terms, conditions, and obligations:
  - i. The ASA may be used only for those Contractor's CORE-related IT expenditures that are programmatic in nature. CORE-related IT expenditures that are administrative in nature must be charged against Contractor's Administrative Budget.

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- ii. In delineating the program and administrative expenditures, Contractor shall consider whether the expenditure or cost is primarily used to support: 1) program operations; or 2) agency (organization) operations, as commonly understood under accountancy guidelines, with particular reference to the principles and provisions set out in the applicable Office of Management Circulars. Programmatic CORE-related IT expenses are those incurred in connection with allowable program expenses as defined in the LIHEAP Agreement. The delineation between programmatic and administrative CORE-related IT activities will be determined in part by the type of IT system elected to interface with CORE and the array of functions the system will perform.
- d. CORE-related IT costs charged to the ASA shall be submitted for reimbursement in accordance with CSD's normal reporting and accounting procedures.
- e. CORE-related IT costs that exceed the maximum ASA amount of fifty thousand (\$50,000) may not be reimbursed by CSD.
- f. If Contractor has previously developed and utilizes its own unique customized automated reporting system to comply with CSD's reporting requirements, such contractor shall be deemed a "Self-Reporting User." The following provisions apply to Self-Reporting Users:
  - i. If Contractor elects to modify and upgrade its existing IT system so that the system is compatible with and able to interface with the CORE system, it is the Contractor obligation to ensure that the upgraded system is fully compliant with CORE requirements. CSD's responsibility is limited to providing Contractor or its consultants and vendors with the applicable system specifications and interface protocols.
  - ii. Contractor may use its ASA to pay the necessary cost of upgrading its system and interfacing with CORE, as well as related and attendant costs. Costs incurred may include necessary training on upgrades to Contractor's system.

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- iii. If Contractor expended funds in prior year for a system and now wants to purchase a new system with ASA funds, Contractor must utilize unrestricted funds, bear the full cost of the conversion to such an alternative system. Contractor may be granted a variance from this requirement provided Contractor's ASA plan is appropriately revised and CSD gives its written approval of the plan and request for variance.
  
- h. Services procured by Contractor in order to implement updates to Contractor's customized automated reporting system shall be conducted in compliance with Contractor's procurement policy and with all applicable contract requirements and the provisions of federal and state law.
  
- i. Upon approval by CSD, if Contractor procures, from a third-party source, a new customized automated reporting system with supplemental functionality beyond basic CORE reporting requirements, then such Contractor shall be deemed a "Third Party Customized System User." The following provisions apply to Third Party Customized System Users:
  - i. If Contractor elects to procure a new customized automated IT reporting system, it is the Contractor's obligation to ensure that the system procured is fully compliant with CORE requirements. CSD's responsibility is limited to providing Contractor or its vendor with the applicable system specifications, interface and security protocols.
  
  - ii. If Contractor expended funds in prior year for a system and now wants to purchase a new system with ASA funds, Contractor must utilize unrestricted funds, bear the full cost of the conversion to such an alternative system. Similarly, Contractor may not use future annual ASA funding for such conversion. Any alteration to this provision requires prior written approval from CSD and must include the submission of a revised ASA plan.
  
  - iii. Systems and services procured by Contractor in order to obtain and implement a third party customized system shall be conducted in compliance with Contractor's procurement policy and with all applicable LIHEAP contract requirements and the provisions of federal and state law. Contractor may, at Contractor's option, participate in a

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consortium of local service providers to procure jointly a customized automated reporting system from a third-party source, provided Contractor's procurement policy is not violated in such a manner as to render the process flawed or unfair. Contractor may rely on any local service provider subject to this Amendment to conduct the procurement on Contractor's behalf provided, however, that: 1) Contractor shall not be absolved from fulfilling applicable procurement obligations and requirements; 2) Contractor shall review all pertinent procurement documentation for sufficiency; and 3) make such documentation available to CSD upon request.

**5.6 Service Area Expenditures Requirements**

- A. For purposes of this section the following definitions apply:

Service Area means the geographical area for which Contractor receives a discrete grant allocation, whether in a contract pertaining to that geographical area alone, or in a contract covering multiple geographical areas, as for example, multiple counties.

Target Service Area means the service area for which a grant allocation has been designated on the LIHEAP Allocation Spreadsheet attached to this Agreement.

Target Allocation means that sum of money from the LIHEAP state grant designated by CSD for expenditure in a designated Service Area.

Service Territory means the totality of Contractor's Service Area(s), whether: 1) a single county; 2) a portion of a single county; 3) multiple counties; or 4) a single county in combination with a portion of another county. Accordingly, the single Service Area or combined Service Areas for which Contractor provides services constitutes Contractor's Service Territory.

Note: If Contractor provides only some LIHEAP services to a Service Area, e.g. weatherization services only or utility assistance services only and another contractor provides other LIHEAP services in the same Service Area, the contractors are co-service providers with respect to the Service Area in question and each is responsible for that portion of the grant allocation applicable to the services it provides. Contractor's Service Territory includes a Service Area in which the grant allocation is split with another contractor.

- B. This section shall apply to Contractor if any of the following pertain:

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1. This Agreement involves funding for LIHEAP services provided by Contractor in multiple Service Areas;
  2. Contractor provides only some of the LIHEAP services in multiple Service Areas under the terms of this Agreement; or
  3. Some combination of 1 and 2 above
- C. The Target Allocation(s) specified in this Agreement shall be used either: a) to provide services within the geographical boundaries of Target Service Area(s) to which the allocation applies; or b) on behalf of the recipients of benefits who reside within the Target Service Area(s), thereby ensuring that the low-income persons in each Target Service Area receive their appropriate share of the grant award and that direct program funds designated for a particular Target Service Area are not expended for services in another Service Area without good cause.
1. Contractor is not required, but shall endeavor, to expend ninety percent (90%) or more of the applicable Target Allocation(s) in each Target Service Area(s).
  2. Contractor shall, within 30 days of execution of this Agreement, submit a Plan showing by which it will endeavor to attain the Target Service Area expenditure goals as specified in the Expenditure and Performance Benchmarks form, to include how it will conduct targeted outreach activities, identify service needs in Target Service Areas and track expenditures.
  3. Contractor and CSD understand that the contract term covered by this Agreement is a transitional period in which Contractor will refine policies, mechanisms, and measures to realize its Expenditure Plan goals so that in coming years, as CSD's data gathering and reporting capabilities are enhanced, actual expenditures by service area can be assessed and Target Allocations appropriately spent.
  4. At the time of closeout, Contractor shall submit a report comparing Contractor's expenditure goals, by Service Area, to actual expenditures, how Contractor's Expenditure Plan succeeded or failed, what lessons were learned, and what changes in operations are anticipated in coming years.
  5. Contractor may expend a portion of a Target Allocation in another service area in which Contractor provides services pursuant to this Agreement, under the following circumstances:

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- a. when there is no acute need or ready opportunity for full expenditure of direct program funds in the Target Service Area; and
  - b. when Contractor can readily expend direct program funds in an alternate service area to avoid under expenditure or a loss of funding.
- D. Notwithstanding the provisions of paragraph C, Contractor is authorized under the terms of this Agreement to combine the Administrative, Intake, Outreach, Assurance 16, and other program support costs, including liability insurance, worker's compensation, and general operating portion of grant allocations for multiple Service Areas for purposes of efficiency and effective contract implementation, provided such combining of funds does not unduly impair the equitable provision of services or otherwise disadvantage potential recipients of benefits in any Service Area.

