

**STANDARD AGREEMENT**

AGREEMENT NUMBER

PURCHASING AUTHORITY NUMBER (if applicable)

STD. 213 (Rev 03/2019) CSD (Rev 07/2019)

**20D-1007**

1. This Agreement is entered into between the Contracting Agency and the Contractor named below

CONTRACTING AGENCY NAME

**Department of Community Services and Development**

CONTRACTOR NAME

**El Dorado County Health and Human Services Agency**

2. The term of this Agreement is: October 1, 2019 through December 31, 2020

3. The maximum amount of this Agreement is: Total \$92,864.00

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 Administration, Procedure

Article 3 - Agreement Changes

Article 4 - Administrative Policies and Procedures

Article 5 - Administrative and Program Expenditure Requirements

Article 6 - Reporting Policies and Procedures

Article 7 - Program Policies and Procedures

Article 8 - Program Implementation

Article 9 - Training, Licensing and Certifications

Article 10 - Compliance Policies and Procedures

Article 11 - Federal and State Policy Provisions

Definitions

Table of Forms and Incorporated Documents

**IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO**

| <b>CONTRACTOR</b>                                                                                                 |  |                                          |                                           | California<br>Department of General Services<br>Approval (or exemption, if applicable) |  |
|-------------------------------------------------------------------------------------------------------------------|--|------------------------------------------|-------------------------------------------|----------------------------------------------------------------------------------------|--|
| CONTRACTOR NAME <i>(If other than an individual, state whether a corporation, partnership, etc.)</i>              |  |                                          |                                           |                                                                                        |  |
| <b>El Dorado County Health and Human Services Agency</b>                                                          |  |                                          |                                           |                                                                                        |  |
| CONTRACTOR BUSINESS ADDRESS, CITY, STATE ZIP<br>3057 Briw Road, Suite B<br>3057 Briw Rd #A, Placerville, CA 95667 |  |                                          |                                           |                                                                                        |  |
| PRINTED NAME OF PERSON SIGNING                                                                                    |  |                                          | TITLE                                     |                                                                                        |  |
| Donald Semon                                                                                                      |  |                                          | Director,<br>Health and Human Svcs Agency |                                                                                        |  |
| CONTRACTOR AUTHORIZED SIGNATURE                                                                                   |  |                                          | DATE SIGNED                               |                                                                                        |  |
| <b>STATE OF CALIFORNIA</b>                                                                                        |  |                                          |                                           |                                                                                        |  |
| CONTRACTING AGENCY NAME                                                                                           |  |                                          |                                           |                                                                                        |  |
| <b>Department of Community Services and Development</b>                                                           |  |                                          |                                           |                                                                                        |  |
| CONTRACTING AGENCY ADDRESS                                                                                        |  | CITY                                     | STATE                                     | ZIP                                                                                    |  |
| 2389 Gateway Oaks Drive, Suite 100                                                                                |  | Sacramento                               | CA                                        | 95833                                                                                  |  |
| PRINTED NAME OF PERSON SIGNING                                                                                    |  | TITLE                                    |                                           |                                                                                        |  |
| Brian Dougherty                                                                                                   |  | Deputy Director, Administrative Services |                                           |                                                                                        |  |
| CONTRACTING AGENCY AUTHORIZED SIGNATURE                                                                           |  |                                          | DATE SIGNED                               |                                                                                        |  |

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## STANDARD AGREEMENT

**PREAMBLE**

This subvention agreement, for the implementation of the Disgorgement Assistance Program (DAP) in program year 2020, funded by the October 30, 2017 Federal Energy Regulatory Commission (FERC) and Barclay's Bank Settlement Agreement is entered into between the Department of Community Services and Development, a department of the State of California ("CSD" or "Department") and the contractor named on Form STD 213, the face sheet of this document, and shall be effective and enforceable on the date last signed.

**WHEREAS:**

- I. The FERC approved a Settlement with Barclays Bank PLC on November 7, 2017 resolving the Commission's claims against the bank for violations of the Federal Power Act and the Commission's Anti-Manipulation Rule. The Agreement provides that \$9.4 million shall go to the Low-Income Home Energy Assistance Program in California for the benefit of the electric energy customers.
- II. CSD shall allocate \$6.9 million of the settlement to 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 1.4, 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. 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.
- III. CSD's Network administers CSD's federal energy programs, the Low-income Home Energy Assistance Program ("LIHEAP") and the Department of Energy, Weatherization Assistance Program (DOE WAP), as well as other CSD programs funded by the U.S. Department of Housing and Urban Development ("HUD") and the U.S. Department of Health and Human Services ("HHS").

NOW THEREFORE, with due regard to the above-stated principles, and in consideration of the promises and the mutual agreements and covenants hereinafter set forth, CSD and CONTRACTOR hereby agree as follows:

**STANDARD AGREEMENT****ARTICLE 1 – SCOPE OF WORK****1.1 General**

Contractor shall provide Weatherization (WX), Home Energy Assistance Program (HEAP), 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. 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.

**1.2 Service Area**

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

The DAP Contract Numbers, Contractors, and Service Territories listing may be accessed at <https://providers.csd.ca.gov/Energy/Contracts.aspx>.

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

**1.3 Term and Amount of Agreement**

- A. The term of this Agreement shall be for the period represented on the face sheet (Form STD 213).
- B. 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" and "Utility Assistance" portions attributable to Contractor's service area(s).
- C. Direct Services and Utility Assistance, as defined in Part II Definitions, that are allocated to Contractor, shall be expended, reported and accounted for in accordance with the provisions of this Agreement.

**1.4 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:

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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
  3. The Single Audit Act, 31 U.S.C. §§ 7301 et seq., and Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards (45 CFR Part 75).
- B. Conflict of Laws. 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, such as 45 CFR 96.30, allows for the application of state law.
1. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards (45 CFR Part 75); and
  2. Contractor further agrees to abide by all requirements in California Contractor Certification Clauses 04/2017 (CCC-04/2017).
- C. CSD shall provide Contractor with short-term program guidance to inform or direct immediate action to correct a problem or provide relief from an obligation in the form of a “CSD Program Advisory (CPA) No. XX-XXX” posted at <https://providers.csd.ca.gov/Home/AllCSDCPAsCPNs.aspx>.
- D. 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 DAP 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/Home/AllCSDCPAsCPNs.aspx>;
  2. That such guidance shall be issued by CSD in writing in the form of “CSD Program Advisory (CPA) No. XX-XXX” posted at <https://providers.csd.ca.gov/Home/AllCSDCPAsCPNs.aspx>;

## STANDARD AGREEMENT

3. That such guidance shall be issued by CSD in the most timely and expeditious manner practicable;
  4. That such guidance shall be reasonably necessary to realize the purposes of DAP;
  5. 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;
  6. Contractor shall notify CSD within 10 working days of issuance of a CPN, if contractor is unable to fulfill its obligations under the new guidance;
  7. That the parties' failure to execute a mutually acceptable amendment or CPN, as contemplated in subparagraph C 5 and C 6, 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
  8. That upon CSD's good faith determination, delivered to the Contractor by written notice that Agreement between the parties to any necessary amendment or CPN as contemplated in subparagraph C 5 and C 6 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.
- E. 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).
- F. Contract Elements Integral to Agreement and Enforceability Conditions
1. Contractor shall provide the following documents, satisfactory to CSD in form and substance, together with an executed copy of this Agreement before CSD executes and returns the Agreement to Contractor for implementation:
    - a. Contractor Certification Clause (CCC-04/2017)
    - b. Current Insurance or Self-Insurance Authority Certification

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- c. Board Resolution authorizing execution of this Agreement
  - d. Agency Staff and Board Roster (CSD 188).
2. 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 forms. The approved forms shall become part of this Agreement.
- G. 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.

### 1.5 DAP Program Coordination and Leveraging Requirements

The following principles shall guide and inform the implementation of DAP when providing initial weatherization services:

- A. DAP weatherization measures shall be leveraged with the full complement of applicable LIHEAP or DOE weatherization services within the Contractor's DAP Service Territory as defined in Section 1.2.
- B. Because DAP is intended to be leveraged as a companion program to LIHEAP, the parties intend that, to the greatest extent possible, DAP and LIHEAP shall employ, and be subject to, the same requirements, rules, procedures, and processes in order to simplify and facilitate program implementation. To that end, Contractor's LIHEAP and DOE Contract, is hereby made a part of this Agreement and is incorporated by reference and shall be the authority for contract and program implementation, *unless* there are inconsistencies between the LIHEAP and DOE Contract and this Agreement. When contradictions or inconsistencies between DAP and LIHEAP or DOE program requirements exist, each respective contract shall be controlling for the program in question.

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### ARTICLE 2 – CONTRACT ADMINISTRATION, PROCEDURE

#### 2.1 State Contracting Requirements – “General Terms and Conditions, GTC 04/2017”

In accordance with State contracting requirements, specified contracting terms and conditions are made a part of this agreement and are fully binding on the parties in accordance with state law. The provisions in their entirety are found at the Department of General Services’ website at:

<https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/Standard-Contract-Language>

Click the “GTC 04/2017” link to download the current requirements

#### 2.2 State Contracting Requirements – “Contractor Certification Clauses, CCC 04/2017”

In accordance with State contracting requirements, specified contracting terms and conditions are made a part of this agreement and are fully binding on the parties in accordance with state law. The provisions in their entirety are found at the Department of General Services’ website at:

<https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/Standard-Contract-Language>

Click the “CCC 04/2017” link to download the current requirements

#### 2.3 Contractor’s Option of Termination

A. Contractor may, at Contractor’s sole option, elect to terminate this contract in lieu of adherence to the procedures set out in this Agreement, 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

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the program guidance and contract provisions in effect at the time the cost was incurred.

- C. Contractor shall, within 60 days of termination, close out the contract in accordance with contractual closeout procedures.
- D. CSD may at its option, without further obligation to Contractor, procure a replacement provider for Contractor's service area in accordance with this Agreement and state law.

### 2.4 Budget Contingencies

#### State Budget Contingency

- A. It is mutually agreed that if funds are not appropriated for implementation of DAP 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 State shall be obligated to pay only for jobs that are already in-progress or committed in writing, prior to Contractor's receipt of written notice from CSD. Thereafter, the State shall have no obligation to pay Contractor or to furnish other consideration under this Agreement and there shall be no obligation for further performance of this Agreement by the State or Contractor, excepting only such obligations as are intended to survive contract termination or the end of the contract term, such as, but not limited to, contract closeout and final settlement.
- B. 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, in which event the State shall be obligated to pay only for jobs that are already in-progress or committed in writing prior to Contractor's receipt of written notice from CSD. Thereafter, the State and Contractor shall have no further obligations under this Agreement except for contract closeout obligations and final settlement.

### 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

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

Administrator: The County Officer or employee with responsibility for administering this Agreement is Margaret Williams, Program Manager, Health and Human Services Agency, or successor.



**STANDARD AGREEMENT****ARTICLE 3 – AGREEMENT CHANGES****3.1 Amendment**

- A. Changes to this Agreement shall be made by formal amendment with exceptions specified 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. If Contractor intends to request a minor modification to this Agreement, Contractor shall submit a Request for Amendment/Modification Energy, by completing a CSD 509 with a justification supporting the fund 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.
- D. Minor modifications which Contractor may propose for approval by CSD include the following:
  - 1. Transferring funds to increase or decrease the Utility Assistance, Weatherization or EHA-16 total allocation;
  - 2. Transferring funds to increase the WPO total allocation (CORE ECIP WPO or HEAP WPO); and

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### ARTICLE 4 – ADMINISTRATIVE POLICIES AND PROCEDURES

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

- A. Contractor shall submit to CSD an Agency Staff and Board Roster form (CSD 188) listing the current Agency Staff and 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. Contractor is responsible to notify CSD of any changes to the Executive Director, Program Manager, Chief Financial Officer and board roster within 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.

#### 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;

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- E. Personnel of a quality commensurate with their responsibilities; and
- F. Effective internal reviews.

**4.3 Record Retention Requirements**

- A. Contractor shall maintain adequate records to enable CSD, its duly appointed agents, and other State agencies with jurisdictional authority, to audit and review Contractor's books of account, other financial records and operational records, including, but not limited to, client and job files. By adopting and complying with the applicable federal recordkeeping requirements, Contractor shall be presumed to have maintained adequate records, for purposes of this section (45 CFR §§ 75.361 - 75.370).
- 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, 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, prior to said expiration date, a new Certificate of Insurance (ACORD 25) evidencing insurance coverage

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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).

### 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

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

### E. General Liability Insurance

1. Contractor shall maintain for 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 has first submitted to CSD an applicable Certificate of Insurance (ACORD 25), designating CSD as an additional insured as evidence of compliance with general liability insurance requirements.

### F. Vehicle Insurance

1. Contractor shall 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

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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 to CSD 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

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 the Information Practices Act of 1977 (Civ. Code §1798, et seq.), and such other State and Federal laws and regulations as may apply. The parties hereto agree to the following requirements, obligations, and standards in accordance with regulations set in the State Administrative Manual (SAM) and Statewide Information Management Manual (SIMM):

#### A. Services Offered

Data exchange between CSD and Contractor shall be handled through one of two methods: 1) a Contractor user must upload data files or perform data using credentials provided by CSD; or 2) utilize our web services as configured by the Contractor technology vendor.

#### B. Data Sensitivity

1. Data exchanged between CSD and Contractor must be limited to the data fields included on Data Transfer Rules documents posted at <https://providers.csd.ca.gov/ReportingSystems/WXDatabase.aspx>. No personal financial information, i.e., credit card, bank account numbers, shall be stored or exchanged in the data exchange sessions.
2. Access to the above-mentioned data included in the Data Transfer Rules must only be given to authorized personnel to complete essential duties.
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.

#### C. Contractor Systems Security

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1. The physical location of the application systems (servers) shall be within controlled access facilities. Individual users may not have access to the data except through their systems that are specifically credentialed for Contractor business. 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.

**D. 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). Technology and systems code and functionality are owned by the respective parties and may not be shared with anyone else or used without the consent of the owner.

**E. 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 Information Security Officer at [ISO@csd.ca.gov](mailto:ISO@csd.ca.gov), any security incident contemplated herein. Examples include, but are not limited to, stolen or lost equipment, malware/ransomware detection, suspected hacking, etc.

**F. Audit Trail Responsibilities**

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

**STANDARD AGREEMENT****G. Data Sharing Responsibilities**

Contractor shall 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 these security requirements and applicable state and federal law, in addition to further data sharing guidance as may be issued by CSD during the term of this Agreement. If data sharing is accomplished via interconnectivity of an application system, then data sharing must be certified to be secure by both parties.

**H. Security Assessment**

Contractor shall work with CSD to develop a Memorandum of Understanding (MOU) to further clarify privacy and information security requirements for ensuring the security of personal information of LIHEAP participants and technology systems supporting program administration and service delivery. In addition, the MOU will specify security requirements for Contractor information technology systems storing and transmitting personal information of program participants, to include specific security assessments and audits of Contractor systems that interconnect with CSD in accordance with federal and state requirements.

**4.6 Travel and per diem**

- A. Contractor shall not be reimbursed for out-of-state travel. 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.
- B. In the absence of a written travel reimbursement policy, Contractor shall be subject to reimbursement not to exceed federal per diem limits.

**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 DAP 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 the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards (45 CFR Part 75).