**5.7 Reimbursement Guidelines**

**A. Claims for Reimbursement**

Pursuant to the federal block grant and applicable regulations, Contractor may only claim reimbursements for actual, allowable, and allocable direct and indirect costs. Contractor shall report actual costs incurred for actual expenditures up to any applicable maximum amounts set by this Agreement.

**B. Assurance 16**

- 1. Assurance 16 costs and its related services include those actual 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. Assurance 16 costs shall include needs assessment, client education, budget counseling, and coordination with utility companies.
- 2. Contractor may claim Assurance 16 costs for client education only once when LIHEAP and DOE funds and services are provided concurrently in the same unit.

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C. Wood, Propane, and Oil Assistance

1. HEAP WPO

Contractor may claim reimbursement for HEAP WPO expenditures and activities expenditures as required in accordance with the terms of this Agreement.

2. ECIP WPO

Contractor may claim reimbursement for ECIP WPO expenditures (excluding ECIP Fast Track) as required in accordance with the terms of this Agreement.

D. Weatherization and EHCS Specific

1. Contractor may claim reimbursement for Weatherization-related activities under the terms of this Agreement as documented on the Weatherization Building Assessment and Job Checklist (CSD 540) or approved Contractor's equivalent for each eligible household not previously weatherized.

2. Contractor shall ensure that duplicate billings for the same product or service do not occur.

3. Maximum Reimbursements

a. Contractor shall be entitled to reimbursement for actual cost, not to exceed \$4,055 per dwelling unit weatherized with respect to the energy conservation measures and activities described in Reimbursement Rates for Weatherization and EHCS Activities located on the CSD Providers' website at <https://providers.csd.ca.gov>. 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 UCS 8622(1), the maximum average reimbursement shall be \$4,514 per dwelling unit.

b. For emergency ECIP EHCS provided outside Contractor's normal business hours of operations, Contractor may exceed the maximum cost limits allowed for repair and replacement services. Contractor shall not request reimbursement for more than one heating and/or cooling unit repaired or replaced per household.

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- c. If an energy audit is performed, Contractor shall adhere to the investment determinations rendered by the site specific energy audit not to exceed the maximum average of \$6,987 per dwelling unit.

4. Measure Reimbursement

a. Measure Maximums

- i. For those Weatherization and EHCS measures that have an established maximum rate, the reimbursement amount shall be equal to the actual labor costs of Weatherization or EHCS crew members and the actual cost of the materials, subcontracted services not to exceed the maximum reimbursement allowable.
- ii. Weatherization or EHCS measure costs exceeding the maximum reimbursement limit cannot be offset by charging the cost difference to another weatherization measure, minor envelope repair, or another CSD program.
- iii. When costs for a measure exceed the maximum reimbursement allowed, Contractor shall obtain prior written approval from CSD to exceed the maximum cost reimbursement and/or quantity limit for weatherization and ECIP HCS measures as described in Reimbursement Rates for Weatherization and EHCS Activities located in Subpart H. Otherwise, at the Contractor's discretion, Contractor may elect to not provide the weatherization measure/service in the event the total cost exceeds the maximum cost reimbursement.

b. Assessments and Diagnostics

- i. Contractor may claim reimbursement for dwelling assessment for each eligible household.
- ii. Contractor may claim reimbursement for dwelling assessment for each eligible unit not previously weatherized.
  - (a) For dwellings weatherized under this Agreement, Contractor may claim reimbursement for a modified

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dwelling assessment, as defined in Subpart G, to perform reweatherization or callback services during the useful life period of the initial dwelling assessment.

- (b) Once the useful life term has expired for the initial or last performed dwelling assessment, Contractor may claim a full dwelling assessment to perform reweatherization services.
- iii. 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.
- iv. 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 that were performed.
- v. Contractor may claim reimbursement for dwelling assessment only once when LIHEAP and DOE funds are used concurrently in the same unit.
- vi. HERS rater and permit fees are acceptable expenses and may be charged only once per measure to ECIP EHCS or LIHEAP weatherization or DOE weatherization per weatherized dwelling. HERS rater fee and permit reimbursement includes subcontractor cost, staff time on job site, and fees that will be reimbursed based on the actual cost.
- c. Labor Reimbursement
  - i. Contractor shall bill the number of actual labor hours and costs associated with the installation of Weatherization and EHCS measures for the time spent at the job site.
  - ii. Contractor must be able to substantiate all actual labor hours and labor costs charged.
  - iii. Actual labor hours and costs for weatherization and EHCS services shall not exceed the cumulative number of hours

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on the job site and shall be substantiated with client file documentation, job schedules, and payroll time records.

iv. When the installation of a measure is subcontracted and there are billable labor hours for weatherization and/or Contractor's EHCS crew members who participate in the installation of that subcontracted measure, Contractor may bill, in addition to the subcontracted expenditure, the actual labor hours and labor costs incurred by Contractor's crew members.

v. 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 as provided in subsection e Other Program Costs.

vi. Contractor shall bill the actual labor hours incurred by Weatherization and EHCS crew members or other personnel associated with the direct facilitation of the disposal of appliances, the procurement of permits, and services performed by a HERS Program Rater.

vii. Actual Labor Hours

Contractor may bill no more than the number of actual labor hours incurred by WX and EHCS crew members or other persons associated with the installation of Weatherization and EHCS measures for the time spent at the job site, direct facilitation of the disposal of appliances, the procurement of permits, and services performed by a HERS Program Rater.

viii. Lead Safe Weatherization

Contractor may claim reimbursement for renovator certification, defined as field-related labor costs associated with performing lead renovator certification for ensuring lead paint safety on weatherized dwellings built prior to 1978.

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- d. Heating and Cooling Services (HCS/EHCS)
  - i. 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.
  - ii. Dwellings in which a single appliance has been both repaired and replaced within the same Weatherization and/or ECIP EHCS component, or under a reweatherization call-back, Contractor 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. Please reference repair and appliance policy located on the CSD Providers' website at <https://providers.csd.ca.gov>.
  - iii. 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.
  - iv. Duct repairs and replacements can only be charged to ECIP EHCS when provided in conjunction with emergency heating/cooling services performed under EHCS.
- e. Other Program Costs
  - i. Wages—Field Staff  

Contractor may 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 in accordance with any guidance issued by CSD.