#### 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 DAP 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. Contractor shall not provide DAP 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, Contractor shall submit the Property Certification form (CSD 678), in advance of providing weatherization and EHCS services. Contractor shall ensure that other recipients or potential eligible recipients of services are not prejudiced or adversely affected by the receipt of services by Contractor.
- D. Contractor must demonstrate that it will:
1. Follow all regular eligibility and prioritization requirements of the federal and State LIHEAP requirements, as applicable to each service or activity;
  2. Comply with all dwelling eligibility requirements of this Agreement, including but not limited to rent increase and multiple dwelling restrictions;
  3. Substantiate the need for DAP weatherization and Energy Heating and Cooling Services (EHCS) by completing a dwelling assessment for each individual dwelling unit served; and

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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 Standards

##### A. Contract Administration

1. Maintenance of written procurement procedures. 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 Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards and amendments thereto, consistent with the general OMB compliance requirement in Section 1.5, Article 1 of this Agreement 45 CFR Part 75, and pursuant to CPN-A-12-01. Contractor shall establish, maintain, and follow written procurement procedures consistent with the procurement standards in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards (45 CFR Part 75) or any subsequent amendments to these standards, 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. Eligible Bidders. 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.
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, is in response to a public

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exigency or emergency, 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. Analysis of cost(s) to demonstrate reasonability.
6. 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.
  7. Noncompliance with any of the provisions in this section may result in a disallowance of the costs of the procurement transaction.

### 4.10 Use and Disposition of Equipment

- A. When expending DAP funds pursuant to this Agreement, Contractor shall be limited to a spending cap of \$5,000 for all equipment purchases to effectuate Contractor’s responsibilities under this Agreement.
- B. To ensure compliance with the requirements for equipment, Contractor shall comply with Uniform Administrative Requirement, Cost Principles, and Audit Requirements for HHS Awards governing the acquisition of equipment with federal funds set forth in 45 CFR Part 75.
- C. Consistent with federal statutes and regulations, CSD issued CPN-A 17-01: Equipment Use and Disposition Requirements. To ensure compliance with the requirements for equipment, and maintenance of equipment, Contractor shall adhere to CPN-A 17-01 or as revised.
- D. Contractor shall provide the information specified in subdivision E. above, including any supporting documents, to CSD upon request.
- E. 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.

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**4.11 Subcontracts**

- 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 or other official documentation duly issued by the governing board, unless such delegation is set forth in the bylaws of the agency and a copy of the provision is communicated to CSD.
- 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 this certification of subcontractor eligibility, Contractor may rely on information available at <https://www.sam.gov/SAM/pages/public/index.jsf>.
- 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 under the terms of this

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Agreement.

- G. Contractor shall notify subcontractor(s) in writing within five 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.

**4.12 Complaint Management Policies and Procedures**

- 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 DAP. 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 CSD. The Contractor shall contact CSD and explain the issue, actions taken to resolve the issue, and provide CSD with any supporting documentation that indicates the nature and extent of Contractor's effort to resolve the issue.
- D. CSD 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.

**4.13 Fair Hearing Process for Applications for Denial of Benefits by Contractor**

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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:

- A. 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.
- B. Provisions that ensure that Contractor will make a good faith effort to resolve each appeal.
- C. Provisions that ensure that Contractor shall notify the applicant in writing of the Contractor's final decision within 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.
- D. Provisions to track information on denials and appeals.
- E. In the event an applicant appeals a denial of benefits or services to CSD, the Department may conduct a hearing in accordance with established procedures. Any decision taken by CSD consequent to such appeal and hearing shall be final.

**4.14 Fraud, Waste and Abuse**

- A. Contractor shall make timely, a written report to CSD of incidents and activities, or suspected incidents and activities, involving fraud, waste and abuse of DAP funds by Contractor's employees, subcontractors, clients, or other parties affiliated with Contractor. Incidents and activities subject to reporting under this section include, but are not limited to, criminal acts and other violations of law constituting a misuse of funds that could result in cost disallowance. Contractor shall, in a timely manner, inform CSD of any reports or complaints submitted to law enforcement officials by Contractor, Contractor's employees, subcontractors, clients or other parties affiliated with Contractor, concerning the misuse of DAP funds.
- B. Contractor shall provide employees, subcontractors, clients and other parties affiliated with the Contractor the information necessary to report fraud, waste and abuse to the California Department of Community Services and Development.

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### ARTICLE 5 – ADMINISTRATIVE AND PROGRAM EXPENDITURE REQUIREMENTS

#### 5.1 Utility Assistance Expenditure Requirements

A. The Utility Assistance portion of Contractor’s funding 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

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.

#### 5.2 Working Capital Advance

##### Working Capital Advance (WCA)

Contractor may, in accordance with applicable law, receive WCA payments of allowable program costs per this Agreement, *provided* Contractor shall comply with the provisions of this section and such additional guidance issued by CSD as is needed to implement this section (collectively “WCA”). In order to receive a WCA, Contractor’s financial management systems shall be compliant with the provisions of this Agreement, WCA

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Requirements, applicable CPNs and CPAs, and the standards for fund control and accountability as established in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards (45 CFR Part 75).

- A. WCA Requirements include the following standards:
1. 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;
  2. WCA Requirements issued by CSD to Contractor, while conforming to the requirements of this Section 5.3(A), shall take into account the practical requirements and limitations of efficient administration and the effective implementation of this Agreement by both Contractor and the CSD;
  3. Interest on Advances. Contractor shall deposit all advances in an interest-bearing account. The account shall be sufficiently segregated to enable the tracking and accounting of WCA funds by CSD. Any interest earned on DAP advances shall be accounted for and expended pursuant to 22 CCR § 100855; and
  4. Non-advance Payments and Offsets. 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.
- B. Contractor shall adhere to the WCA Requirements outlined in CPN-E-19-001, which is available online at:  
<https://providers.csd.ca.gov/Home/AllCSDCPAsCPNs.aspx>.

### 5.3 Wood, Propane and Oil Returned Payments

- A. Contractor shall maintain a tracking-log of returned payments for services provided. Returned payments must not be entered into EARS or CORE. Upon receipt of the returned payment Contractor shall make the following attempts to contact client:
1. Make every reasonable attempt to contact client within five (5) working days of receiving the returned payment during the contract term. The following shall constitute a reasonable effort and be maintained in the client file:
    - a. One phone call attempt stating the client has the option to reclaim the returned payment and provide Contractor with the updated



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- vendor information to reissue the returned payment amount; or
- b. One letter to the client stating the option to reclaim the repayment and provide Contractor with the updated vendor information to reissue the returned payment amount.
2. Hold the returned payment for the client for 10 business days subsequent to all attempts to contact the client.
  3. If the client does not contact Contractor within the above time frames the returned payment shall be added to the current WPO allocation tracking log.
  4. If Contractor is unable to identify the client of the returned payment the payment can be added to the current WPO allocation tracking log.
- B. Contractor may expend returned payments on WPO services during the term of this Agreement. Contractor shall report all such expenditures, along with remaining unexpended returned payments, at the close-out of this Agreement or at such other time(s) as CSD reasonably requires.
  - C. Contractor's unexpended returned payments at the close-out of this Agreement shall be returned to CSD.
  - D. Returned payments received after the close-out of the contract shall be promptly returned to CSD.
  - E. If Contractor is unable to determine the returned payment is funded from the current contract, the returned payment shall be promptly returned to CSD.

**5.4 Allowable Costs**

- A. Cost Reporting
  1. All costs shall be reported using a "modified accrual" or "accrual" method of accounting.
  2. 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

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- a. Administrative costs shall not exceed the amounts as set forth in allocation spreadsheet.
  - 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, accounting, auditing, monitoring assistance, office supplies, and like services necessary to sustain the direct effort involved in administering the program or an activity providing services to the program.
2. Contractor shall use Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards (45 CFR Part 75) as a guide for determining administrative costs.

## 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. Assurance 16

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

## 3. Intake

Intake shall be allocated at 8% of the Weatherization Budget and 8% of the ECIP/HEAP Direct Services/ Utility Assistance Budget. Reimbursement shall be limited to actual cost up to 8% of Final Allocation. Intake in excess of 8% may be charged as an administrative cost not to exceed allowable administrative cost maximum.

## 4. Outreach

Outreach shall be allocated at 5% each of the Weatherization, ECIP/HEAP and Direct Service/ Utility Assistance, Assistance budgets. Reimbursement shall be limited to actual cost up to 5% of Final allocation.

## 5. Training and Technical Assistance

Training and technical assistance shall be allocated up to 5% of the total

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Weatherization allocation and up to 2% of the total ECIP/HEAP allocation based on the total contract 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 5% of Weatherization allocation, and 2% of ECIP/HEAP allocation.

- a. 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.
- b. Associated training and technical assistance costs may include costs related to travel, admission, materials, and actual salaries/wages. Subcontractor training costs are limited to travel, admission and materials.
- c. Training and technical assistance shall include costs associated with the completion of weatherization-related training as specified in the Training Requirement of Article 9.1 of this Agreement. Training may include, but not limited to, 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, CSD training may include Local Service Provider's Meeting and Association of California Community and Energy Services Roundtable Meetings, and/or other organizations offering a component of weatherization training, and/or is necessary to carry out the direct delivery of services, and/or DAP Solar Training.

### 6. Acquisition Costs

Minor Field Equipment Less Than \$5,000 – Acquisition Costs. Minor Field Equipment costs under \$5,000 per unit must follow all federal and state rules and regulations governing LIHEAP pertaining to procurement standards.

### 7. Other Program Costs:

- a. Other Program Costs. Those Other Program Costs shall mean the actual costs associated with field staff wages, program management and support wages, ancillary supplies, disposal fees, lodging and per diem, vehicle and equipment repair, maintenance, and fuel, and waste breakage.

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- b. 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).

9. General Operating Costs

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

10. Automation Cost

- a. Contractor can expend funds to the Automation Costs (AC) in an amount not to exceed \$5,000, to be used to meet contract program startup requirements such as IT automation needs to comply with updated or new Expenditure Activity Reporting System, Weatherization Database and Core (“CSD System”) requirements or contractual reporting requirements programmatic in nature, related to CSD System IT expenses, and with ongoing programmatic IT expenses. AC funds are not limited exclusively to CSD System -related IT expenditures but any IT expense related to CSD System costs incurred including necessary training on upgrades to Contractor’s system.
- b. Contractor shall report all automation and IT expenditures related to compliance with the reporting requirements under this agreement in the Automation Costs line item. Such expenditures may include, but not be limited to, computer and IT equipment; approved front-end database acquisition and ongoing subscription costs; IT security implementation costs; and IT systems training. All costs reported in this line item must be directly related to program functions. IT costs related to administrative functions shall be reported as administrative costs pursuant to the Uniform Administrative Requirements, Cost Principles and Audit Requirements for HHS Awards (45 CFR Part 75).

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- c. CSD System-related IT costs charged to the AC shall be submitted for reimbursement in accordance with CSD's normal reporting and accounting procedures.
- d. CSD System-related IT costs that exceed the maximum AC amount of \$5,000 may not be reimbursed by CSD.
- e. Services procured by Contractor in order to implement updates to Contractor's 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.

## 11. Weatherization Program Activities

Weatherization 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, environmental inspections, permits, Home Energy Rating System (HERS raters), and lead-safe weatherization materials.

## 12. 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, permits, HERS raters, lead-safe weatherization materials, and diagnostics all as further defined by the ECIP Policy and Procedures. The ECIP Policy and Procedures is hereby incorporated by reference to this Agreement and available on the CSD Providers' Website at <https://providers.csd.ca.gov/Energy/Contracts/DocumentsIncorporatedbyReferenceEnergy.aspx>.

**5.5 Service Area Expenditure**

- A. If Contractor provides only some DAP services to a Service Area, e.g. weatherization services only or utility assistance services only and another contractor provides other DAP 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 allocation applicable to the services it provides. Contractor's Service Territory includes a Service Area in which the 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 DAP services provided by Contractor in multiple Service Areas;
  2. Contractor provides only some of the DAP services in multiple Service Areas under the terms of this Agreement; or
  3. Some combination of 1 and 2 above.
- 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, workers' compensation, and general operating portion of 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.

### 5.6 Reimbursement Guidelines

#### A. Claims for Reimbursement

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 DAP, LIHEAP and DOE funds and services are provided concurrently in the same unit.

#### 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

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Contractor may claim reimbursement for ECIP WPO expenditures 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 CSD Dwelling Assessment Form (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. All completed units shall be submitted for payment within 90 days of completion or by the due date of the last reporting period of this agreement, whichever is less. A completed unit shall not be carried over into another contract period, except when there are insufficient funds to cover a portion or the entire cost of the dwelling. In the event a completed unit is billed in the subsequent contract, the agency must also ensure that the applicant meets the income eligibility requirements.
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. 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.

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- 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 dwelling assessment, as defined in the Definitions, 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 re-weatherization 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 a 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 DAP, 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, weatherization, LIHEAP, or DOE weatherization per weatherized dwelling. HERS rater fee and permit reimbursement include subcontractor cost, staff time on job site, and fees that will be reimbursed based on the actual cost.
- c. Labor Reimbursement



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- i. Contractor shall bill the number of actual labor hours and actual labor cost incurred by weatherization crew members or other persons associated with the installation, assessment and inspection of weatherization measures, removal of debris and appliances, the procurement of permits and services performed by HERS raters.
  - 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 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. 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.
- 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.

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- 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 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.

- 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, disposal of appliances and materials, building and prepping of weatherization materials away from the job site and downtime in accordance with any guidance issued by CSD.

- 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 DAP 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 DAP Weatherization and EHCS program activity, including but not limited to: job scheduling, collating and aggregating of weatherization activities and materials, obtaining permits, 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

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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 DAP ECIP EHCS, or Weatherization per appliance and building material waste. Disposal fee reimbursement includes the actual cost of the fee.

## v. Vehicle and Equipment Repair, Maintenance and Fuel

(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, fuel and oil.

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

## vi. 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 and 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.

## vii. Ancillary Supplies

Ancillary supplies are additional low-cost materials or supplies (such as nuts, bolts, screws, and washers) 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 in inventory and not associated with materials

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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 ii below, Contractor shall not report a weatherized dwelling as completed nor shall Contractor request reimbursement for a weatherized dwelling until all weatherization measures identified by Contractor during the dwelling assessment have been installed, and inspected by a Quality Assurance Inspector, and all inspection fails have been resolved.
- ii. In accordance with the CSD Weatherization Field Guide, a dwelling shall also be considered complete if:
  - (a) The entire dwelling was required to be deferred;
  - (b) The dwelling had limited deferrals, or the client refused feasible measures, but all other feasible measures were installed; or
  - (c) The dwelling received an assessment and /or diagnostics and no other weatherization measures.
- 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 shall be documented in the client file and, the job shall 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 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

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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. Building Permits

- i. Contractor shall obtain all required permits prior to the commencement of all work performed, unless work is performed as a result of an emergency requiring immediate action where there is an imminent danger and requesting a permit would hinder the Contractor's ability to resolve the emergency. If an emergency is remedied, Contractor shall apply for a permit as soon as reasonably possible.
- ii. Any penalties or fines imposed on Contractor or subcontractor by the local authority or building department are not allowable costs.

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 DAP, LIHEAP and DOE, or any other funding source, are used concurrently in the same unit.
- ii. Contractor shall not divide materials and labor cost of a single measure among DAP, 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.

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- 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.

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## ARTICLE 6 – REPORTING POLICIES AND PROCEDURES

## 6.1 Reporting Requirements

## A. General

1. Contractor shall submit required client/job detailed data for Weatherization and ECIP EHCS activities to CSD's Weatherization Database on a monthly basis, for the period in which the service activity occurred and for which reimbursement for the service activity is requested.

Similarly, adjustments shall be submitted for the monthly period in which services occurred.

2. Contractor shall request reimbursement for expenditures associated with all contract activities (excluding ECIP Fast Track and HEAP Electric and Gas) by reporting in the Expenditure Activity Reporting System (EARS), in accordance with CPN-E-19-002; Energy Policies and Procedures, which is available online at:  
<https://providers.csd.ca.gov/Home/AllCSDCPAsCPNs.aspx>.
  - a. Expenditures for Admin, Assurance 16, Intake, ECIP WPO, HEAP WPO, ECIP EHCS, and EHA-16 program costs shall be reimbursed through the LIHEAP Monthly EHA 16 Expenditure Activity Report via EARS;
  - b. Expenditures for Weatherization Program Costs and Activities shall be reimbursed through the LIHEAP Monthly Weatherization Expenditure Activity Report via EARS.
  - c. Contractor shall submit adjustments in accordance with CPN-E-19-002.
  - d. Payment to Contractor for any given month shall be contingent upon receipt and approval by CSD of the preceding monthly submission.
3. Contractor shall ensure that the data reported in the Weatherization Database and the request for reimbursement reported in EARS, reconcile in accordance with CPA-E-18-005.
4. Contractor shall submit client details electronically to CSD's Combined Outcome Reporting Engine (CORE) for ECIP Fast Track, HEAP Electric and Gas, ECIP WPO, and HEAP WPO.

Contractor shall submit to CORE, applications that have received a pledge

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for ECIP Fast Track or HEAP Electric and Gas to CORE, within the timeframe specified in the Direct Pay Utility Pledge Timeframe document located on the Contract page of the CSD Provider website.

5. Contractor shall submit requested client files, records, and documents to the File Transfer Protocol (FTP) Server as requested by CSD. CSD shall use Contractor submitted documents to perform an in-house desk review to verify compliance with financial, administrative, and programmatic requirements.
6. Reporting System Requirements
  - a. CSD will provide Contractor with specifications of minor IT reporting changes or other minor changes, and upon receipt of the specifications, Contractor shall implement system changes in their local system within 30 days. Minor changes are those that are routine in nature to begin the contract such as but not limited to adjustments to the Expenditure Activity Report layout, adding or deleting measures and adjusting eligibility guidelines.
  - b. Major reporting changes, upon receipt of the specifications, shall be implemented in Contractors local system as negotiated by CSD. Major IT system changes are those changes made to the business rule validations as listed in the most current Weatherization Data Transfer Rules and/or new field lines as outlined in the Data Transfer Reference Document (Schema-Breakdown). The most current Weatherization Data Transfer Rules and Data Transfer Reference Document (Schema-Breakdown) are located on the CSD Providers' Website on the System Specification website page.

### B. CSD Review and Approved Reports

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.

### C. Close-out Report



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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 and return all unexpended funds to the State within 90 calendar days after Contractor fully expend or the expiration of this Agreement.
  - a. Administrative costs, outreach, intake, Assurance 16, Training and Technical Assistance shall not exceed the maximum allowable amounts.
  - b. Administrative and Assurance 16 costs shall remain 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 Contractor fully expends or the expiration 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 after Contractor fully expends or 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. DAP Close-out Reconciliation Report (CSD 733F); and
  - c. Equipment Inventory Schedule (CSD 733G);
  
4. Interest Income
 

Contractor shall use the CSD 733F, DAP Close-out Reconciliation Report, to report actual costs and/or interest income earned and expended.
  
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, CSD shall determine how the materials will be disposed and what, if any, financial adjustments are required.

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### ARTICLE 7 – PROGRAM POLICIES AND PROCEDURES

#### 7.1 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 Weatherization Installation Standards (WIS);
  - b. CSD DAP Measure Standards (DAPMS)
  - c. CSD Weatherization Field Guide
  - d. CSD Inspection Policies and Procedures;
  - e. CSD Program Health and Safety Appliance Replacement Policy;
  - f. ECIP Policy and Procedures;
  - g. Official State and Federal Program Notices and Guidance Documents;
  - h. Current Eligibility and Verification Guide;
  - i. Weatherization Data Transfer Rules; and
  - j. Utility Assistance Data Transfer Business Rules

Upon signing the CSD contract, Contractor is acknowledging receipt of all current technical manuals, policies and protocols.

2. In the event of inconsistencies between policies and field protocols contained within the Weatherization Installation Standard Manual, Field Guide, the DAP Measure Standards, and this Agreement, Contractor shall abide by the terms of this Agreement.
3. Equitable Treatment. Contractor shall ensure that owners and renters receive equitable treatment under this program.

##### B. Regulations

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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.

## 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/Energy/Weatherization/ClimateZonesWeatherStations.aspx>.
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

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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 d minimis levels are disturbed, require the successful achievement of lead-safe standards after the completion of weatherization services. Contractor shall assure that a third-party California Certified Inspector/Risk Assessor performs the clearance inspection after the completion of weatherization services and that the Assessor deems the weatherized HUD unit as lead safe.
3. Contractor shall document notification to tenants of multi-unit housing of weatherization and/or renovation activities in common areas using the Notice of Weatherization/Renovation (CSD 320) or approved Contractor's equivalent and Record of Tenant Notification Procedures (CSD 322) or approved Contractor's equivalent.

### 7.2 Prioritization of Services

- A. Contractor assures that ECIP, HEAP, and Weatherization activities are conducted in accordance with the 2020 LIHEAP Agency Local Plan.
- 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.

### 7.3 Service Priority Guidelines

- A. Contractor shall give first priority for services to those households with the lowest income, 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 Electric and Gas, ECIP WPO and HEAP WPO program components, Contractor shall assign prioritization points consistent with the 2020 LIHEAP Agency Local Plan.
- 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

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2. Weatherization services to dwellings previously weatherized under LIHEAP within the past four years. Contractors shall prioritize services to previously weatherized dwellings in accordance with the Agency Local Plan.

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.

### 7.4 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 DAP services and have an opportunity to apply for such services.

B. Intake

Contractor shall use intake program funds for determining eligibility of applicants seeking DAP 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 DAP 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 DAP Weatherization, 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 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.

C. Applicant Written Notification of Benefits

Within 15 working days of receiving an application Contractor shall provide the applicant written or electronic notification of the application status, indicating whether the application has been: approved, denied, deemed incomplete or is still pending review.

1. If approved, the notice shall indicate the nature and an approximate timeframe in which the utility assistance payment will be provided and when weatherization services may be scheduled or if a referral was made to for weatherization services. The name of the utility company and the amount of the benefits also shall be included in the notification, for Utility Assistance.
2. If denied, the notice shall indicate the reason for the denial and information regarding the appeal process.
3. If incomplete, the notice shall indicate what additional information or documentation is required.
4. If pending review, the notice shall provide a revised estimate of when the status of the application will be determined. Contractor must follow-up with a notification when a determination has been made.

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5. If added to the waitlist for weatherization and the application is not processed, the notice shall provide the amount of time the application will be kept on file, disclaimer that the applicant is not guaranteed services and how applications are prioritized for services.

### 7.5 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. Contractor may leverage with other CSD programs to meet Assurance 16 Activity Guidelines. These funds may not be used to identify, develop, and/or demonstrate leveraging programs.

#### A. Needs Assessment

Contractor shall conduct a needs assessment for each client who submits an application that shall include computing the energy burden of each applicant's household.

#### 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. 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. Contractor shall provide the EPA pamphlet, "Renovate Right: Important Lead Hazard Information for Families, Child Care Providers and School."

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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.”

### 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.

### 7.6 Leveraging Activities

- A. When ECIP EHCS services are provided contractor shall refer, schedule or recommend a subsequent weatherization assessment, in accordance with the CSD Weatherization Field Guide, DAP Measure Standards.
- B. 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



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disclosure of such information, Contractor shall as a minimum make reference to the leveraged activity within the weatherization and/or ECIP client file.

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

### 7.7 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. Contractor shall make a reasonable effort to collect the completed Client/Customer Consent Form and Authorization to collect energy usage data when the client applying for services is not the person listed as the account holder of the utility bill. Client services shall not be denied if the client or bill account holder refuses to sign the consent form.
- D. All Client Files – General Requirements

Contractor shall maintain a separate file for each applicant by either a hard copy or electronic file, or a combination of both. Contractor must ensure that the method selected to maintain files does not impose unreasonable effort in CSD's ability to review any files. 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. Multi-Family Property Intake Form (CSD 43MFP) or approved Contractor's Equivalent;

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4. Utility/energy bill(s) for all sources of energy used by qualified households;
5. Documentation supporting eligibility in accordance with the Eligibility and Verification Guide;
6. 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; and
7. Client denial or approval letter in accordance with Eligibility and Verification Guide;
8. Client/Customer Consent Form and Authorization (CSD 081) – Only requested when the client is not the account holder of the utility bill.

## E. 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).

## F. 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 series) or approved Contractor's equivalent;
2. Combustion Appliance Safety Inspection (CASIF) (CSD 700 or CSD 702 series);
3. Shell Leakage Data Sheet (CSD 704);
4. Duct Test Data Sheet (CSD 706);

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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 Occupants (CSD 515A) or approved Contractor's equivalent;
10. Energy Service Agreement for Rental Property Owners (CSD 515B) or 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. Client confirmation of work completed;
15. Required building permits or buildings permit applications, or documentation of permit cost; and documentary evidence of final permit;
16. Copy of lead clearance inspection by a California Certified Inspector/Risk Assessor for applicable pre-1978 HUD units;
17. Waivers from CSD to exceed maximum costs of weatherization measures;
18. Documentation that substantiates all actual labor hours including a time and activity log associated with each job;
19. Documentation of weatherization measures installed and leveraged with other CSD and non-CSD weatherization program funds;
20. Documentation that substantiates the criteria and basis for replacement of gas and electric appliances, including results of required diagnostic tests, and the non-feasibility of mandatory measures not performed or installed;
21. Documentation indicating the manufacturer, manufacture date, make, and model and metering information for all refrigerator replacements;

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22. Documentation referring to CSD or non-CSD weatherization;
23. Documentation of HERS inspection report and a copy of the invoice from the HERS rater, in addition to the Residential Compliance Form (CF-1R, CF-4R and CR-6R);
24. Documentation providing evidence that the client receiving disaster-related services was a victim of a natural disaster;
25. Photographic documentation as required by DAP Measure Standards, WIS and CSD Weatherization Field Guide;
26. Building File Report (BFR) and Improvement Analysis Report (IAR) in each client file and retention of electronic audit file;
27. Documentation of attempts to schedule post-weatherization inspection appointments if inspection could not be performed;
28. Lead Safe Weatherization and Lead Renovation, Repair and Painting Compliance Report (CSD 708);
29. Notice of Survey by Electrical (CSD 543);
30. REM Energy Audit Entry Form (CSD 544);
31. Insulation Certificate (CSD 610); and
32. REM/Design Multi-Family Input Sheet (CSD 808).

## G. Translation of Forms

Contractor shall use a certified translator deemed qualified by the Contractor when translating CSD forms that require a client/customer signature into a foreign language.

## H. 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.

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- c. Contractor shall maintain documentation in such a manner to prove that materials used under this program conform to the requirements contained within the CSD Weatherization Installation Standards and state, county, or local regulations.

### 2. Training

Contractors who perform weatherization and ECIP EHCS services are required to input, update, and maintain employee data in the CSD Training Database. The Training Database is located and maintained on the CSD Providers' Website and is a repository for Contractor and their subcontractors to track and monitor 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.

- a. CSD shall maintain all training records in the Training Database for trainings completed through the CSD Online Weatherization Training Center, CSD-approved Training Centers, and field or classroom training provided by CSD or its agents.
- b. Contractors shall maintain all training records in the Training Database for trainings provided by third parties for OSHA 10, OSHA 30, and EPA Renovator certifications as designated by CSD.
- c. Contractors shall be responsible for maintaining the required training records in the same manner for their subcontractors.
- d. Contractors shall update the Training Database employee information on or before the first 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 shell leakage testing and duct leakage diagnostic tests shall maintain the Manometer Calibration Log (CSD 786) documenting the calibration of all manometers as required.

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4. Energy Audits
  - a. Contractor shall maintain electronic records generated from the REM/Design audit software for the required period of three years from submission of final report or until resolution of all related audit or monitoring findings, enforcement action, including cost disallowance, legal proceedings or other pending matters, whichever is later in accordance with Section 4.3.
  - b. Contractor shall make all records generated from the REM/Design audit software accessible to the State, or a third-party inspector acting on the State's behalf, for the purpose of a third-party inspections or monitoring.

## I. Automation

1. Contractor shall use an automated application system capable of supporting DAP'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 WX Data Transfer Rules layout found at <https://providers.csd.ca.gov/ReportingSystems/WXDatabase.aspx>. Contractor shall exercise best practice and perform a daily backup of all client data/application systems that capture DAP service detail. Contractor shall assure that adequate files are maintained as required in Article 7.7.
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 (Fast Track) 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 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/Energy/HelpDesk.aspx>.
  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. In addition to receiving one ECIP (Fast Track/WPO) or HEAP/WPO payment and/or supplemental 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. HEAP WPO and 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 form or approved Contractor's equivalent process that confirms payment was made to the client's account. If the client does not have an account, confirmation of the delivery of the benefit to the client is required.
  2. Contractor shall make payments directly to energy vendors on behalf of clients whose energy sources are wood, propane, or oil.
  3. CSD will not make payments to clients for WPO assistance.

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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. DAP weatherization services shall be leveraged with LIHEAP or DOE. Income eligibility shall be determined by the leveraged either LIHEAP or DOE contract.
2. Income verification must be for one month. For acceptable types of documentation, refer to the current Eligibility and Verification Guide at <https://providers.csd.ca.gov/Energy/HelpDesk.aspx>.
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.
5. The income certification shall remain in effect for a period of 120 days from the date applicants are deemed eligible for services.

#### B. Dwelling Eligibility

1. 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 household's income eligibility, prior to commencing the delivery of any form of weatherization assistance service including the dwelling assessment.
2. Post-Combustion Appliance Safety



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- a. Contractor shall complete the post-combustion appliance safety test within 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.
- b. For dwellings previously weatherized by LIHEAP where DAP measures will be assessed, a new pre-combustion appliance safety test will be required if more than 60-days has passed from the time of the final post-combustion appliance safety test.
3. Contractor shall complete weatherization services within six 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-month period, Contractor shall obtain updated income verification documentation to recertify the household's income eligibility.
4. Permission to Provide Services
  - a. Contractor shall obtain written permission of the owner-occupied dwelling from the tenant and the owner (or owner's agent) to perform any weatherization services. Such permission shall be recorded on the Energy Service Agreement for Occupant (CSD 515A) or approved Contractor's equivalent or the Service Agreement for Rental Property Owner (CSD 515B) or approved Contractor's equivalent.
  - 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 permission of the owner-occupant dwelling from the owner of a rental unit prior to continuing with the scheduled work.
5. 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

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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 building.