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ii. **Wages – Program Management and Support**

- (a) Contractor may request reimbursement for the actual labor costs related to program management and support staff directly responsible for the direct management and oversight over the LIHEAP Weatherization and EHCS program activity or providing direct support to ensure the successful delivery of weatherization services.
- (b) Reported costs may 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, staff time associated with Historic Preservation Review activities, and coordination of subcontracted services.

iii. **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 as described in the Travel and Per Diem Section Article 4.6 of this Agreement.

iv. **Disposal Fees**

Disposal fees are acceptable expenses and may be charged only once to ECIP EHCS, or LIHEAP Weatherization per appliance and building material waste. Disposal fee reimbursement includes the actual cost of the fee.

v. **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 and EHCS. Allowable costs shall be limited to expenditures associated with the maintenance of the vehicles and equipment and fuel and oil.

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- (b) Contractor shall maintain records for fuel expenditures, vehicle maintenance and vehicle usage to substantiate allowable travel costs related to and allocable to LIHEAP weatherization.

- vi. Historic Preservation Reviews

Historic Preservation Reviews means those expenses that are subcontracted to a third-party to perform the collection and reporting of potential weatherization properties subject to Historic Preservation Review requirements.

- vii. Clearance Inspections for HUD Units

Should a clearance inspection be required, agencies shall defer the costs of the clearance inspection to the property owner and/or local housing authority. 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.

- viii. Waste Breakage

Waste breakage are those expenses associated with weatherization materials that have been damaged and are part of Contractors' inventory or special order materials that are allocated to CSD programs. The cost of weatherization materials that are damaged that benefit multiple programs must be prorated accordingly. Costs must be directly associated to net changes in inventory and not associated with materials chargeable to another measure line item. Reimbursement for waste breakage is not allowable for Subcontractors.

- ix. Ancillary Supplies

Ancillary supplies are additional low-cost materials or supplies (such as nuts, bolts, screws, and washers)



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necessary to install a weatherization measure and not easily identifiable to a specific measure or dwelling. Costs of ancillary supplies that benefit multiple programs must be prorated accordingly. Costs must be directly associated to net changes inventory and not associated with materials chargeable to another measure line item. Reimbursement for ancillary supplies is not allowable for Subcontractors.

5. Dwelling Status

a. Completed Units

- i. Except as otherwise provided in subsection iii below. 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 and completed and quality assurance certification has been given, confirming the quality and completeness of the work performed.
- ii. A dwelling shall also be considered complete if:
  - (a) Assessed measures were found to be non-feasible;
  - (b) Client refused services for any or all measures; or
  - (c) The dwelling has been deferred.
- iii. Contractor shall not bill for incomplete units or prematurely close a unit with outstanding, unfinished weatherization measures in order to receive reimbursement for work completed. If there are measures found to be non-feasible by crew members after the initial assessment, the reason for the non-feasibility must be documented in the client file and, the job may be reported as completed in accordance with subparagraph i.
- iv. ECIP EHCS

Dwelling units receiving services under ECIP EHCS may be reported as completed and billed immediately upon the completion of ECIP EHCS measures regardless of the

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completion status of weatherization measures installed in the same dwelling.

- v. If Contractor is not able to complete weatherization or ECIP HCS direct services during the contract term, Contractor may complete the dwelling in the next contract year. If Contractor completes the dwelling in the next contract year, Contractor must verify the client meets the income eligibility requirements for the following year in order for the measures and dwelling to be eligible for reimbursement.

b. Unweatherized Dwellings

- i. 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.
- ii. Contractor may claim reimbursement for allowable weatherization activities as documented on the Weatherization Building Assessment and Job Checklist (CSD 540) or approved Contractor's equivalent for each eligible household not previously weatherized.

c. Previously Weatherized Dwellings

If the previous weatherization was performed under a nonfederal program or under this Agreement, the occupant eligibility must be verified and Contractor may seek reimbursement for the associated outreach and intake costs.

d. Leveraging Funds

Contractor may perform services and install energy conservation measures in a qualified dwelling as provided herein and in accordance with requirements of any other CSD program and compatible non-CSD funded program, if in the best interest of the client, provided:

- i. Reimbursement for Weatherization or EHCS activities is claimed only once when LIHEAP and DOE WAP, or any

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other funding source, are used concurrently in the same unit.

- ii. Contractor may divide materials and labor cost of a single measure among LIHEAP, DOE, or other CSD programs when the single measure in question is installed in a dwelling where Weatherization or EHCS services are provided concurrently under these programs.
- iii. Contractor shall not bill multiple funding sources for the same product or service unless costs are allocated in such a manner that billing is not duplicative and Contractor receives no more than the total cost of the products and services provided.

**E. Severe Weather Energy Assistance and Transportation Services (SWEATS)**

Reimbursement shall be in accordance with the SWEATS Policy when specifically authorized by CSD. The SWEATS Policy is hereby incorporated by reference to this Agreement and available on the CSD Providers' website at <https://providers.csd.ca.gov>.

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**ARTICLE 6 – REPORTING POLICIES AND PROCEDURES**

**6.1 Reporting Requirements**

**A. Monthly Reports**

1. Contractor shall submit to CSD Contractor's expenditures and activities (excluding ECIP Fast Track and HEAP Electric and Gas) by entry into the web-based, Expenditure Activity Reporting System (EARS). The monthly reports shall be submitted on or before the fifteenth calendar day following the reporting period, irrespective of the level of activity or amount of expenditure in the preceding period.
2. Expenditures for Assurance 16, Intake, ECIP WPO, ECIP EHCS, SWEATS, and HEAP program costs shall be reimbursed through the LIHEAP Monthly EHA 16 Expenditure/Activity Report via EARS.
3. Expenditures for Weatherization shall be reimbursed through the LIHEAP Monthly Weatherization Expenditure/Activity Report via EARS.
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 client/job detailed data for services rendered under LIHEAP Weatherization, ECIP EHCS, ECIP WPO, and HEAP WPO for the monthly period in which the service activity occurred and for which reimbursement for the service activity is requested.
  - a. Utilizing the software database collection system, Contractor shall submit monthly detailed client/job data separately from the EARS monthly activity/reimbursement reporting.
  - b. The client/job detailed data shall be sent electronically on or before the fifteenth calendar day following the reporting period in which direct service activity occurred.
  - c. CSD must receive the Monthly Client/Job Detailed Data Report before the monthly EHA 16 and Weatherization Expenditure/Activity Reports will be processed.
6. CSD will provide Contractor with specifications of CORE and EARS system changes, and, upon receipt of the specifications, Contractor shall implement system changes in their local systems within 60 days.

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**B. Solar Warranty Reporting**

Contractors participating in the 2013/2014 Solar Water Heating (SWH) Pilot Project shall report to CSD whenever warranty work is required on any Solar Water Heating Systems installed under the pilot. The SWH Warranty Report shall include a written description of the following:

1. Dwelling address at which warranty work was provided;
2. Reason for warranty work (what was the problem);
3. The date (or dates) on which warranty work was provided; and
4. List of the costs charged to the LIHEAP contract for the warranty work.

The SWH Warranty Report shall be submitted during the month in which reimbursement for the warranty work is requested.