#### 6. Multi-Unit Dwellings

- a. In accordance with 10 CFR 440.22(b) (2), Contractor may weatherize the whole building containing rental dwelling units when 66% (50% for duplexes and four-unit buildings) or more of the dwelling units in the building are income eligible:
  - i. Are eligible dwelling units, or
  - ii. The dwelling units will become eligible (occupied by eligible low-income tenants) within 180 days under a federal, state, or local government program for rehabilitating the building or making similar improvement to the building.
- b. If dwelling units are qualified for services through a federal, state, or local government rehabilitation program, documentation to verify participation in the rehabilitation program is required in the master job file.
- c. Contractor shall complete a Multi-Unit Dwelling Unit Eligibility Certification (CSD 75P) or approved Contractor's equivalent for each building and shall maintain a copy in each individual client file.
- d. 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 is not acceptable.
- e. No undue or excessive enhancement shall occur to the value of the dwelling units.

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## 7. DAP 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, unless the work performed is for a call-back as specified in item 8 below.
- b. A previously applied measure may be reinstalled during its useful life term, as described in the 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 re-weatherized dwellings.

## 8. Callback

Services provided in a previously weatherized dwelling to correct a previously installed measure within the warranty period or as a result of a CSD inspection finding is a call-back and is allowable. Demographics for a callback are not included for reporting purposes.

## 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.
- 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 Occupant (CSD 515A) or Service Agreement for Rental Property Owner (CSD 515B).
- 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. Dwellings Previously Weatherized by LIHEAP

Contractor may install DAP measures when the dwelling has been previously weatherized under LIHEAP.

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1. For the purpose of this Agreement, the LIHEAP contract income certification shall remain in effect for a period of 365 days from the eligibility certification date.
2. Dwelling Eligibility
  - a. Contractor shall perform the assessment of weatherized dwellings within 365 days of the LIHEAP eligibility certification date to receive weatherization assistance services.
  - b. Contractor shall complete weatherization services within 90 days from the date of the assessment of a dwelling. In the event the Contractor is unable to perform all weatherization services within the 90-day period, Contractor shall obtain updated LIHEAP income verification documentation to recertify the household's income eligibility.
  - c. Contractor shall assess for health and safety for all eligible dwellings to receive DAP measures. For previously weatherized dwellings, Contractor shall confirm that health and safety conditions identified on original assessment has not changed and document any change in conditions on original assessment form. If the original assessment has expired, a new Dwelling Assessment shall be performed.

### D. Dwelling Assessments

1. Contractor shall assess the dwelling of each eligible applicant to determine if the unit is structurally sound and not in need of extensive repairs.
2. 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.
3. Contractor shall ensure job separation between staff performing dwelling assessments and the crew personnel responsible for performing the actual installation of weatherization measures. Assessors may not install weatherization measures in the same dwelling where the assessor performed the assessment for weatherization services.
4. If Contractor elects to subcontract with entities outside of CSD's network of local service providers for the full installation of weatherization measures, the subcontractor performing the installation of weatherization measures shall not perform the dwelling assessment. Contractor shall

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ensure job separation by using Contractor's staff or another subcontractor to perform the dwelling assessments.

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 any significant structural and engineering changes required to complete the weatherization work before the specified work commences.
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.
  - b. 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

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cases, infiltration reduction measures may not be installed until the hazard has been corrected; however, Contractor may install non-infiltration reduction measures.

- c. If the dwelling unit is not eligible because of the need for extensive repair, the unit shall not be serviced, and the applicant should be referred to the local Housing and Community Development Department, U.S. Farmers Home Administration Housing Loan Program, or other similar organizations or programs.
  - i. Documentation of such ineligibility due to the need for extensive repairs shall be recorded on the CSD Weatherization Deferral (CSD 542).
  - ii. If the applicant can obtain the necessary repairs to make the dwelling unit eligible for weatherization services, weatherization activities may be accomplished following the repair work.

- 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. Energy Audit Requirements

- 1. If all feasible measures classified under Health and Safety, Infiltration Reduction and other Mandatory Measures have been assessed, Contractor may assess additional measures utilizing the Energy Audit Requirements by conducting a REM/Design or Targeted Retrofit Energy Analysis Tool (TREAT) audit in accordance with CSD Single-Family/Small Multi-Family Energy Audit Protocol, CSD Multi-Family Energy Audit Protocol.
- 2. Energy audits shall be conducted as specified in the CSD Single-Family/Small Multi-Family Energy Audit Protocol (CSD Weatherization Field Guide, Appendix D and Appendix F) incorporated by reference to this Agreement and available on the CSD Providers' website at <https://providers.csd.ca.gov/Energy/Weatherization.aspx>.
  - a. REM/Design energy audit tool may be applied to single-family dwellings, mobile homes, and multi-unit dwellings containing 24

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or fewer dwelling units where each unit is independently heated and cooled and has its own domestic hot water heater.

- b. Targeted Retrofit Energy Analysis Tool (TREAT) may be applied to all multi-unit dwellings except for those multi-unit dwellings that are qualified to use REM/Design.
- F. Occupant Notification. If, in accordance with the provisions of this article, any notice to an occupant is required, notice shall be in writing and a copy of such notice shall be given to the owner of the unit, when the unit is occupied by a non-owner occupant, or when the unit is vacant.

### 8.3 Energy Crisis Intervention Program (ECIP) Services Activity Guidelines

#### A. Purpose of ECIP Funds

ECIP funds may only be used to resolve emergencies as defined below:

1. A significant home energy supply shortage or disruption,
2. An official declaration of a significant increase in:
  - a. Home energy costs,
  - b. Home energy disconnections,
  - c. Enrollment in public benefit programs, or
  - d. Unemployment and layoffs, or
3. In those situations where there is not an official federal, state, or local declaration of emergency, i.e., an undeclared or a significant home energy supply shortage or disruption that affects a low-income individual, an emergency will be deemed to exist by CSD where there is imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.

#### B. Capacity and Responsibility to Provide Emergency Assistance

1. In accordance with federal and state law and ECIP Policy and Procedures, Contractor must be qualified and capable of carrying out an energy crisis intervention program that provides timely and effective emergency assistance as described below, that resolves the energy crisis.

Once applicants meet the eligibility and prioritization criteria and funds are available, Contractor shall:

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- a. Within 48 hours after a household applies and is determined to be eligible for ECIP, provide assistance in the form of a payment guarantee to the appropriate gas or electric vendor or a WPO payment that will resolve the energy crisis.
  - b. Within 18 hours after a household applies and is determined to be eligible for ECIP, provide assistance in the form of a payment guarantee to the appropriate gas or electric vendor or a WPO that will resolve the energy crisis if such household is in a life-threatening situation.
2. Contractor agrees to provide all reasonable information requested by CSD during the term of this Agreement in order to enable CSD to assess the adequacy of Contractor's current energy crisis intervention program and Contractor's ability to implement the program.
  3. Federal and state law permit the allowability of costs to the ECIP only where the costs are used to provide emergency assistance in an energy crisis. In addition to all other provisions in this Agreement permitting, restricting, or otherwise relating to ECIP costs, such costs are allowable only upon adequate demonstration by the Contractor that the related activities meet the definition of "emergency" as specified in federal law and this Agreement.
- C. ECIP Fast Track and WPO
1. Applicant Eligibility
    - a. Assistance shall be available only to households with incomes that do not exceed an amount equal to 60% of the State median income.
    - b. Income verification must be for one month and current within six weeks of the application intake date or an annual award letter. For acceptable types of documentation, refer to the DAP Eligibility and Verification Guide. Contractor shall maintain appropriate documents in each applicant's file.
    - c. 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.
    - d. Conditions for ECIP services must meet the criteria for an emergency, ECIP Policy and Procedures.
    - e. ECIP Fast Track Utility Assistance



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- i. The applicant must receive energy services and be billed directly by one of the following energy providers: a utility company (-ies) and/or a mobile home park that owns its own power source(s) or a submetering billing service with the statutory authority to shut off utility services.
  - ii. For purposes of the present paragraph C, an emergency energy-related crisis does not exist if the cost of energy is included in the applicant's rent, and Contractor may not make ECIP Fast Track payment(s).
- f. In addition to the applicant eligibility criteria listed above, services for ECIP Fast Track and ECIP WPO may not be provided unless at least one of the following criteria pertains and is documented or certified by Contractor:
- i. Proof of utility shutoff notice;
  - ii. Proof of energy termination;
  - iii. Insufficient funds to establish a new energy account;
  - iv. Insufficient funds to pay a delinquent utility bill; or
  - v. Insufficient funds to pay for essential firewood, oil, or propane.

## 2. ECIP Fast Track Benefit Determination

ECIP Fast Track benefits shall be determined using the base benefit amount and, when applicable, an agency-determined supplemental benefit amount. Contractors shall issue ECIP Fast Track benefits in accordance with the following:

- a. Contractor shall ensure that the total ECIP Fast Track benefit amount (Base benefit amount plus supplemental benefit amount) is limited to and does not exceed the total amount due (at the time of intake) to the utility company for energy charges, reconnection fees, and other assessed utility fees/surcharges in order to alleviate the crisis situation.
- b. When only issuing the base benefit amount (no supplemental payment), Contractor may exceed the total amount due to the utility company in energy charges, reconnection fees, delinquent utility bill establishing arrearages and/or past due balances, and other assessed utility fees/surcharges to alleviate the crisis situation.

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- c. Contractor shall ensure that the maximum total ECIP Fast Track benefit amount (Base benefit amount plus supplemental benefit amount) does not exceed \$1,000. If Contractor uses supplemental funds to provide a ECIP Fast Track payment, the total payment cannot exceed \$1,000.
  - d. Contractor shall provide full justification for benefits paid by documenting the client file(s) to include the amount of charges and verification by the utility company.
  - e. Contractor shall review, check for duplicates, and approve applications in accordance with the current Eligibility and Verification Guide.
3. ECIP Fast Track/WPO Payment Guidelines
- a. Eligible households may receive only one ECIP Fast Track/WPO, or HEAP/WPO payment per program year; however, Contractor can use 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, eligible households may receive ECIP EHCS services and/or other weatherization services, if needed.
  - b. Contractor shall ensure that the maximum total ECIP WPO benefit does not exceed \$1,000. If Contractor provides a supplemental ECIP WPO payment, the total payment cannot exceed \$1,000.
  - c. Contractor shall 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.
  - d. When a HEAP payment or ECIP Fast Track payment has been made directly to an energy vendor, notification of payment(s) shall be shown as a credit on the utility bill(s).
4. ECIP WPO Payment Guidelines Specific
- a. Contractor shall complete the ECIP/HEAP Payment Request Confirmation (CSD 415) or approved Contractor's equivalent form or approved Contractor's equivalent process that confirms payment was made to the client's account. If the client does not have an account, confirmation of the delivery of the benefit to the client is required.

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- b. Contractor shall make payments directly to energy vendors on behalf of clients whose energy sources are wood, propane, or oil.
- c. CSD will not make payments to clients for WPO assistance.
- d. Before paying energy vendors, Contractor shall verify that charges for the services and goods provided are reasonable and within fair market value.
- e. 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.
- f. 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.

### D. ECIP Emergency Heating and Cooling Services (EHCS)

#### 1. Applicant Eligibility

Eligibility of the applicant shall meet all requirements for eligibility as described in the Weatherization Activity Guidelines specified in Article 8.2., subsection C.

#### 2. Dwelling Eligibility

Eligibility of the dwelling shall meet all requirements for eligibility as described in the Weatherization Activity Guidelines specified in Article 8.2., subsection C.

#### 3. Dwelling Assessments

- a. Assessment of the dwelling shall meet all requirements as described in the Weatherization Activity Guidelines specified in Article 8.2., subsection C.
- b. Work crews of Contractor who are only performing heating and cooling services shall not be required to perform the entire CAS test and may limit the testing to only the heating and cooling appliances to be repaired or replaced.

#### 4. Allowable Services

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ECIP EHCS may be used for the repair, replacement, and new installation of heating/cooling and water heating appliances identified in the ECIP Policy and Procedures and must meet the following criteria:

- a. The applicant is income eligible and submits the required documentation to complete the eligibility of the dwelling;
- b. The applicant has insufficient funds to pay the cost of repairing or replacing an eligible heating or cooling appliance or for a new heating or cooling appliance;
- c. The appliance condition meets one of the appliance repair/replacement criteria as defined in the ECIP Policies and Procedures; and
- d. The services to mitigate and completely resolve the emergency and satisfy the relevant emergency assistance meet the timeframes as defined in the ECIP Policies and Procedures.

### 8.4 ECIP Fast Track and HEAP Electric and Gas Pledge Guidelines

- A. Contractor shall pledge all applications where the Contractor has determined the applicant has a qualifying emergency as specified in subparagraph C.1.f of Section 8.3, regardless if the benefit is issued under ECIP Fast Track or HEAP Electric and Gas, provided that the application meets the eligibility and prioritization criteria and Contractor's Utility Assistance funds are available.
- B. After a pledge has been made, Contractor shall submit the application to CORE as specified in subparagraph A, of Section 6.1.
- C. Contractor shall determine the applicant has met the eligibility requirements prior to pledging. If an eligible applicant is subsequently determined to be ineligible, Contractor shall cancel the ineligible applicant's pledge with the Utility Company within five business days upon such determination.
- D. If the applicants pledge amount changes, Contractor shall adjust the pledge amount with the Utility Company.

### 8.5 Quality Assurance

#### A. Certification

Contractor, or its designee, shall establish a comprehensive, detailed, and fully documented Quality Control procedure to assess the quality and completeness of Weatherization and ECIP EHCS work performed under this Agreement. Such assurance will be documented on the CSD Dwelling Assessment Form (CSD 540)

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or approved Contractor's equivalent and shall be signed and dated by a certifying agency representative.

**B. Post-Weatherization Inspections**

1. Contractor shall perform Post-Weatherization Inspections on 100% of the total weatherized dwellings under this Agreement.
2. If Contractor is unable to perform a post-inspection, Contractor must demonstrate that a reasonable attempt was made to schedule or perform the post-inspection. Attempts must be fully documented on the CSD Post-Weatherization Inspection (CSD 611) and maintained in the client file. The following shall constitute a reasonable effort:
  - a. One phone call attempt plus one correspondence to client stating an attempt was made to inspect and offering client to reschedule; or
  - b. One missed appointment or a client refusal plus one correspondence stating an attempt was made to inspect and offering client to reschedule.
3. Post-Weatherization inspections shall be conducted for the purpose of assessing the quality and completeness of performed weatherization services and compliance with CSD weatherization guidelines. The post-inspection shall:
  - a. Verify that all measures were completely installed in accordance with said terms and conditions of this Agreement.
  - b. Verification that required CAS testing of eligible combustion appliances was performed and inspection of combustion appliances to verify the safe operating condition of combustion appliances within the dwelling residence; and
  - c. Inspection of the unit dwelling to ensure that all identified health and safety hazards, whether pre-existing or resulting from the performance of weatherization services, have been successfully remedied.
4. Contractor shall ensure that Post-Weatherization Inspections are performed by trained staff successfully completing all required training as specified in Article 9.1., Training Requirements.
5. Contractor shall ensure job separation between staff performing post-weatherization inspection activities and weatherization crew personnel

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performing the physical installation and performance of weatherization measure services funded under this Agreement.