The SWH Warranty Report shall be submitted, via email, to wx@csd.ca.gov with the words "SWH Warranty Report" in the Subject line.

Contractor shall retain all warranty reports for the life of the warranty.

**C. CSD Review**

1. CSD shall review and approve Contractor's monthly reimbursement/activity reports before offsets to advances or reimbursement payments are issued. CSD will conduct an ongoing evaluation of 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 with the material requirements of this Agreement.

**D. Close-out Report**

1. Contractor shall submit on appropriate CSD forms, a close-out report, verifying all actual, allowable, and allocable costs earned during the term of this Agreement. Administrative costs, outreach, intake, training and Assurance 16 and technical assistance shall not exceed the maximum allowable amounts. Administrative and Assurance 16 costs shall remain

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proportionate to the cumulative allowable program expenditures for Direct Services and Utility Assistance. Any administrative and Assurance 16 costs that exceed these limits shall be disallowed and returned to CSD within 90 calendar days after expiration of this Agreement. Subsequent payments, including advance payments, for LIHEAP or other CSD contracts may be withheld, absent timely receipt of the close-out report of this Agreement.

2. The issuance of other CSD contracts, and reimbursement and advance payments for existing contracts, may be withheld, absent receipt of the close-out report which is due no later than 90 days from the end of the contract term.
3. The close-out report shall include the following completed forms:
  - a. Close-out checklist with authorized signature (CSD 733);
  - b. Interest and Program Income Earned Reconciliation Report and Excess Revenue (CSD 733F); and
  - c. Equipment Inventory Schedule (CSD 733G).
4. Interest and Program Income-Earned and Excess Revenue

Contractor shall use a CSD 733F, LIHEAP Interest and Program Income Earned Close-out Reconciliation, to report actual costs and/or interest income earned and expended. Pursuant to CCR § 100855, program income earned and expended are subject to the expenditure and reimbursement guidelines for the program year in which expenditures occur.

5. Any weatherization materials purchased with the funds under this Agreement 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 CSD shall determine how the materials will be disposed and what, if any, the financial adjustment are required.

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**SUBPART C – PROGRAMMATIC REQUIREMENTS**

**ARTICLE 7 – PROGRAM POLICIES AND PROCEDURES**

**7.1 LIHEAP Agency Local Plan**

- A. Contractor shall submit an annual LIHEAP Agency Local Plan to CSD by a date as determined by CSD. The LIHEAP Agency Local Plan is intended to systematize the gathering of planning information to assist CSD with its obligations under federal statute to provide programmatic assurances to the Secretary of the U.S. Department of Health and Human Services under the LIHEAP block grant and to enable the Contractor to plan and propose an annual budget that is consistent with the purposes of the Low-Income Home Energy Assistance Program and reflective of the needs of the local low-income population.

- B. CSD will review the annual LIHEAP Agency Local Plan to ensure compliance with federal and state laws and departmental requirements.

If the LIHEAP Agency Local Plan documents do not indicate that the Contractor's proposed services and activities are in compliance with federal and State law governing the LIHEAP block grant, CSD may require Contractor to amend or supplement the responses or documentation, prior to execution of this Agreement by CSD.

- C. CSD's approval of the LIHEAP Agency Local Plan documents submitted by Contractor shall not be construed as approval of any costs expended under this Agreement. The approval of all expenditures remains subject to the federal and state requirements that the actual costs be allowable and allocable in accordance with applicable statutes, regulations, and the provisions of this Agreement.

**7.2 Program Standards and Regulatory Requirements**

**A. Program Standards**

1. Contractor shall adhere to all CSD program standards pursuant to the following documents which have been incorporated by reference and made part of this Agreement as if attached hereto:

- a. CSD Low-Income Weatherization Assistance Program Policies;

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- b. CSD Weatherization Installation Standards (WIS);
  - c. CSD Inspection Policies and Procedures;
  - d. CSD LIHEAP/DOE Program Health and Safety Appliance Replacement Policy;
  - e. ECIP Policy and Procedures;
  - f. CSD Severe Weather Energy Assistance and Transportation Services (SWEATS) Policy; and
  - g. Official State and Federal Program Notices and Guidance Documents
2. In the event of inconsistencies between policies and field protocols contained within the Weatherization Installation Standard Manual and/or the Weatherization Policies and Procedures and this Agreement, Contractor shall abide by the terms of this Agreement.

**B. Regulations**

- 1. Standards contained in the most current 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. All work performed by Contractor shall be in compliance with most current and applicable provisions of the California Energy Commission 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 covered pre-1978 dwellings shall be in compliance with the most current 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, Lead-Based Paint Poisoning Prevention in Certain Residential Structures.
- 4. All materials utilized for weatherization and ECIP EHCS purposes shall be in conformance with the Department of Housing and Human Services rules in 45 CFR Part 92, Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Tribal Government or 45 CFR Part 74, Uniform Administrative Requirements for Awards and

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Subawards to Institutions of Higher Education, Hospitals, Other Nonprofit Organizations, and Commercial Organizations.

5. All materials used 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, cannot be repaired and must be replaced.
2. The Title 24 energy conservation measure requirements to be applied are those applicable to the California Energy Commission (CEC) Climate Zone where the dwelling is located. For a listing of the CEC climate zones, refer to the CSD Providers' website at <https://providers.csd.ca.gov>.
3. Contractor shall obtain the services of a qualified 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. Contractor shall obtain the services of a certified HERS Rater to perform the required field verification and diagnostic testing. 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-1978 Dwellings

1. Lead-based paint is presumed to be present in all pre-1978 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 1978, 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.

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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 approved Contractor's equivalent and Record of Tenant Notification Procedures (CSD 322) or approved Contractor's equivalent.

**7.3 Prioritization of Services**

- A. Contractor assures that ECIP, HEAP, and Weatherization activities are conducted in accordance with the AGENCY LOCAL PLAN, WEATHERIZATION AND ECIP EHCS in Subpart H.
- B. Activities shall be designed to provide assistance to low-income households in meeting their home energy costs, particularly those with the lowest incomes that pay a high proportion of household income for home energy, and that such methods to be utilized shall assure that eligible households, particularly those households with elderly individuals, disabled individuals, or children five years (5) and under are made aware of the assistance available under this Agreement.

**7.4 Service Priority Guidelines**

- A. Contractor shall give first priority for services to those households with the highest energy burden and shall factor into its first priority for services those households with the following vulnerable populations: young children (ages 5 years or under), disabled, 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. For the ECIP Fast Track, HEAP Gas and Electric, ECIP WPO and HEAP WPO program components, Contractor shall assign prioritization points for Energy Burden, Vulnerable Populations, Household Income, and any Optional Agency-Defined categories as referenced in the AGENCY LOCAL PLAN, WEATHERIZATION AND ECIP-EHCS in Subpart H.
- D. Due to limited funding, Contractors are discouraged from providing either:
  1. Energy assistance benefits to households with substantial credit(s) on its utility bills; and/or
  2. Weatherization services to dwellings previously weatherized under LIHEAP within the past four (4) years. Contractors shall prioritize services to previously weatherized dwellings in accordance with the

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AGENCY LOCAL PLAN, WEATHERIZATION AND ECIP-EHCS in  
Subpart H.