6. If Contractor elects to subcontract with entities outside of CSD's network of local service providers for the full installation of weatherization measures, the subcontractor performing the installation of weatherization measures shall not perform the post-weatherization inspection activities. Contractor shall ensure job separation by using Contractor's staff or another subcontractor to perform the dwelling assessments.
7. The Quality Assurance Inspector shall certify the performance of Post-Weatherization Inspections of dwelling units by completing and signing Contractor Post-Weatherization Inspection Report (CSD 611). Contractor shall retain a copy of the completed and signed form in the client file.

C. Third-Party Inspections

1. The State may use a third-party inspector to review and verify that the weatherization activities performed under this Agreement conform to applicable standards and practices.
2. Contractor or a ride-along (designated representative) shall accompany the inspector on client inspection visits and shall provide transportation and equipment to the inspector. When possible, Contractor shall make corrections during the client inspections visits.
3. Contractor agrees to remedy all Nonhazardous Conditions (nonhazardous work deficiencies) noted by the State or its designee within 20 working days of written notification.
4. Contractor must remedy all Hazardous Conditions resulting from weatherization measure installation in accordance with the CSD Field Guide.

D. Noncompliance

1. Contractor shall be subject to the withholding of any or all reimbursements for failure to completely resolve a Hazardous Condition in accordance with the CSD Field Guide. The reimbursement sanction will apply to the next fiscal reimbursement request associated with the program of the weatherized unit in question. The reimbursement sanction will remain in effect until Contractor successfully resolves the Hazardous Condition and confirms the resolution with CSD and the designated Inspection Contractor. The sanction will apply to all subsequent fiscal reimbursement requests of the primary funding source in question so long as the hazardous condition remains unresolved.

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2. If it is determined that the Contractor has failed to resolve an identified Hazardous Condition in accordance with the Hazardous Correction Work Plan, CSD may utilize the services of the designated Inspection Contractor to successfully resolve the delinquent Hazardous Condition. Contractor will assume responsibility for costs associated with the use of Inspection Contractor's services. The costs will include labor, materials, and travel equal to the Inspection Contractor's training and technical assistance hourly rate and the total amount will be withheld from the Contractor's next request for fiscal reimbursement.
3. If it is determined that the Contractor has incorrectly billed CSD because a measure was not installed, or the quantity installed is less than the quantity billed, Contractor shall install the billed measure or quantity, if feasible. In cases when a physical remedy is not possible, repayment of the labor and material costs for the non-installed measure or quantity will be withheld from subsequent reimbursements.
4. Contractor will be subject to Special Conditions, in accordance with Article 10.4, if it is determined that one or more of the following conditions exist:
  - a. Contractor has a history of unsatisfactory performance.
  - b. Identification of one or more Hazardous Conditions in dwellings weatherized by Contractor.
  - c. Failure to remedy an identified Hazardous Condition in a timely manner.
  - d. Substantial number of Nonhazardous Conditions and/or identified trends or patterns of nonconformance to installation criteria.

**STANDARD AGREEMENT****ARTICLE 9 – TRAINING, LICENSING AND CERTIFICATIONS****9.1 Training Requirements**

- A. All training, as indicated by employee classification in the LIHEAP Training Matrix located shall be provided through a CSD-approved training mechanism utilizing CSD-approved training curricula. In-house training shall no longer be an acceptable form of training to meet any CSD training requirements for weatherization services with the exception of EPA or HUD-approved Lead-Safe Weatherization Training or unless otherwise noted. Training coursework must be successfully completed according to the terms of each course. Certificates of completion shall be issued by the CSD-approved training entity upon successful completion of each course, unless where otherwise noted below.
- B. Training Provisions for Staff of Contractor and Subcontractors:
1. Within 30 days of employment, weatherization employees of Contractor and subcontractors shall receive Worksite Safety, Environmental Hazards Awareness and Lead-Safe Weatherization Training. An Assessor, Energy Auditor, Worker, Supervisor, or Inspector shall not be allowed to enter, assess, conduct an audit on, weatherize, or inspect a dwelling unit until the required Health & Safety, Environmental Hazards Awareness and Lead-Safe Weatherization Training has been completed.
  2. Within 90 days of employment, all weatherization employees of Contractor shall receive Basic Weatherization Training.
- C. Training Provisions Based Upon Job Duties:
1. When job duties included duct leakage and shell leakage diagnostics, weatherization employees of Contractor and subcontractors shall receive Duct Leakage/Shell Leakage Diagnostic Training. No employee of Contractor and subcontractor shall perform diagnostic testing without having completed the required training.
    - a. Subsequent to successful completion of the Duct Leakage/Shell Leakage Diagnostic Training, Contractor and subcontractor employees are required to participate in a monitored field practice under the supervision of a third-party inspector and/or training provider to further evaluate employee knowledge and skill in this area of diagnostic testing.
    - b. Contractor and subcontract employees failing to demonstrate appropriate knowledge and skills in this competency will be required to complete additional training to enhance deficient skill and knowledge and will be prohibited from performing this activity until the completion of required training.



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2. When job duties include Combustion Appliance Safety, weatherization employees of Contractor and subcontractors shall receive Combustion Appliance Safety Training. No employee of Contractor and subcontractors shall perform combustion appliance safety checks without having completed the required CSD-approved training.
  - a. Subsequent to successful completion of Combustion Appliance Safety Training, Contractor and subcontractor employees are required to participate in a monitored field practice under the supervision of a third-party inspector and/or training provider to further evaluate employee skill and knowledge in performing Combustion Appliance Testing.
  - b. Contractor and subcontractor employees failing to demonstrate appropriate knowledge and skills in this competency will be required to complete additional training to enhance deficient skill and knowledge and will be prohibited from performing this activity until the completion of required training.
3. When job duties include performing Assessments and/or Field Supervision, weatherization employees of Contractor and subcontractors who perform Assessments and/or Field Supervision shall receive Field Assessment and Field Supervision Training. No employee of Contractor and subcontractors shall perform assessments or supervision without having completed the required training. Certificates of Completion shall be issued following successful completion of the second phase (“field portion”) of the training.
  - a. Subsequent to successful completion of Field Assessment and/or Field Supervision Training, Contractor and subcontractor employees are required to participate in a monitored field practice under the supervision of a third-party inspector and/or training provider to further evaluate employee skill and knowledge in performing Assessments and/or Field Supervision.
  - b. Contractor and subcontractor employees failing to demonstrate appropriate knowledge and skills in this competency will be required to complete additional training to enhance deficient skill and knowledge and will be prohibited from performing this activity until the completion of required training.
4. Weatherization employees of Contractor and subcontractors who perform Quality Assurance Inspections and/or Field Supervision shall receive Quality Assurance/Inspector Training. No employee of Contractor and subcontractor shall perform inspections without having completed the required training.

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- a. Subsequent to successful completion of Quality Assurance/Inspector Training, Contractor and subcontractor employees are required to participate in a monitored field practice under the supervision of a third-party inspector and/or training provider to further evaluate employee skill and knowledge in Quality Assurance Inspections and/or Field Supervision.
  - b. Contractor and subcontractor employees failing to demonstrate appropriate knowledge and skills in this competency will be required to complete additional training to enhance deficient skill and knowledge and will be prohibited from performing this activity until the completion of required training.
- D. Training and technical assistance funds may also be used to train Contractor's subcontractors participating in the program and excludes on-the-job training. In making the determination to pay for subcontractor training, Contractor should secure a retention agreement in exchange for the training. The subcontract agreement should stipulate that the subcontractors will work in the program, for a minimum of 12 months.
- E. For weatherization services performed on HUD units, all work crews of Contractor and subcontractors who perform basic weatherization or specialty services are required to be trained in HUD-approved Lead-Safe Weatherization, although certification is not required. No employee of Contractor and subcontractors shall perform work in a pre-1978 HUD dwelling until the required training has been received. Although a crew supervisor can be certified as a HUD Lead Abatement Supervisor or Worker, it is not a substitute for the requirement of trained work crews.
- F. EPA Lead Renovator training is required per the EPA for all Contractors and subcontractors performing work on pre-1978 homes, where the work could potentially disturb lead-based paint.
 

For weatherization services performed on pre-1978 units, all work crews of Contractor and subcontractors who provide basic weatherization or specialty services are required to be trained in EPA-approved Lead Renovator practices, and firm certification is required. No employee of Contractor and/or subcontractors shall perform such work on a pre-1978 dwelling until the required training has been received.
- G. Contractor shall maintain and make available for reference to Contractor's employees and subcontractors who perform weatherization and ECIP EHCS services the following:
  - 1. CSD Weatherization Installation Standards;

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2. CSD DAP Measure Standards
  3. Other applicable policies and procedures; and
  4. Official State and Federal Program Notices.
- H. OSHA-10 is required for all crews, and OSHA-30 is required for all agency supervisors who are regularly on-site and monitor for field safety.

### 9.2 Contractor Licensing

Contractors, unless otherwise exempt or their subcontractors performing basic weatherization services under this Agreement shall comply with the following licensing requirements:

- A. Possess and maintain an active Class “B” General Building Contractor license, issued by the Contractors’ State License Board (CSLB) in the name of the agency/qualifying individual;
- B. Fulfill the requirements of, and receive certification pursuant to the Toxic Substances Control Act (TSCA), Section 402;
- C. Contractor is responsible for ensuring that all subcontractors have an active licensing and are in good standing for the duration of the subcontract agreement; and
- D. Contractor shall immediately notify CSD when any changes in licensing occur.

### 9.3 Special Licensing - Weatherization

- A. Special licensing may also be required for the installation as defined in the DAP Measure Standards. Electrical wiring upgrade/replacement and knob and tube wiring certification will always require a C-10 license.
- B. Specialty subcontractors must possess all applicable licenses as required by the CSLB to carry out installation.
- C. Contractor is responsible for ensuring that all subcontractors have an active license and are in good standing for the duration of the subcontract agreement.

### 9.4 Environmental Protection Agency (EPA) Certifications

- A. All Contractors shall be certified as an EPA Certified Firm in accordance with EPA’s Regulation on Residential Property Renovations requirements (40 CFR 745). Contractors who subcontract all of their weatherization and ECIP EHCS services are required to be certified and shall have at least one EPA Certified Renovator on staff for subcontractor oversight purposes.

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- B. Contractors shall ensure that all subcontractors whose work potentially disturbs lead paint are EPA Certified Firms and have EPA Certified Renovators on staff.
- C. Any Contractor without the required certification will not be allowed to perform weatherization or EHCS services.

### 9.5 Mandatory Training

Contractor must participate in mandatory training such as eligibility start-up training, WIS training, contract review webinars, monitoring trainings and other trainings CSD deems mandatory. CSD will notice Contractor with a minimum of 10 business days prior to training.

## ARTICLE 10 – COMPLIANCE POLICIES AND PROCEDURES

### 10.1 Right to Monitor, Audit, and Investigate

- A. Any duly authorized representative of the federal or state government, which includes but is not limited to the federal offices of inspectors general, the State Auditor, CSD staff, and any entity selected by CSD to perform inspections and/or investigations, shall have the right to monitor and audit Contractor and all subcontractors providing services under this Agreement through on-site visits, audits, and any other appropriate means CSD deems necessary.
- B. Contractor shall, upon reasonable notice, make available all information and materials reasonably necessary for CSD to substantiate to its satisfaction that expenditures incurred under this Agreement are allowable and allocable, including, but not limited to files, books, documents, papers, and records. Contractor agrees to make such information and materials available to the federal government, the State, or any of their duly authorized agents or representatives, for purpose of examination, copying, or mechanical reproduction, on or off the premises of the subject entity.
- C. Any duly authorized agent or representative of the federal or state government shall have the right to undertake investigations in accordance with Public Law 97-35, as amended.
- D. All agreements entered into by Contractor with audit firms for purposes of conducting independent audits under this Agreement shall contain a clause allowing CSD or any duly authorized agent or representative of the federal or state government timely access to the working papers of the audit firm(s).

### 10.2 Auditing Standards

- A. Auditing Standards

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1. *Applicability of new OMB "Super Circular" audit provisions.* The standards set forth in this Article (Auditing Standards and Reports) reflect the updated audit requirements as set forth in 45 CFR Part 75 Subpart F – Audit Requirements).
  2. *Supplemental Audit Guide.* In addition to the audit requirements specified above, Contractor must follow the most current CSD Supplemental Audit Guide, incorporated into this Agreement by reference. The Supplemental Audit Guide may be accessed at <https://providers.csd.ca.gov/Energy/Contracts/DocumentsIncorporatedbyReferenceEnergy.aspx>.
- B. If Contractor fails to comply with Agreement. If CSD determines that noncompliance cannot be remedied by imposing additional conditions, CSD may take one or more of the following actions, as appropriate in the circumstances:
1. Temporarily withhold cash payments pending correction of the deficiency by Contractor;
  2. Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance; or
  3. Take other remedies that may be legally available.
- C. Collection of Disallowed Costs
1. In the event, questioned costs are identified in Contractor's single audit report or in the report of other audit conducted by, or on behalf of, CSD in connection with the implementation of this Agreement, Contractor shall comply with any demand for repayment made, as specified in the Audit Transmittal Report (TR) or other audit repayment demand document.
  2. Contractor shall have no less than 30 days from the date of the TR or comparable document to tender payment to CSD or, alternatively, to provide CSD with complete and accurate information or documentary evidence in support of the allowability of questioned costs.
  3. If Contractor challenges questioned costs and submits complete and accurate information or documentary evidence in support of the allowability of questioned costs as provided in subparagraph 2, CSD shall, after consideration of Contractor's submission, issue a TR requesting payment of disallowed costs, if any are determined to be owing, no later than 30 days after receipt of Contractor's information or documentation. Contractor shall have 15 days from the date of the TR to tender payment or a repayment plan acceptable to CSD. In the alternative, Contractor may request a hearing in accordance with Article 10.4, paragraph D,

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subparagraph 5 of this Agreement, for CSD's final determination of disallowed costs.

4. All statements, notices, responses and demands issued in accordance with this paragraph shall be in writing.
5. CSD may, at its discretion, reasonably extend the time periods allowed for responses specified in this paragraph.

**10.3 Compliance Monitoring**

- A. As the recipient of DAP funds under this Agreement, Contractor must substantiate that all costs claimed pursuant to this Agreement are allowable and allocable under all applicable federal and state laws. To be entitled to reimbursement, Contractor must trace all allowable costs to the level of expenditure, to include providing supporting documentation reasonably necessary to substantiate the validity of such claim.
- B. As the administrator of the DAP funds for the State, CSD is required to ensure the funds allocated to Contractor are expended for the purposes identified in this Agreement, and for allowable and allocable costs under the applicable rules of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards (45 CFR Part 75).
- C. CSD is required to conduct on-site or in-house and follow-up monitoring of Contractor to ensure that Contractor meets the administrative standards, financial management requirements, and other requirements of the federal and State DAP program.
- D. CSD shall provide Contractor reasonable advance notice in writing of on-site and/or in-house monitoring reviews of Contractor's program or fiscal performance.
- E. Compliance monitoring will consist of a questionnaire that Contractors will be required to complete and return to CSD within 30 calendar days from receiving the questionnaire.
- F. CSD will conduct client file reviews to verify compliance with financial and program requirements. CSD shall notify Contractor of the client files requested, and Contractor shall provide the client files within five business days.
- G. CSD may increase the number of client files reviewed and frequency of client file reviews based on the severity of non-compliance issues identified during the client file review process.
- H. In accordance with Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards (45 CFR Part 75), Contractor shall

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cooperate with CSD program and audit staff and other representatives and provide access to all programs, records, documents, resources, personnel, inventory, and other things reasonably related to the administration and implementation of the services and activities funded directly or indirectly by this Agreement. To the extent Contractor maintains records and documents in an electronic format, Contractor must make such records and documents readily available to CSD program and audit staff and other representatives: 1) for review on an appropriate electronic device provided by Contractor; and/or 2) for reproduction in electronic and/or hard copy format, as is necessary to effect the purposes of this paragraph. In order to realize the objectives of this subparagraph and to ensure that the integrity of the program, the proper expenditure of funds, and to prevent fraud, waste, abuse, and unjust enrichment, whether by design or inadvertence, Contractor shall cooperate with CSD as follows:

1. Upon request, provide a list of clients, jobs or properties to or for which DAP services have been provided by Contractor, and to or for which Contractor has provided related services under other federal, State or non-governmental programs such as, but not limited to, public and private utility company programs, collectively "Associated Programs."
2. With respect to such list of clients, jobs, or properties, provide CSD and/or the investigative entities or persons referenced in Article 10.1., subsection B., access to client files or similar records and documents of the Associated Programs for the purpose of determining whether related services have been provided that result in duplicate billings or any violation of this Agreement, or DAP program guidance.
3. For purposes of this paragraph H:
  - a. "Duplicate billing" is defined as receiving reimbursement from more than one funding source for the same expenditures or costs, whether in whole or in part, that Contractor incurs in connection with rendering a service to or for a client, job, or property, resulting in a total reimbursement to Contractor, from all sources, in excess of actual expenditures or costs incurred.
  - b. To the extent necessary to realize the objectives of this article, the term "Contractor" includes any subcontractor or agent of Contractor in possession of the files, records, or documents or other information bearing on related services under any relevant Associated Program.
4. It is understood that Contractor has no obligation to provide access to the client files, records, and documents of an Associated Program when no DAP services have been provided and the client, job, or property is not required to be on the list furnished to CSD by Contractor, as provided herein.

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5. In the event Contractor is unable to comply with the provisions of subparagraphs 1. or 2. because of restrictions placed on Contractor by law in connection with an Associated Program, or restrictions imposed on Contractor pursuant to a binding written agreement between Contractor and the funding source of such Associated Program, then Contractor shall so inform CSD by written declaration and provide supporting documentation for such declaration. Contractor shall, together with any declaration made, certify to CSD in writing that:
  - a. Contractor has not submitted duplicate billings to both DAP and Associated Program.
  - b. Contractor has not otherwise engaged in similar actions in violation of federal or state law.
  
- I. CSD will host a File Transfer Protocol (FTP) Server and provide Contractor with specifications, documentation, and sample of FTP file configurations screens, as necessary, to enable Contractor to use the FTP Server to upload client files, records, and documents. Contractor shall submit client files, records, and documents via the FTP to allow CSD to complete an in-house review.
  
- J. In the event that CSD determines that Contractor is not in compliance with material or other legal requirements of this Agreement, CSD shall provide the observations, recommendations, or findings and request for a corrective action plan to Contractor in writing. Contractor shall submit to CSD a specific action plan for correcting the noncompliance.
  
- K. Collection of Disallowed Costs
  1. In the event questioned costs are identified in a final decision on cost disallowance issued by CSD, Contractor shall comply with any demand for repayment, as specified in such final report.
  2. *Time for response.* Contractor shall have no less than 30 days from receipt of the final decision to tender payment to CSD or, alternatively, to provide CSD with complete and accurate information or documentary evidence in support of the allowability of questioned costs.
  3. *Notice after review of further supporting evidence.* If Contractor challenges questioned costs and submits complete and accurate information or documentary evidence in support of the allowability of questioned costs as provided above in subparagraph 2, CSD shall, after consideration of Contractor's submission, accordingly issue a revised Notice of Disallowed Costs, if any, no later than 30 days after receipt of Contractor's information or documentation. Contractor shall have 15 days from receipt of such Notice to tender payment or a repayment plan



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acceptable to CSD. In the alternative, Contractor may request a hearing in accordance with Article 10.4, paragraph D, subparagraph 5 of this Agreement, for CSD's final determination of disallowed costs.

4. All statements, notices, responses and demands issued in accordance with this paragraph shall be in writing.
5. CSD may, at its discretion, reasonably extend the time periods allowed for responses specified in this paragraph.

### 10.4 Enforcement Process - Noncompliance with Requirement of this Agreement

#### A. Tax-Exempt Status Requirement

Nonprofit charitable organizations must maintain their 501(c)(3) tax-exempt status as a requirement for continued DAP reimbursements and participation under the current Agreement. All 501(c)(3) contractors shall notify CSD within one business day upon revocation of their tax-exempt status and cease all work performed under this Agreement. CSD will halt all payments to Contractor while its nonprofit, tax-exempt status is revoked. Work performed prior to the revocation, but billed after such notice is received, shall be timely reimbursed to the Contractor. In addition, CSD may take additional enforcement steps consistent with federal and state law and this Agreement.

#### B. General

The authority for CSD Enforcement Actions, as defined in paragraph B, for cost disallowances/ recovery of misused funds, and for de-designation of eligible entity status (collectively "Enforcement Process") is found in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards (45 CFR Part 75), and in state regulations, with particular reference to 22 CCR 100875, which are hereby adopted for present purposes. In order to facilitate compliance with the cited authorities, the parties to this Agreement agree that: 1) the present article shall guide, inform and clarify the Enforcement Process; 2) shall establish the procedures to be followed; and 3) establish the rights and obligations of the parties with respect to the Enforcement Process, for purposes of implementing the principles set out in the applicable legal authorities. Accordingly, the parties hereto agree as follows:

#### C. Enforcement Action, "High Risk" – Determination and Notice

1. If CSD determines that Contractor is not financially stable, and that Contractor's financial condition is so tenuous that its ability to implement this Agreement is seriously compromised, or if CSD determines that Contractor has not complied with the requirements of this Agreement and that Contractor's noncompliance constitutes a material breach of the Agreement, CSD may initiate an Enforcement Action. For purposes of this

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article, “Enforcement Action” means the imposition of any of the following: a) special conditions and/or sanctions; b) a determination of cost disallowance; c) contract suspension; d) contract termination; or e) termination of Contractor’s service provider status.

2. To initiate an Enforcement Action, CSD must provide Contractor with written notice of “high risk” designation, setting forth: 1) the factual and legal basis for the determination of noncompliance, upon which the “high risk” designation is based; 2) the corrective action(s) required; and 3) the date by which they must be taken and completed.
3. For purposes of this article, “material breach” means any act or omission by Contractor that is in contravention or disregard of Contractor’s duties and obligations under the terms of this Agreement and under applicable State and federal law, which act or omission:
  - a. constitutes fraud or gross negligence by Contractor or its agent(s);
  - b. is likely to result in significant waste and/or abuse of DAP funds;
  - c. has a significant adverse impact on Contractor’s ability to meet its administrative, financial, or programmatic duties and obligations over the term of the contract or a significant portion thereof;
  - d. violates or otherwise disregards significant program guidance and other requirements issued directly or through CSD;
  - e. may have serious adverse effects and consequences on the Contractor’s customers, employees, subcontractors, creditors, suppliers, vendors, or other stakeholders; OR
  - f. may otherwise significantly and adversely affect the viability, effectiveness, or integrity of the program.

### D. Special Conditions and Sanctions

1. “High risk” designation may include the imposition of Special Conditions, Sanctions and/or other special requirements with respect to Contractor’s performance. CSD may impose Special Conditions and/or Sanctions upon a determination that such steps are reasonably necessary to address acute financial instability or a material breach of contract, as defined in paragraph B, above.
2. Notice of Special Condition(s) and/or Sanction(s) shall be in writing and shall become effective on the date specified in the notice. Notice must contain the following information:

## STANDARD AGREEMENT

- a. The nature of the Special Condition(s) and/or Sanction(s) being imposed;
  - b. The reason(s) for imposing Special Condition(s) and/or Sanction(s); and
  - c. The corrective actions that must be taken and the time allowed for completing them before CSD removes the Special Condition(s) and/or Sanction(s).
3. Special Conditions may include, but are not limited to:
- a. obtaining training and/or technical assistance;
  - b. the imposition of special or additional reporting requirements;
  - c. special or conditional cost reimbursement requirements and procedures;
  - d. the provision of documentation by Contractor; and/or
  - e. the requirement to amend or modify systems, procedures, and/or policies;
4. Sanctions may include, but are not limited to:
- a. the suspension of advances and/or reimbursements; and/ or
  - b. the issuance of stop work orders.
5. Sanctions may not be imposed without a hearing being first held in accordance with applicable regulations, *unless* CSD reasonably determines on the basis of credible information that:
- a. substantial sums to be paid to Contractor have been or will be used in violation of law or the provisions of this Agreement, or
  - b. the associated costs are otherwise very likely to be disallowed; and
  - c. if Sanctions are not immediately imposed, taxpayer dollars are at significant risk and are unlikely to be recovered.
6. Review of Special Conditions and/or Sanctions.
- a. if Contractor elects to contest the action to impose Special Conditions and/or Sanctions, Contractor shall have five working days following receipt of Notice of Enforcement Action in which

## STANDARD AGREEMENT

to show cause, in writing, why the Special Conditions or Sanctions should not be enforced;

- b. CSD shall have five working days following receipt of Contractor's response to accept or reject Contractor's objection and to state in writing the consequences of the decision and Contractor's obligations going forward, if any.
- c. Contractor may, within five working days of receipt of Notice of Enforcement Action, request an informal meeting for the parties to consider the merit of the Notice and to discuss alternative courses of action, which meeting CSD may agree to if, in its sole judgment, it determines the meeting would be helpful to the process, can be held expeditiously, and will not unduly cause delay or otherwise increase the risk of loss of taxpayer dollars.
- d. Contractor may, at any time, request in writing that CSD initiate the contract suspension or contract termination processes, to include the requisite hearings, as set out in 22 CCR 100875 which are hereby adopted for present purposes.
- e. Should Contractor fail to show cause why the Enforcement Action should not go forward, or should Contractor fail to request that CSD initiate either the contract suspension or termination processes, CSD may initiate such action upon its own motion.
- f. Special conditions and sanctions shall remain in effect until the hearing procedure is completed, provided, with respect to sanctions, CSD reasonably determines that subparagraph 5. c. applies.

### E. Cost Disallowance

- 1. If Contractor's non-compliance with the terms of this Agreement results in an enforcement action, and if CSD determines that Contractor's non-compliance has resulted in questioned costs, CSD shall provide Contractor with a Statement of Questioned Costs along with the Notice of Enforcement Action, or at such later time in the Enforcement Process as questioned costs have been identified.
- 2. The Statement of Questioned Costs shall include:
  - a. a description of the costs questioned and the specified amount by type or category of costs;
  - b. the reason the costs are questioned, and the information and/ or documentation required to justify payment of the costs; and

## STANDARD AGREEMENT

- c. the timeframe and procedures for Contractor's submission of the required information or documentation to CSD.
3. If CSD determines that more information is required before a Statement of Questioned Costs can be issued or before a final determination of cost disallowance can be made, CSD may conduct an investigative audit of Contractor's records, files and books of account, or retain an audit firm for such purpose. Contractor agrees to cooperate fully in any audit conducted and to ensure that Contractor's agents, accountants and subcontractors cooperate in the performance of such audit. A report of any audit conducted shall be shared with Contractor, who shall be given ample opportunity to respond to findings and to submit information and documentation in support of the response. If Contractor fails to cooperate in the conduct of an audit, initiated pursuant to this subparagraph, CSD may either impose sanctions, as provided in subparagraph C. 4. or, if feasible, issue a Notice of Disallowed Costs.
4. After CSD has considered any information and/ or documentation submitted by Contractor in response to a statement of questioned costs or in response to an investigative audit report, CSD shall issue a Notice of Disallowed Costs, which notice shall include:
  - a. the amount of disallowed costs to be repaid, if any; and
  - b. the date by which repayment must be made or, in the alternative,
  - c. the date by which Contractor must submit a proposed repayment plan for consideration by CSD.
5. Before the expiry of five working days after receipt of a Notice of Disallowed Costs, Contractor may challenge the Notice of Disallowed Costs by requesting a hearing, conducted in accordance with the procedures set out in 22 CCR 100875, which is hereby adopted for the purpose of adjudicating the matter of cost disallowance, provided however that either Contractor or CSD may opt to adjudicate other pending Enforcement Action matters, as provided in subparagraph C. 6. d. of this section, in a combined proceeding.
6. If Contractor fails to request a hearing to adjudicate cost disallowance, as provided in subparagraph 5, the Notice of Disallowed Costs shall be deemed final and Contractor shall comply with the provisions of the present Paragraph D.
7. Contractor will not be deemed to have complied with a Notice of Disallowed Costs until repayment is made or CSD has approved a repayment plan. In determining the acceptability Contractor's repayment plan, CSD shall take into consideration such factors as, but not limited to:

## STANDARD AGREEMENT

- a. the DAP terms and conditions under which the disallowed costs were funded;
  - b. the exigencies of the program and CSD's ability to reallocate the funds repaid or otherwise dispose of the funds in accordance with applicable law;
  - c. the risk of being unable to recover funding and the options for securing Contractor's repayment obligation; and
  - d. Contractor's financial condition and ability to pay.
- F. Contractor shall remain on "high risk" until CSD reasonably determines that Contractor has complied with the requirements of the Notice of "High Risk" Designation, including verification by CSD that corrective measures have been implemented, that all conditions have been met and that disallowed costs have been repaid or, alternatively, that CSD has deemed Contractor's repayment plan to be acceptable and Contractor has demonstrated it is in compliance with the plan. Upon determination that Contractor has complied with the requirements of the Notice of "High Risk" Designation, CSD shall give Contractor written notice of such determination.
- G. In the event Contractor's non-compliance with the terms and conditions of this Agreement are not remedied through imposition of special conditions, and/or sanctions, thereby enabling CSD to remove "high risk" designation, CSD may initiate further Enforcement Actions involving Contract Suspension, Contract Termination and Termination of service provider status, which shall be initiated and conducted in accordance with the applicable provisions found in 22 CCR 100875, which is hereby adopted and other applicable State and federal statutes and regulations.
- H. Lien rights. The State retains lien rights on all funds advanced.

**10.5 Expenditure and Production Requirements**

- A. Service Delivery and Expenditure of Funds
- 1. Contractor is obligated: a) to ensure that the maximum numbers of persons are served, consistent with the effective and efficient service delivery, with program requirements and with applicable law; and b) to fully expend program funds by the date identified in the contract.
  - 2. A substantial failure to expend funds and provide services to readily available qualified applicants, except for compelling reasons beyond Contractor's control, shall be deemed prima facie evidence of breach of contract and may constitute grounds for "high risk" designation and the

**STANDARD AGREEMENT**

applicable remedies as provided in Article 10.4, "Enforcement Process – Noncompliance with the Requirements of this Agreement." Such failure of performance may, in accordance with the provisions of this article, result in a reduction in Contractor's allocation and the redistribution of future funding to other performing service providers.