E. Equitable Treatment

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

F. See Section 11.2 B, “Eligibility to Receive Federally Funded Public Benefits” concerning Federal restrictions on receipt of benefits.

**7.5 Outreach and Intake Activity Guidelines**

A. Outreach

Contractor shall perform appropriate outreach activities to ensure that households in the service area(s) are informed about all LIHEAP 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 LIHEAP services. Services include the process of completing an intake application and reviewing applicant documentation. Contractor shall:

1. Establish reasonable hours whereby applicants will have access during regular business hours to seek program information with an assurance that the Contractor shall respond to the applicant’s request within a reasonable amount of time.
2. Ensure applicants have access to applications, whether in hardcopy or electronic format, during regular business hours. Contractors whose offices are not staffed Monday through Friday must arrange for alternative points of access to LIHEAP applications. Contractor may satisfy this requirement by posting their application for download on their website or at CSD’s website at [www.csd.ca.gov](http://www.csd.ca.gov) or at alternate location(s).
3. Accept applications for assistance during regular business hours.
4. Accept applications for ECIP Fast Track and WPO at sites that are geographically accessible to all households in the area served by Contractor.

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5. Provide low-income individuals who are physically infirm with the means to submit applications for HEAP and ECIP without leaving their residences.
6. All sites where intake is conducted must be accessible to the disabled.
7. Contractor shall utilize the Energy Intake Form (CSD 43), or approved Contractor's equivalent, as a multipurpose form for referrals to the LIHEAP Weatherization program, the ECIP EHCS program, HEAP program, and Department of Energy (DOE) program.
8. If Contractor opts to "pre-screen" applicants for benefits by discussing eligibility criteria and by counseling potential clients in advance of their completing and submitting an Energy Intake Form (CSD 43) or approved Contractor's equivalent, Contractor must apply income guidelines and contractor's Priority Plan when prescreening applicants. If the applicant appears to be ineligible, Contractor must so inform the applicant but must nevertheless notify prescreened applicants of the right to apply for benefits upon changes in the prescreened applicant's circumstances and status. Energy Intake Form (CSD 43) or approved Contractor's equivalent must be provided to a potential client upon request, whether or not a prescreening process is employed.

**7.6 Assurance 16 Activity Guidelines**

Assurance 16 program funds shall be used for services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance such as needs assessment, client education and budget counseling, and coordination with utility companies. These funds may not be used to identify, develop, and/or demonstrate leveraging programs.

**A. Needs Assessment**

Contractor must conduct a needs assessment for each client who submits an application that shall include computing the energy burden of each applicant's household and prioritizing households in accordance with Section 1. SERVICE PRIORITY GUIDELINES, of the AGENCY LOCAL PLAN, WEATHERIZATION AND ECIP-EHCS in Subpart H.

**B. Client Education/Budget Counseling – General Requirements**

Contractor shall provide all recipients of energy assistance under this Agreement with applicable energy conservation information and budget counseling in accordance with the Contractor's approved AGENCY LOCAL PLAN.

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WEATHERIZATION AND ECIP-EHCS in Subpart H. As a minimum Contractor shall include the following:

1. Information regarding the importance of applying for energy assistance prior to falling behind in utility payments and information concerning various utility company budget payment plan(s) and other forms of energy assistance offered within the State.
2. Written information that describes energy-saving behavioral adjustments that will decrease the energy consumption of the household.
3. Resource information, referral, family, and budget counseling in order to assist clients in achieving self-sufficiency.

C. Client Education/Budget Counseling – Weatherization and ECIP EHCS Specific

1. In addition to the above provisions, Contractor shall place in the client's file the Client Education Confirmation of Receipt (CSD 321) or approved Contractor's equivalent that substantiates that the client was provided with energy conservation, budget counseling, and mold, radon and lead-based paint education.
2. Occupants of pre-1978 units to be weatherized must be provided the EPA pamphlet, "Renovate Right: Important Lead Hazard Information for Families, Child Care Providers and School."
3. Contractor shall provide to all clients the EPA pamphlet, "A Brief Guide to Mold, Moisture, and Your Home."
4. Contractor shall provide the client with 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.
5. Contractor shall provide the client with an explanation of the effect 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.
6. Contractor shall provide all clients with the EPA pamphlet, "A Citizen's Guide to Radon."

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**D. Coordination**

1. Contractor shall refer all potentially eligible applicants, including HEAP applicants, to the LIHEAP Weatherization Program, ECIP EHCS, CARE/RRP, DOE, 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.
2. Contractor shall provide assistance in coordinating the payment of client's energy/utility bill with the appropriate energy vendor or utility company. Contractor may also perform other coordinative activities with energy vendors/utility companies to provide input relative to the energy assistance needs of California's low-income and a proactive educational concept in serving clients. This includes attending the California Public Utilities Commission's Low-Income Oversight Board Committee meeting.

**7.7 Leveraging Activities**

- A. When ECIP EHCS services are provided contractor shall refer, schedule or recommend a subsequent weatherization assessment, in accordance with the Field Guide.
- B. Leveraging weatherization funds may be used to install mandatory and/or optional measures in a dwelling in accordance with the Field Guide. Client files shall be documented accordingly.
- C. If Contractor is leveraging with non-CSD funded programs to meet CSD program requirements, then Contractor shall ensure that any non-CSD leveraged-funded activity performed in conjunction with the Weatherization and/or the ECIP EHCS program, is in conformance with weatherization guidelines. If permitted by the leveraged-funding source, Contractor shall document within the Weatherization and/or ECIP 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 as a minimum make reference to the leveraged activity within the weatherization and/or ECIP client file.
- D. Ensure usage of DOE approved priority list and audit tools on all DOE funded projects, or projects leveraged with DOE.
- E. CSD may use information about leveraged activities paid for with funds from leveraged-funding source for the purpose of verifying the delivery of services. CSD may review and verify or use a third-party inspector to review and verify

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that the leveraged-funded activities conform to applicable LIHEAP standards and practices.

**7.8 Record-Keeping Responsibilities**

- A. Contractor shall maintain client intake/needs assessment form(s) for Weatherization, HEAP, and ECIP, together with 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.
- B. Contractor shall ensure that the ECIP Home Energy Supplier Assurance (CSD 416) or approved Contractor's equivalent is completed by each nonregulated utility company, e.g., propane suppliers, wood suppliers, etc., providing services to clients of this Agreement.
- C. All Client Files – General Requirements

Contractor shall maintain a separate file for each applicant. These files shall include, the following documentation, when 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 approved Contractor's equivalent. Priority points must be written in the designated space on the Intake form;
- 3. Utility/energy bill(s) for all sources of energy used by qualified households;
- 4. Documentation supporting eligibility in accordance with the Eligibility Guide; and
- 5. Client Education Confirmation of Receipt (CSD 321) or approved Contractor's equivalent that substantiates that the client was provided services in accordance with Assurance 16 requirements.
- 6. Client denial letter in accordance with Eligibility Guide

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**D. Client Files - ECIP Fast Track, ECIP WPO, HEAP, and WPO**

Contractor shall maintain the following documents for each applicant receiving cash assistance services, as applicable:

1. Documentation that substantiates the requested ECIP Fast Track supplemental payment including the total amount due (at the time of intake) to the utility company, reconnection fees, and any other assessed utility fees/surcharges; it shall provide the condition(s) that establishes eligibility for benefits in accordance with ECIP Fast Track Benefit Determination Article 8.3 in subsection C.3.; and
2. Documentation substantiating the portion of rent that is allocated toward energy costs (HEAP and ECIP: Utilities included in rent and WPO only).

**E. Client Files - Weatherization and/or ECIP EHCS Specific**

Contractor shall maintain the following documents for each applicant receiving weatherization and/or ECIP EHCS services, if applicable:

1. CSD Dwelling Assessment (CSD 540) or approved Contractor's equivalent;
2. Combustion Appliance Safety Inspection (CASIF) (CSD 700 or CSD 702);
3. Blower Door Data Sheet (CSD 704);
4. Duct Test Data Sheet (CSD 706);
5. CSD Weatherization Deferral (CSD 542) and other source documentation supporting deferrals and appeals;
6. Notice of Weatherization/Renovation (CSD 320) or approved Contractor's equivalent;
7. ECIP EHCS Assessment (CSD 57);
8. Record of Tenant Notification Procedures (CSD 322) or approved Contractor's equivalent;
9. Energy Service Agreement for Occupied/Unoccupied Single or Multi-Unit Rental Units (CSD 515) or approved Contractor's equivalent;



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10. Service Agreement for Unoccupied Multi-Unit Dwelling, (CSD 515d) or approved Contractor's equivalent;
11. Contractor Post Weatherization Inspection Report (CSD 611);
12. Weatherization Inspection Report (WIR) (CSD 581);
13. Multi-Unit Dwelling Unit Eligibility Certification (CSD 75P) or approved Contractor's equivalent;
14. Required building permits or buildings permit applications, or documentation of permit cost; and documentary evidence of final permit;
15. Copy of lead clearance inspection by a California Certified Inspector/Risk Assessor for applicable pre-1978 HUD units;
16. Waivers from CSD to exceed maximum costs of weatherization measures;
17. Documentation that substantiates all actual labor hours including a time and activity log associated with each job;
18. Documentation of weatherization measures installed and leveraged with other CSD and non-CSD weatherization program funds;
19. Documentation that substantiates the criteria and basis for replacement of gas and electric appliances, including results of required diagnostic tests, and the nonfeasibility of mandatory measures not performed or installed;
20. Documentation indicating the manufacturer, manufacture date, make, and model and metering information for all refrigerator replacements;
21. Documentation referring to CSD or non-CSD weatherization;
22. Documentation of HERS inspection;
23. Documentation providing evidence that the client receiving disaster-related services was a victim of a natural disaster;
24. All Historic Preservation Online (HPO) review documentation, including the printed Project Description sheet (PDS) and HPO site e-mails;
25. Photographic documentation as required by WIS; and

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26. Building File Report (BFR) and Improvement Analysis Report (IAR) in each client file and retention of electronic audit file.

**F. Client Files – Severe Weather Energy Assistance and Transportation Services (SWEATS) Specific**

1. Contractor shall maintain the following documents for each applicant receiving services under SWEATS, as applicable:
  - a. Severe Weather Energy Assistance and Transportation Services Intake (CSD 51) or Energy Intake Form (CSD 43) or approved Contractor's equivalent to CSD 43;
  - b. Temporary Emergency Portable Appliance Loan Agreement and Waiver (CSD 52); and
2. Contractor shall maintain the following documents for each applicant receiving Utility Assistance services under SWEATS:
  - a. Severe Weather Energy Assistance and Transportation Services Intake (CSD 51) or Energy Intake Form (CSD 43) or approved Contractor's equivalent to CSD 43;
  - b. Documentation of utility/energy bills at the time of intake; and
  - c. Documentation that substantiates that the household's economic hardship is a direct result of the disaster.

**G. Weatherization and ECIP EHCS Specific**

1. Labor and Materials
  - a. Contractor shall maintain documentation in such a manner that include job references and total labor hours so that actual costs and actual labor hours billed to the weatherization and ECIP EHCS programs can be substantiated.
  - b. Contractor shall document all costs expended under this Agreement with purchase orders, inventory records, and payroll records identifying the funding source.
  - c. Contractor shall maintain documentation in such a manner to prove that materials used under this program conform to the requirements

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contained within the CSD Weatherization Installation Standards and/or state, county, or local regulations.

2. Training

Contractor and subcontractors who perform weatherization and ECIP EHCS services are required to input, update, and maintain employee training data in the CSD Training Database. The Training Database is located and maintained on the CSD Provider's website and is a repository for Contractor and their subcontractors to track and monitor their employees' completed trainings as they progress through the CSD training curriculum. The Training Database shall also document all training received for each employee and shall include for each training session/course the source/location, type/content, and completion date. Contractors and subcontractor shall update the Training Database employee information on or before the first (1<sup>st</sup>) day of each subsequent month.

3. Equipment

- a. Contractor and subcontractors who perform combustion appliance safety tests shall maintain the Carbon Monoxide Analyzer Calibration Log (CSD 785) documenting the calibration of all analyzers as required.
- b. Contractor and subcontractors who perform blower door and duct leakage diagnostic tests shall maintain the Manometer Calibration Log (CSD 786) documenting the calibration of all manometers as required.
- c. Contractor and subcontractors who keep an inventory of portable appliances for the SWEATS program shall maintain a log documenting the location of all portable appliances on loan and in reserve. The log shall document the retirement or loss of the equipment.

H. Automation

1. Contractor shall use an automated application system capable of supporting LIHEAP's (Weatherization, ECIP EHCS, ECIP WPO, and HEAP WPO) data collection, reporting requirements, and client data transmission to CSD. No database transfer will be accepted prior to the completion of successful data file transfer testing to CSD. Contractor shall submit the data in accordance with CSD's detailed data record layout

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found at <https://providers.csd.ca.gov>. Contractor shall exercise best practice and perform a daily backup of all client data/application systems that capture LIHEAP service detail. Contractor shall assure that adequate files are maintained as required in Article 7.8.

2. Contractor shall also be responsible for monitoring the CORE online reports and for resolving payment issue(s) related to the delivery of benefits. The Agency Allocations/System Maintenance screen shall display historical and current detail level of program allocation information, summarizing agency's annual program allocation, expenditures, and returned benefits eligible for reissuance, if any. The Variance Report shall display the detail level of benefit information whereby the eligible benefit amount differs from the paid benefit amount. For resolution of partial credit returns, Contractor shall be responsible for following up with the client to resolve payment issue(s) and for providing the State with the necessary information to reissue benefit(s). For full credit returns and warrant redeposits, Contractor shall be responsible for resolving and updating client data in CORE to reissue benefit(s).
3. Utilizing reporting options available within the CORE On-Line System, Contractor shall be responsible for generating HEAP and ECIP (FastTrack) reports to attain data specific to the following: rejected records, intake data, client and payment status, expenditures and current allocation balance, returned benefits, summarized county energy costs and burden, and a year-to-date goal status.