**B. Contractor Expenditure and Reporting Requirements**

Contractor shall be at 99% expenditure of the contract by December 31, 2020.

1. CSD will monitor Contractor's expenditures to evaluate compliance with meeting expenditure requirement by December 31, 2020, for each program category, including capped budget items.
2. Contractor shall submit timely expenditure reports, that allow CSD to evaluate Contractor's ability to meet the December 31, 2020 expenditure date requirement. Based upon these reports, CSD may determine that Contractor has not met the expenditure requirement and is out of compliance with this Agreement.
3. If the Contractor does not fully expend its allocation by December 31, 2020, the Contractor's allocation shall be reallocated to another contractor.

## STANDARD AGREEMENT

### ARTICLE 11 – FEDERAL AND STATE POLICY PROVISIONS

#### 11.1 Certifications

- A. Contractor’s signature affixed to Part I of this Agreement shall constitute a certification that to the best of its ability and knowledge it will, unless exempted, comply with the provisions set forth in the following:
1. Information Integrity and Security (Department of Finance, Budget Letter 04-35)
  2. Safeguarding Against and Responding to a Breach of Security Involving Personal Information (Office of Information Security and Privacy Protection, Management Memo 08-11).
- B. The above documents are hereby incorporated by reference into this Agreement. To access these documents, please visit the CSD Providers’ website at <https://providers.csd.ca.gov/Energy/Contracts/DocumentsIncorporatedbyReferenceEnergy.aspx>.

#### 11.2 Provisions for Federally Funded Grants

- A. Eligibility to Receive Federally Funded Public Benefits. Pursuant to the 42 USC 1305 (Public Law 104–193, 110 Stat. 2168, Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA)) and Executive Order W-135-96, dated August 27, 1996, while in effect, applicants for federally funded public benefits are required to provide proof of U.S. citizenship, U.S. non-citizen national, or qualified alien status. Contractor shall verify client eligibility in accordance with CSD Applicant Verification of Eligibility Procedures and Regulations, forms, and other written guidance provided by CSD.
- B. The Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (IIRIRA) Section 508, NO VERIFICATION REQUIREMENT FOR NONPROFIT CHARITABLE ORGANIZATIONS, Section 432 (d) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1642) as amended, exempts nonprofit Charitable Organizations under this title to determine, verify, or otherwise require proof of U.S. citizenship, U.S. non-citizen national, or qualified alien status of any applicant for such benefits in providing any Federal public benefit (as defined in section 401 (c)) or any State or local public benefit (as defined in section 411(c)).

#### 11.3 Federal Certifications Regarding Debarment, Suspension, and Related Matters

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



## STANDARD AGREEMENT

- A. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
- B. Have not within a three year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- C. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph B above of this certification; and
- D. Have not within a three-year period preceding this Agreement had one or more public (federal, state, or local) transactions terminated for cause or default.
- E. If any of the above conditions are true for the Contractor or any of its officers, Contractor shall describe such condition and include it as an attachment to Part I of the Contract. Based on the description, CSD in its discretion may decline to execute this Agreement or set further conditions of this Agreement. In the event any of the above conditions are true and not disclosed by Contractor, it shall be deemed a material breach of this Agreement, and CSD may terminate this Agreement for cause immediately pursuant to the termination provisions of State and federal law governing the Low-Income Home Energy Assistance Program.
- F. As provided in this article, Contractor must certify in writing to the best of its knowledge that any subcontractor(s) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency.

### 11.4 Affirmative Action Compliance

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

**STANDARD AGREEMENT****11.5 Nondiscrimination Compliance**

- A. Contractor's signature affixed hereon shall constitute a certification that to the best of its ability and knowledge will, unless exempted, comply with the nondiscrimination program requirements set forth in this section.
- B. Contractor hereby certifies compliance with the following:
  - 1. Federal Executive Order 11246, as amended by Executive Order 11375, relating to equal employment opportunity.
  - 2. Title VI and Title VII of the Civil Rights Act of 1964, as amended.
  - 3. Rehabilitation Act of 1973, as amended.
  - 4. Vietnam Era Veterans Readjustment Assistance Act of 1972, as amended.
  - 5. Title 41, Code of Federal Regulations (CFR), Chapter 60, Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor, as amended.
  - 6. Public Law 101-336, Americans with Disabilities Act of 1990.

**11.6 Contractor Fair Hearing - Civil Rights Act Violation**

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

**11.7 Specific Assurances**

- A. Pro-Children Act of 1994
  - 1. This Agreement incorporates by reference all provisions set forth in Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act).
  - 2. Contractor further agrees that the above language will be included in any subcontracts that contain provisions for children's services and that all subcontractors shall certify compliance accordingly.
- B. American-Made Equipment/Products

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

C. Federal and State Occupational Safety and Health Statutes

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

D. Political Activities

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

**STANDARD AGREEMENT****DEFINITIONS**

All terms used in this Agreement shall be those as defined in applicable federal and state law (*see* 42 U.S.C. § 8621 and Government Code § 16367.5) and regulation (*see* 45 C.F.R. Part 96 and 22 C.C.R. § 100800), or as more specifically defined as:

Administrative Costs: Actual costs for auxiliary functions such as salaries, wages, workers compensation, and fringe benefits for administrative staff, facilities, utilities, office and computer equipment, telephone, travel, accounting, auditing, monitoring assistance, office supplies, and like services necessary to sustain the direct effort involved in administering a program or an activity providing services to the program. Includes incurred costs associated with participation and attendance to policy advisory committee meetings and workgroups.

Agreement: The complete contents of this contract entered into by and between CSD and Contractor, including all rights, duties, and obligations, whether expressed or implied, required toward the legal performance of the terms hereof.

Amendment: A formal change to the Agreement of a material nature including but not limited to the term, scope of work, or name change of one of the Parties, or a change of the maximum amount of this Agreement.

Authorized Agent: The duly authorized representative of the Board of Directors of Contractor and duly elected or appointed, qualified, and acting officer of CSD. In the case of Contractor, CSD shall be in receipt of board resolution affirming an agent's representative capacity to bind Contractor to the terms of this Agreement.

CSD Program Advisory (CPA): The purpose of the CPA is to provide information, correct problems, contradictions and uncertainty. A CPA serves as short-term guidance to inform or direct immediate action to correct a problem or provide relief from an obligation.

CSD Program Notice (CPN): The purpose of the CPN is to supplement contractual requirements and facilitate program implementation. A CPN serves as long term guidance to summarize or interpret regulations or contract requirements.

Call-Back: A call-back is a visit from Contractor that occurs when a measure fails (either during inspection, or later within the warranty period) and must be corrected by the Contractor. The required warranty periods are defined in CSD's WIS Appendix B. Warranty corrections apply to both the DAP, LIHEAP and DOE weatherization programs.

California Certified Inspector/Risk Assessor Contractor: An individual who is certified by the State of California, Department of Health Services, as a lead-related construction Inspector/Risk Assessor.

California Energy Commission (CEC) Climate Zone: The CEC established 16 climate zones that represent a geographic area and that have a particular weather pattern. These climate zones are based on energy use, temperature, weather, and other factors that determine the types of building

## STANDARD AGREEMENT

standards that are subject to the Title 24 Energy Efficiency Standards and that dictate the energy conservation measures that must be installed in a weatherized dwelling, as required by law.

Certification Date: The date the applicant is deemed eligible and the agency commits to provide services. The certification date should not be before the intake date.

Certified Lead-Free: Residential property that has been determined by a California Certified Inspector/Risk Assessor Contractor to be absent from the presence of lead-based paint.

Certified Lead-Safe: Residential property in which lead-painted surfaces are intact and/or have been treated with measures to stabilize and eliminate lead-paint hazards and that, as such, poses no immediate threat to the occupants as determined by a California Certified Inspector/Risk Assessor Contractor.

Certified Translator: A translator that has been certified to translate a specific language and are often members of a professional translation association such as American Translators Association and American Literary Translators Association, etc.

Children: Members of a household who have not attained their 19th birthday.

Client Education/Counseling: Includes, but is not limited to, providing client with written information describing energy-saving behavioral adjustments that will decrease the energy consumption of the household; providing client with resource information, referral, and budget counseling in order to assist clients in achieving self-sufficiency; providing client with mold and lead-safe education and advising client of the benefits of weatherization in their homes.

Client Intake: Includes, but is not limited to, the process of completing an intake form and reviewing applicant documentation in order to verify eligibility.

Client Needs Assessment: The act of acquiring additional and appropriate information from an eligible client to determine the needs that can be served by Contractor and other available programs AFTER eligibility has been established.

Contractor: The entity (partnership, corporation, agency, or association) designated on the face sheet (STD 213) of this Agreement.

CORE: Combined Output Reporting Engine (CORE) System: Software used by CSD's local service providers to submit Utility Assistance, Wood, Propane, and Oil transaction records for validation and further processing.

Crisis: Weather-related and/or supply-shortage emergencies and other household energy-related emergencies that negatively impact the energy-related economic conditions of low-income households. A crisis can be caused by:

- a. Cold or hot weather related events, such as flood, earthquake, tornado, hurricane, ice storm/freeze; or events meeting such other criteria as the Governor, and/or the

## STANDARD AGREEMENT

President of the United States, at their discretion, and/or their designee, including CSD, may determine to be appropriate; or

- b. Geopolitical events, such as wars, terrorism, civil disturbances, and embargoes, including geopolitical events that negatively impact the energy-related economic conditions of low-income households.

CSD: The State of California Department of Community Services and Development.

Database Transfer: A method wherein contractors utilize a local database platform to provide CSD with downloaded client and other program data.

Diagnostic Testing: Series of testing protocols performed under the weatherization program involving the use of specialized tools to assess: the operating condition of combustion appliances for general safety and carbon monoxide emission levels, and pressurized diagnostic testing procedures to assess the integrity of building envelopes and duct systems for leakage and outside air infiltration. Diagnostic tests shall only be performed by qualified individuals possessing the required skill and training needed to perform diagnostic testing activities.

Direct Services: The portion of the DAP funding to carry out the provisions of services and activities of this Agreement, to include: Weatherization, Energy Crisis Intervention Program (ECIP) Services (excluding Utility Assistance), and Wood Propane and Oil (WPO).

DOE: The United States (U.S.) Department of Energy that provides funds for the Weatherization Assistance Program for Low-Income Persons. This program is authorized by Title IV of the Energy Conservation and Production Act (P.L. 94-385). The federal regulations for this program are in 10 CFR Part 440.

Dwelling Assessment: The process used to evaluate the service needs of an eligible dwelling for weatherization services offered under the DOE and DAP weatherization programs. An assessment shall be performed by qualified individuals possessing the required skill and training needed to perform assessment activities.

Dwelling Unit: A house, including a stationary mobile or manufactured home, an apartment, a group of rooms, or a single room occupied as separate living quarters.

EHA-16: A term used to reference Emergency Crisis Intervention Program, Home Energy Assistance Program and Assurance-16 service components.

Elderly: An individual 60 years of age or older.

Electric Base Load Measure: A subcategory of weatherization measures designed specifically to reduce energy consumption in the areas of lighting and electrical appliances. Allowable electric base load measures include compact and torchiere fluorescent lamps, microwave ovens, refrigerator replacements, and electric water heater timers.

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Electric File: The term “electronic file” means a contract or other record created, generated, sent, communicated, received, or stored by electronic means.

Emergency: The term “emergency” under this Agreement shall meet the federal definition at 42 U.S.C. § 8622(1) and shall be defined as being any one or more of the following conditions:

- a. A significant home energy supply shortage or disruption;
- b. An official declaration of a significant increase in:
  - i. Home energy costs;
  - ii. Home energy disconnection;
  - iii. Enrollment in public benefit programs; or
  - iv. Unemployment and layoffs;
- c. An official emergency declaration by the Secretary of Health and Human Services.

In those situations where there is not an official federal, state, or local declaration of emergency, i.e., an undeclared or a significant home energy supply shortage or disruption that affects a low-income individual, an emergency will be deemed to exist by CSD where there is imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.

Energy Burden: The expenditures of the household for home energy divided by the income of the household.

Energy Conservation Measures (also known as Weatherization Measures): A wide variety of measures installed in or applied to the dwelling to increase the energy efficiency or to reduce the total energy expenditures of the dwelling.

Environmental Inspection: A visual assessment and sampling which includes asbestos, lead and radon when allowable per the contract. Environmental inspections shall be in accordance with all CSD policies and procedures and in compliance with all Federal and State regulations. Allowable costs include actual labor costs while on the jobsite and testing fees associated with the inspection.

General Operating Costs: Costs that are directly allocable to those costs defined as related facilities, office and computer equipment, office supplies, telephone and travel as allowable program costs.

Hazardous Condition: Any condition posing an immediate health and safety threat to the client and/or persons working in the dwelling unit. Hazardous conditions include but are not limited to:

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Combustion Appliance Safety (CAS) hazards, appliance-related hazards, and electrical hazards as defined in the CSD Inspection Policies and Procedures.

Heating/Air Conditioning Appliance Repairs/Replacements: The complete unit replacement, adjustments of gas pressure and/or air/fuel mixture, replacement of thermocouples, adjustment of refrigerant charge, filter replacements, or other component repairs or replacements necessary for safe and efficient operation.

Health and Safety Measures: A subcategory of weatherization measures installed to mitigate health and safety hazards generated by combustion appliances and to preserve or improve indoor air quality. These measures include CO alarms, smoke alarms, heating/cooling and water heater repairs and replacements, lead-safe weatherization and kitchen cooking appliance repair and replacements.

Home Energy Rating System (HERS) Provider, also referred to as HERS Rater: An entity or individual recognized by the California Energy Commission as a HERS Provider and certified in performing the necessary field and diagnostic testing verifications for demonstrating compliance with the 2008 Building Energy Efficiency Standards.

HUD Unit: A housing unit participating in a U.S. Department of Housing and Urban Development (HUD) Assisted Housing Program.

Infiltration Reduction Measures: A subcategory of weatherization measures installed in or applied to dwellings to reduce or stop the uncontrolled flow of conditioned air out of the dwelling or the uncontrolled flow of outside air into conditioned areas in the dwelling done to the point of minimum ventilation requirement or it is no longer cost effective to proceed. Infiltration reduction is best accomplished with shell leakage technology. These measures include caulking, cover plate gaskets, door repairs and replacements, minor envelope repair, and evaporative cooler or air conditioning vent covers.

Intake Date: The date the agency receives or accepts the application.

Interest Income: The interest earned by a Contractor directly generated or earned as a result of unexpended DAP funds at the end of a contract term period. The interest earned by a Contractor is income generated as a result of depositing federal funds in an interest-bearing account.

Liability Insurance: Insurance coverage to protect against claims alleging one's negligence or inappropriate action resulting in bodily injury or property damage. Related costs shall mean those actual costs allocated for insurance bonds, general liability insurance, and pollution occurrence insurance. Pollution occurrence insurance is optional.