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**ARTICLE 8 – PROGRAM IMPLEMENTATION**

**8.1 HEAP/WPO Activity Guidelines**

**A. Applicant Eligibility**

1. Assistance shall be available only to households with incomes that do not exceed an amount equal to sixty percent (60%) of the State median income.
2. Income verification must be for one month. For acceptable types of documentation and processing timeframes, refer to the current LIHEAP Eligibility and Verification Guide at <https://providers.csd.ca.gov>.
3. Contractor shall collect copies of all of the household's energy utility bills for the current month, and if applicable, receipt(s) for WPO to determine the client's energy burden.

B. Eligible households may receive only one ECIP Fast Track/WPO, or HEAP/WPO payment per program year. However, Contractor can use program income to provide a supplemental ECIP Fast Track/WPO or HEAP/WPO for clients experiencing an extenuating circumstance. In addition to receiving one ECIP (Fast Track/WPO) or HEAP/WPO payment and/or supplemental program income benefit payment, eligible households may receive ECIP EHCS services and/or other weatherization services.

C. Contractor may establish a maximum benefit for HEAP WPO payments; such maximum shall be consistently applied. ECIP WPO payments cannot exceed \$1,000.

D. Contractor must exercise due care to ensure that duplication of ECIP Fast Track/WPO or HEAP/WPO payments does not occur at any time during the term of this Agreement.

E. Once applicants meet the eligibility and prioritization criteria and funds are available:

1. Contractor shall complete the ECIP/HEAP Payment Request Confirmation (CSD 415) or approved Contractor's equivalent.
2. Contractor shall make payments directly to energy vendors on behalf of clients whose energy sources are wood, propane, or oil.

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3. CSD will not make payments to clients for WPO assistance.
  4. Before paying energy vendors, Contractor shall verify that charges for the services and goods provided are reasonable and within fair market value.
- F. Contractor shall notify the applicant of the recipient household, in writing, when payments are made directly to an energy vendor for wood, propane, or oil on their behalf.
- G. Contractor shall forward payments for WPO on behalf of applicants to corresponding energy vendor within 60 calendar days from the date obligation was incurred, unless a formal agreement, approved by CSD, between Contractor and vendor provides for other terms.

**8.2 Weatherization Activity Guidelines**

**A. Applicant Eligibility**

1. Assistance shall be available only to households with incomes that do not exceed an amount equal to sixty percent (60%) of the State median income.
2. Income verification must be for one month. For acceptable types of documentation, refer to the current LIHEAP Eligibility and Verification Guide at <https://providers.csd.ca.gov>.
3. Contractor shall certify a household's income eligibility prior to the delivery of energy program services.
4. Contractor shall collect 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.

**B. Dwelling Eligibility**

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

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household's income eligibility, prior to commencing the delivery of any form of weatherization assistance service including 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, Contractor shall obtain updated income verification documentation to recertify the household's income eligibility.
5. **Permission to Provide Services**
  - a. Contractor shall obtain written permission of the owner-occupied dwelling, and/or of the owner of a rental unit, or his/her agent prior to performing any weatherization services. Such permission shall be recorded on the Energy Service Agreement for Occupied/Unoccupied Single or Multi-Unit Rental Units (CSD 515) or approved Contractor's equivalent or the Service Agreement for Unoccupied Multi-Unit Dwelling (CSD 515d) or approved Contractor's equivalent. At a minimum, the written documentation and/or notification shall include the following:
    - i. General permission to do assessment and weatherization work;
    - ii. Notification of specific work to be done before the work commences;
    - iii. Notification of need for significant structural and engineering changes; and
    - iv. Confirmation of work completed.
  - b. If during the course of performing weatherization services in a dwelling, Contractor identifies that significant structural and/or engineering changes may occur, Contractor shall re-obtain written

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permission of 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.
- 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. CSD will evaluate the merits of the complaint and all supporting documentation. Should a complaint be found valid, CSD may pursue collection activities against the landlord in the amount equal to the weatherization work performed on that unit and/or complex.

**7. Multi-Unit Dwellings**

- a. In accordance with 10 CFR 440.22(b) (2), Contractor may weatherize a building containing rental dwelling units when not less than 66% (50% for duplexes and four-unit buildings) of the dwelling units in 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

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verify participation in the rehabilitation program is required in the master job file.

- 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 \$6,987 maximum average per unit or by the \$6,987 maximum average per unit, if an energy audit is performed.
- d. Contractor shall complete a Multi-Unit Dwelling Unit Eligibility Certification (CSD 75P) or approved Contractor's equivalent for each complex and shall maintain a copy in each individual client file.
- e. Contractor shall certify unit eligibility by completing Energy Intake Form (CSD 43) or approved 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 signed a copy of the Energy Service Agreement for Occupied/Unoccupied Single or Multi-Unit Rental Units (CSD 515) or Service Agreement for Unoccupied Multi-Unit Dwelling (CSD 515d) or approved Contractor's equivalent, 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, cooking appliances, and water heaters shall be performed in unoccupied multi-unit dwellings under the LIHEAP weatherization program 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 may, under ECIP EHCS, disable the appliance to eliminate the immediate hazard in accordance with ECIP Policy and Procedures, the CSD Weatherization Installation Standards, and CSD Weatherization Policies and Procedures. These documents are incorporated by reference to this Agreement and available on the CSD Providers' website at

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<https://providers.csd.ca.gov>. No other ECIP EHCS activities are allowed.

- ii. If the dwelling is later occupied with an eligible applicant, Contractor may provide the appliance services and upon the completion of service, shall report the dwelling as previously weatherized.

**8. Previously Weatherized Dwellings**

- a. 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 re-weatherization.
- b. A previously applied measure may be reinstalled during its useful life term, as described on Subpart H Reimbursement Rates for Weatherization and EHCS Activities, due to premature failure or if the measure was destroyed by the prior-occupying household. Justification for the replacement must be documented in the client file.
- c. Unoccupied multi-unit dwellings previously weatherized in accordance with this Agreement and which receive appliance repair and/or replacement services upon occupation by an eligible tenant, shall be deemed reweatherized dwellings.
- d. If a dwelling has been previously weatherized under a CSD or another federal or non-federal program, Contractor may provide previously unapplied mandatory and optional measures within the dollar limits of this Agreement. The dwelling and occupant eligibility must be recertified.
- e. Contractor shall not report demographics for reweatherized dwellings when reweatherization services occurred during the same contract period.