Limited Home Repair (LHR): Those repairs that have a direct association with weatherization measures being installed and are necessary for the effective performance or preservation of weatherization materials. LHR shall include:



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- a. Kitchen cabinet repairs and retrofits that are associated with the replacement of a range, cook top, or pre-existing microwave oven. No other cabinet repair or retrofit shall be allowed without a program waiver.
- b. Repairs necessary to restore building integrity, and limited to the following repairs:
  - i. Floor/platform repair for water heaters;
  - ii. Cover plate replacement;
  - iii. Minor roof repairs and materials;
  - iv. Mobile home skirting repairs to prevent animal infiltration;
  - v. Minor exterior appliance access;
  - vi. Limited rehabilitation to replace deteriorated wooden window or door frames, to make possible the proper installation of a replacement door or window;
  - vii. Repair/installation of an exterior appliance enclosure door that does not close properly or is missing, only when appliance services will be provided under the program.
- c. Extension of exhaust fan vents to the outdoors (except kitchen exhausts).
- d. Extension of dryer venting to the outdoors.
- e. Attic Access Enlargement (in conjunction with insulation installation).
- f. Note: Costs to obtain knob-and-tube wiring "Notice of Survey by Electrical Contractor (CSD 543)" and installation of simple overcurrent protection (breakers or S-type fuses) shall be billed to "Mandatory Assessments and Diagnostics - Permits."

LHR shall NOT include:

- a. Any other measure or associated incidental repair that has a chargeable line item, including Minor Envelope Repair items.
- b. Repairs to the dwelling that are outside of the program scope, including but not limited to, handicap ramps, major roof repairs, or correction to structural issues that are a mandatory deferral condition.

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Materials: Materials are those allowable items that are installed in or on the dwelling. All materials shall be in conformance with the CSD Weatherization Installation Standards and CFR Title 10 Part 440 Appendix A – Standards for Weatherization Materials.

Maximum Amount: The dollar amount reflected on line 3 of the face sheet (STD 213) of this Agreement, as amended to reflect the Final Allocation for the term of this Agreement.

Maximum Average Reimbursement: Represents the maximum average per dwelling investment for related weatherization service and program costs where an energy audit is conducted. The formula for determining the maximum average reimbursement is:

Maximum Average Reimbursement is equal to Program Operations divided by Total Completed Units.

Where Program Operations are defined as:

Program Costs less (Training & Technical Assistance + Liability Insurance)

Migrant Farm Worker: A seasonal farm worker who performs or has performed farm work during the eligibility determination period (any consecutive 12 month period within the 24 month period preceding application for program benefits and/or services) that requires travel such that the worker is unable to return to his/her domicile (permanent place of residence) within the same day.

Minor Field Equipment Costs: Actual costs associated with the purchase of office equipment and field equipment under \$5,000 per unit used for the purpose of delivery of program services. Purchases must follow all federal and state rules and regulations governing DAP pertaining to procurement standards.

Mobile or Manufactured Home: A manufactured home regulated by the California Department of Housing and Community Development (HCD) that is built on a trailer chassis and designed for highway delivery to a permanent location, and it can be a single-, double-, or triple-wide home. To receive weatherization services under a CSD program, a mobile home must be a permanent, full-time residential dwelling, with a floor area of at least 330 square feet.

Modified Dwelling Assessment: The process used to evaluate the limited service needs of an eligible dwelling that has been previously weatherized under the LIHEAP or DOE weatherization programs. The assessment is limited in scope and does not encompass a re-assessment of the entire dwelling. Assessments limited to ECIP EHCS work on dwellings not receiving weatherization services are to be included in the cost of the ECIP measure. An assessment shall be performed by qualified individuals possessing the required skill and training needed to perform assessment activities.

Modification: An immaterial change to this Agreement that does not require an Amendment.

Multi-Unit Dwellings (MUD) also known as Multi-Family Buildings (MFB): Defined as residential dwelling structures containing more than one residential unit within a single building,

Definitions

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including: duplexes, triplexes, fourplexes, and multi-unit apartments. For purposes of travel reimbursement to Contractors and shell leakage testing, Multi-Unit Dwellings are defined as multi-unit dwellings, e.g., apartments, with five or more attached residential units.

Non-assisted Clients: The number of clients who returned an application to the agency for DAP services (Weatherization, ECIP EHCS, ECIP WPO, HEAP WPO, ECIP Fast Track and HEAP) that were denied services, and the number of applications distributed by an agency. This does not include applications taken from the agency's partners, websites (CSD, local agency or agency's partner's website) if they cannot quantify.

Nonprofit charitable organization: Is defined by the U.S. Tax Code as a 501(c) (3). Section 501(c) (3) is a tax law provision granting exemption from the federal income tax to nonprofit organizations. 501(c)(3) exemptions apply to corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition, or for the prevention of cruelty to children or animals.

Outreach and Its Related Costs: Outreach activities are designed to ensure that eligible households, especially households with elderly and/or disabled individuals with high home energy burdens, are made aware of the assistance available. Costs relating to these activities may include: developing outreach materials (flyer/brochure information packets), advertising costs, printing costs, outreach mailers to targeted households, travel to outreach sites and related facilities, site costs, and the referral of eligible households to assistance providers in the community. Intake and assisting with the completion of an intake form are not considered outreach or a related cost.

Parties: CSD on behalf of the State of California, and the Contractor.

Pledge: A guarantee of payment or promise to pay made by the Contractor to the Utility Company via phone, fax, e-mail or webservice and guaranteed by CSD.

Pledge Date: The date in which the Contractor contacts the Utility Company via phone, fax, e-mail or webservice to pledge a payment on behalf of the applicant.

Pledge Timeframe: A set length of time, beginning on the date the Contractor makes the pledge and ends after a fixed number of days.

Program: Weatherization, HEAP, ECIP, and Assurance 16 services provided under 42 §§ USC 8621 et seq., as amended.

Reweathering: Once a dwelling has been submitted to CSD for reimbursement as a completed unit, any subsequent weatherization services provided to the dwelling shall be considered reweatherization.

Ride-along: A representative of the Contractor who accompanies a designated third-party inspector while performing on-site inspections. CSD requires that, when possible, a ride-along be sufficiently trained to make necessary corrections during inspections, thereby minimizing or

Definitions

## STANDARD AGREEMENT

eliminating the need for return trips that may inconvenience the client and/or require re-inspection in accordance with the CSD Inspection Policies and Procedures.

Seasonal Farm Worker: A person who during the eligibility determination period (any 12 month period within the 24 month period preceding application for program benefits and/or services) was employed at least 25 days in farm work or earned at least \$400 in farm work and who has been primarily employed in farm work on a seasonal basis, without a constant year-round salary.

Separate Living Quarters: Living quarters in which the occupant(s) do not live and eat with any other person(s) in the structure and which have either: (1) direct access from the outside of the building or through a common hall; or (2) complete kitchen facilities for the exclusive use of the occupant(s). The occupant(s) may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Service Area: The geographical area in a contract pertaining to that geographical area alone, or in a contract covering multiple geographical areas, as for example, multiple counties.

Service Territory: 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.

Single-Family Dwelling: A dwelling structure containing no more than one dwelling unit. For the purposes of travel reimbursement and shell leakage testing, a single-family dwelling is defined as a one-unit, single-family dwelling or a one-unit, single-residential housing dwelling with one to four attached units.

State: The State of California Department of Community Services and Development.

Subcontractor: An entity (partnership, corporation, association, agency, or individual) that enters into a separate contract or agreement with Contractor to fulfill direct program or administrative tasks in support of this Agreement.

Subcontract: A separate contract or agreement entered into by and between Contractor and Subcontractor to fulfill direct program or administrative tasks in support of this Agreement.

Target Service Area: The service area for which allocation has been designated by Contractor.

Target Allocation: The sum of money from the DAP allocation designated by Contractor for expenditure in a designated Service Area.

Useful Life: Useful life means the length of time a Weatherization or ECIP HCS measure is expected to be useable.

Utility Assistance Funding: The portion of DAP funding used to provide utility assistance energy assistance services under ECIP Fast Track and HEAP Electric and Gas. These funds are

Definitions

**STANDARD AGREEMENT**

administered by Contractor but paid to eligible clients – or to utility companies on the client’s behalf – by CSD from Contractor’s allocated amount of funding.

Vendor: An individual, sole proprietorship, firm, partnership, corporation, or any other business venture from which materials and goods are supplied and purchased.

Vulnerable Populations: Young children (ages 5 years or under), disabled, and elderly persons (ages 60 or older).

Weatherization Training and Its Related Costs: Costs associated with the training of personnel or subcontractors as specified in Article 9.1 of this Agreement. Training may also include internal Contractor training, and attendance at weatherization-related training to include EPD system training or other forms of weatherization training sponsored by DOE, CSD, and/or other organizations. Related costs may include salary/wages, materials, fees and travel. Excludes incurred costs associated with participation and attendance at policy advisory committee meetings and workgroups.

Workers’ Compensation: Insurance that covers medical and rehabilitation costs and lost wages for employees injured at work. Workers’ compensation shall mean those actual costs associated with workers’ compensation coverage for program staff whose salaries and wages are chargeable under program costs.

## STANDARD AGREEMENT

## TABLE OF FORMS AND INCORPORATED DOCUMENTS

The following forms and documents are available on the CSD Providers' website at <http://providers.csd.ca.gov/Energy/Contracts.aspx>.

A. Forms to be returned with signed contract:

1. Agency Staff and Board Roster (CSD 188)

2.

B The following documents are hereby incorporated by this reference:

1. 2020 DAP Numbers, Contractors, and Service Territories;

2. State Administrative Manual Section at <http://sam.dgs.ca.gov/TOC/5300.aspx>;

3. Reimbursement Rates for Weatherization and EHCS Activities;

4. State Information Management Manual at [http://www.cio.ca.gov/Government/IT\\_Policy/SIMM.html](http://www.cio.ca.gov/Government/IT_Policy/SIMM.html); and

5. Direct Pay Utility Pledge Timeframe

C. The following CPA's and CPN's are referenced in the contract:

1. CPA-A-12-01 Procedure Guidance with NCB Procurement Worksheet;

2. CPA-E-18-005 Expenditure Reconciliation Policy and Procedure;

3. CPN-A 17-01 Equipment Use and Disposition Requirements;

4. CPN-E-19-001 Working Capital Advance; and

5. CPN-E-19-002 Energy Reimbursement Policies and Procedures.

# General Terms and Conditions (GTC 04/2017)

## EXHIBIT C

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

8. **INDEPENDENT CONTRACTOR**: Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.
9. **RECYCLING CERTIFICATION**: The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post-consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Pub. Contract Code §12205).
10. **NON-DISCRIMINATION CLAUSE**: During the performance of this Agreement, Contractor and its subcontractors shall not deny the contract's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Contractor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.5), and the regulations or standards adopted by the awarding state agency to implement such article. Contractor shall permit access by representatives of the Department of Fair Employment and Housing and the awarding state agency upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or Agency shall require to ascertain compliance with this clause. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2, §11105.)

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

11. **CERTIFICATION CLAUSES**: The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 04/2017 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.
12. **TIMELINESS**: Time is of the essence in this Agreement.



13. COMPENSATION: The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.
14. GOVERNING LAW: This contract is governed by and shall be interpreted in accordance with the laws of the State of California.
15. ANTITRUST CLAIMS: The Contractor by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor shall comply with the requirements of the Government Codes Sections set out below.
  - a. The Government Code Chapter on Antitrust claims contains the following definitions:
    - 1) "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.
    - 2) "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.
  - b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.
  - c. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.
  - d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.

16. CHILD SUPPORT COMPLIANCE ACT: For any Agreement in excess of \$100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:
  - a. The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
  - b. The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
17. UNENFORCEABLE PROVISION: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.
18. PRIORITY HIRING CONSIDERATIONS: If this Contract includes services in excess of \$200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by the Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.
19. SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION REPORTING REQUIREMENTS:
  - a. If for this Contract Contractor made a commitment to achieve small business participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) report to the awarding department the actual percentage of small business participation that was achieved. (Govt. Code § 14841.)
  - b. If for this Contract Contractor made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) certify in a report to the awarding department: (1) the total amount the prime Contractor received under the Contract; (2) the name and address of the DVBE(s) that participated in the performance of the Contract; (3) the amount each DVBE received from the prime Contractor; (4) that all payments under the Contract have been made to the DVBE; and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Mil. & Vets. Code § 999.5(d); Govt. Code § 14841.)

20. LOSS LEADER: If this contract involves the furnishing of equipment, materials, or supplies then the following statement is incorporated: It is unlawful for any person engaged in business within this state to sell or use any article or product as a “loss leader” as defined in Section 17030 of the Business and Professions Code. (PCC 10344(e).)

# Contractor Certification Clause

CCC 04/2017

## CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

|                                       |                   |
|---------------------------------------|-------------------|
| Contractor/Bidder Firm Name (Printed) | Federal ID Number |
|---------------------------------------|-------------------|

By (Authorized Signature)

Printed Name and Title of Person Signing

|               |                           |
|---------------|---------------------------|
| Date Executed | Executed in the County of |
|---------------|---------------------------|

## CONTRACTOR CERTIFICATION CLAUSES

### STATEMENT OF COMPLIANCE:

Contractor has, unless exempted, complied with the nondiscrimination program requirements. (GC 12990 (a-f) and CCR, Title 2, Section 8103) (Not applicable to public entities.)

### DRUG-FREE WORKPLACE REQUIREMENTS:

Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

- a) Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
- b) Establish a Drug-Free Awareness Program to inform employees about:
  1. the dangers of drug abuse in the workplace;
  2. the person's or organization's policy of maintaining a drug-free workplace;
  3. any available counseling, rehabilitation and employee assistance programs; and,

4. penalties that may be imposed upon employees for drug abuse violations.
- c) Provide that every employee who works on the proposed Agreement will:
1. receive a copy of the company's drug-free policy statement; and,
  2. agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: (1) the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (GC 8350 et seq.)

#### NATIONAL LABOR RELATIONS BOARD CERTIFICATION:

Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court which orders Contractor to comply with an order of the National Labor Relations Board. (PCC 10296) (Not applicable to public entities.)

#### CONTRACTS FOR LEGAL SERVICES \$50,000 OR MORE- PRO BONO REQUIREMENT:

Contractor hereby certifies that contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the contract equal to the lesser of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its contract with the State.

Failure to make a good faith effort may be cause for non-renewal of a state contract for legal services, and may be taken into account when determining the award of future contracts with the State for legal services.

#### EXPATRIATE CORPORATIONS:

Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

#### SWEATFREE CODE OF CONDUCT:

- a. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in

whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations [website](#) and Public Contract Code Section 6108.

- b. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the contractor's compliance with the requirements under paragraph (a).

#### DOMESTIC PARTNERS:

For contracts of \$100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.3.

#### GENDER IDENTITY:

For contracts of \$100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.35.

#### DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

#### CONFLICT OF INTEREST:

Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

- a) Current State Employees (PCC 10410):
  1. No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
  2. No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

- b) Former State Employees (PCC 10411):
  1. For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-

making process relevant to the contract while employed in any capacity by any state agency.

2. For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (PCC 10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (PCC 10430 (e))

#### LABOR CODE/WORKERS' COMPENSATION:

Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

#### AMERICANS WITH DISABILITIES ACT:

Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

#### CONTRACTOR NAME CHANGE:

An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

#### CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

- a) When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.
- b) "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.
- c) Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good

standing by calling the Office of the Secretary of State.

#### RESOLUTION:

A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

#### AIR OR WATER POLLUTION VIOLATION:

Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

#### PAYEE DATA RECORD FORM STD. 204:

This form must be completed by all contractors that are not another state agency or other government entity.