**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 of completion of the proposed weatherization.

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- b. Contractor shall not weatherize any dwelling under this Agreement unless the property owner agrees to all the terms and conditions of the CSD Dwelling Assessment Form (CSD 540) and signs the Energy Service Agreement for Occupied/Unoccupied Single or Multi-Unit Rental Units (CSD 515), Service Agreements for Unoccupied Multi-Unit Dwellings (CSD 515D), or approved Contractor's equivalent as applicable.
  - c. No institutional or commercial building including, but not limited to, universities, schools, nursing homes, hospital, shelters, or group homes, may be weatherized under this Agreement.
- 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 additional Mandatory Measures are installed, or
    - b. In the event Ceiling Insulation is already installed or otherwise not feasible, at least three Mandatory Measures are installed.
  - 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 already installed or otherwise not feasible, at least three (3) Mandatory measures are installed.
    - a. Installation of ceiling insulation shall be counted as a ceiling insulation measure for each unit within that building envelope.
    - b. Installation of a common water heater shall qualify as a Mandatory measure for each unit served by the same water heater.
  - 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

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the dwelling for weatherization. In this case, Contractor may substitute noninfiltration reduction Optional Measures as needed for the nonfeasible caulking and/or weatherstripping measures.

5. The minimum number of weatherization measures may be leveraged with other weatherization programs. All leveraged measures used to fulfill the minimum number of required weatherization measures shall meet CSD installation standards.

**D. Dwelling Assessments**

1. Contractor shall inspect the dwelling of each eligible applicant to determine if the unit is structurally sound and not in need of extensive repairs.
2. Contractor shall determine whether the dwelling meets the criteria for a Historic Preservation Review pursuant to subparagraph 6) a. iv.
3. Contractor shall ensure that all dwelling assessments are performed by trained individuals possessing all the required skill and training as specified in Article 9.1, TRAINING REQUIREMENTS. In addition, Assessors must complete all required online based training courses to include: Environmental Hazard, Lead Safe Weatherization, and Worksite Safety.
4. 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 for 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.
5. Contractor shall provide written documentation or 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

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- b. Confirmation of the work completed.
6. 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 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.
    - iv. Contractor shall determine whether the dwelling meets the criteria for a Historic Preservation Review pursuant to subparagraph 6) b. below.
  - b. Historic Preservation Review of Dwellings
    - i. To ensure compliance with Section 106 of the National Historic Preservation Act (16 U.S.C. 470), CSD will establish appropriate procedures for historic property review standards as outlined by a Programmatic Agreement with the State Historic Preservation Office. The established review standards will be utilized for weatherization activities conducted under the LIHEAP on

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dwellings that are 45 years or older. For purposes of this Agreement, the historic review shall be known as the Historic Preservation Review.

- ii. Contractor shall ensure that a Historic Preservation review is completed on a dwelling that is either: (1) 45 years or older, (2) located within a historic district, or (3) considered to be of exceptional importance under the National Register Criteria for Evaluation pursuant to 36 CFR 60.4.
  - iii. When a dwelling assessment is performed and the dwelling is determined to meet any of the criteria specified in subparagraph ii, Contractor shall initiate the Historic Preservation Review process as specified in CSD Historic Preservation Review Policy incorporated by reference to this Agreement and available on the CSD Providers' website at <https://providers.csd.ca.gov>.
- c. Combustion Appliance Safety (CAS) Tests
- i. The completion of the entire 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 non-infiltration reduction measures.
- d. 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 (CSD 542).
  - ii. If the applicant can obtain the necessary repairs to make the dwelling unit eligible for weatherization services,

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weatherization activities may be accomplished following the repair work.

7. Contractor shall ensure the health and safety of weatherization personnel in carrying out activities funded under this Agreement. In the event the weatherization of a dwelling threatens the general health and safety of weatherization personnel, Contractor shall take measures to ensure the safety of the personnel and thoroughly document the incident(s) utilizing the CSD Weatherization Deferral (CSD 542). The deferral form does not need to be signed by the client where weatherization personnel construe the client or occupants of the dwelling to be threatening and hostile. If unable to get a signature, a certified letter shall be sent to the owner, along with the tenant if the residence is a rental.

**E. Diagnostic Testing**

1. Contractor shall perform the blower door diagnostic testing only for shell sealing purposes on a minimum of twenty percent (20%) of the total SFD (1 to 4 units) including mobile homes, and a minimum of five percent (5%) of MUD (5 or more units) weatherized under this Agreement. Blower door diagnostic testing shall be proportionate to the number of completed units for each quarterly period.
2. Following a determination that no combustion byproduct hazards exist, Contractor shall perform pressure diagnostic guided infiltration reduction using a preweatherization blower door test.
3. Duct Blaster diagnostic testing shall be required on all dwellings 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 as specified in Article 9.1, TRAINING REQUIREMENTS.
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. 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

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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. 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 Health and Safety Appliance Replacement Policy, to seek reimbursement for replacing specified appliances. The Health and Safety Appliance Replacement Policy is hereby incorporated by reference to this Agreement and available on the CSD Providers' website at <https://providers.csd.ca.gov>.
3. Health or Safety Hazard Repair or Replacement, Carbon Monoxide/Alarm, and Mandatory Insulation measures must be installed in priority order. Other Mandatory 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.
4. After Health and Safety Measures have been addressed, Insulation Measures, if feasible, must be installed prior to the installation of any other Mandatory and Optional Measures. Non-Mandatory Measures including Infiltration Reduction, General Heat Waste, and Electric Base Load Measures need not be installed in priority order.
5. 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 Mandatory 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 Mandatory Measures are installed up to the maximum dollar limit.
6. If the dollar limit has not been reached in installing feasible Mandatory measures, Contractor may install optional measures.
7. Health and Safety Measures
- a. The following health and safety guidelines are applicable to heating and cooling appliance services delivered through the LIHEAP Weatherization component and are restricted to occupied SFD and/or MUD units:
    - i. 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.
    - ii. 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.
  - b. Any and all health and safety heating/cooling appliance service shall be performed in accordance with the following guidelines:
    - i. All repair and replacement services are limited to dwellings with pre-existing heating and cooling appliances. An exception to this rule exists, however, for those dwellings without a heating and cooling appliance and there are no means to provide adequate heating and/or cooling during a climatic season that would cause imminent harm to the health and wellbeing of individuals or the household.
    - ii. All such appliance replacements are further subject to the Health and Safety Appliance Replacement Policy.

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- iii. For those conditions where a true crisis exists and the heating and/or cooling needs cannot be remedied by the installation of a permanent repair or new appliance installation, Contractor shall provide such dwellings with temporary portable devices to support the means of providing adequate cooling and/or heating to occupants of the residence to alleviate the crisis situation and to meet basic heating/cooling needs.
  - (a) Occupant shall be advised of the higher energy consumption associated with portable heating/cooling devices.
  - (b) Occupant shall certify that all of the manufacturer's safety instructions will be abided by.
  - (c) Contractor shall make all attempts to purchase Energy Star-rated portable devices if available.
- iv. The age of a heating/cooling appliance shall not be used as a basis for replacement.
- c. Prior to the performance of any heating/cooling appliance 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.
- d. 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.
- e. 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.
- f. 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.