

AGREEMENT NUMBER 11C-1807	AMENDMENT NUMBER 1
REGISTRATION NUMBER eP 1203228.1	

1. This Agreement is entered into between the State Agency and the Contractor named below
STATE AGENCY'S NAME
Department of Community Services and Development
CONTRACTOR'S NAME
El Dorado County Health and Human Services Agency
2. The term of this Agreement is : **December 1, 2011 through June 30, 2013**
3. The maximum amount of this Agreement is: **\$ 39,418.00**
4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:
 - A. The maximum amount of this Agreement payable to Contractor by the State remains unchanged.
 - B. This Amendment changes the term of this Agreement from December 1, 2011 through June 30, 2012 to December 1, 2011 through June 30, 2013.
 - C. This amendment changes Exhibit D, please replace Exhibit D in its entirety with the revised Exhibit D attached. See Exhibit D, Attachment II replacement page herein.
 - D. This amendment changes Exhibit F, please replace Exhibit F in its entirety with the revised Exhibit F attached.All other terms and conditions shall remain unchanged.

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



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

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SPECIAL TERMS AND CONDITIONS

1. TRAVEL AND PER DIEM

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

2. CERTIFICATIONS

- A. Contractors' signature affixed hereon shall constitute a certification that to the best of its ability and knowledge it will, unless exempted, comply with the provisions set forth in the following:
 - 1) Drug-Free Workplace Requirements, Contract Certification Clauses 307 (CCC-307)
 - 2) National Labor Relations Board Certification (CCC-307)
 - 3) Expatriate Corporations (CCC-307)
 - 4) Domestic Partners (CCC-307)
 - 5) Contractor Name Change (CCC-307)
 - 6) Resolution (CCC-307)
 - 7) Air or Water Pollution Violation (CCC-307)
 - 8) Information Integrity and Security (Department of Finance, Budget Letter 04-35).

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- 9) Safeguarding Against and Responding to a Breach of Security Involving Personal Information (Office of Information Security and Privacy Protection, Management Memo 08-11).

B. The above documents are hereby incorporated by reference into this Agreement. To access these documents, please visit <http://www.csd.ca.gov>.

C. Internal Control Certification

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

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

3. CONFLICT OF INTEREST

- A. Contractor certifies that its employees and the officers of its governing body shall avoid any actual or potential conflicts of interest and that no officer or employee who exercises any functions or responsibilities in connection with this Agreement shall have any personal financial interest or benefit that either directly or indirectly arises from this Agreement.
- B. Contractor shall establish safeguards to prohibit its employees or its officers from using their positions for a purpose that could result in private gain or that gives the appearance of being motivated for private gain for themselves or others, particularly those with whom they have family, business, or other ties.

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- C. Pursuant to 10 CFR § 600.142 and 236, Contractor shall not provide DOE WAP services or activities to beneficiaries where there is an actual or perceived conflict of interest, unless CSD has provided prior written approval of either: a) Contractor's conflict of interest policies and procedures, or b) any individual service or activity that presents an actual or perceived conflict including but not limited to:
- 1) Providing program services to Contractor's employees, officers, or other persons or entities with whom Contractor's employee or officer has family, business, or other ties; and
 - 2) Providing program services to owner-occupied or rental dwellings that are owned or managed by the Contractor, employees, or officers.
- D. To obtain prior written approval by CSD, Contractor must demonstrate that it will:
- 1) Follow all regular eligibility and prioritization requirements of the Federal programs, as applicable to each service or activity;
 - 2) Comply with all dwelling eligibility requirements of this Agreement, including but not limited to rent increase and multiple dwelling restrictions;
 - 3) Substantiate the need for weatherization services by completing a dwelling assessment for each individual dwelling unit served; and
 - 4) Consent to any further conditions if required by CSD. Failure to obtain prior written approval by CSD will result in costs being disallowed.

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4. **CODES OF CONDUCT**

- A. Contractor shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts or subcontracts. No employee, officer, or agent of the Contractor shall participate in the selection, award, or administration of a subcontract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the Contractor shall neither solicit nor accept gratuities, favors, or anything of monetary value from subcontractors or parties to 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.
- B. Contractor shall not pay Federal funds received from CSD to any entity in which it (or one of its employees, officers, or agent, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicated herein) has an interest. As ownership constitutes a financial interest, Contractor shall not subcontract with a subsidiary. Similarly, Contractor shall not subcontract with an entity that employs or is about to employ any person described in 10 CFR 600.236 (for states and local governments) and 10 CFR Part 600.142 (for nonprofit organizations) (Office of Management and Budget Circular A-110, section 42).

5. **BOARD ROSTER, BYLAWS, RESOLUTION, AND MINUTES**

- A. Upon execution of this Agreement, Contractor shall submit to CSD a Board Roster form (CSD 188) listing the current roster of members of its governing board, including contact information for each board member at a location other than the Contractor's office, and the most recent version of the organizational bylaws. The CSD 188 form is attached herein as Attachment I to this Exhibit. If Contractor is a nonprofit or public entity that qualifies as an eligible entity under the federal CSBG Act, then Contractor shall instead submit a CSD 188, including contact information of the tripartite board. Contractor is responsible to notify CSD of any changes to the board roster within thirty (30) days of such occurrence.

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- B. Contractor's governing board must authorize the execution of this Agreement. Contractor has the option of demonstrating such authority by direct signature by a Board member, or by any lawful delegation of such authority that is consistent with Contractor's bylaws.
- C. Where Contractor elects to delegate the signing authority to the chief executive officer, CSD will accept either a resolution specific to this Agreement or a resolution passed by the governing board that is more generally applicable to any CSD program contract or amendment. Where Contractor provides a general resolution, Contractor shall maintain documentation that the chief executive officer provided timely and effective communication of the execution and terms of this Agreement to the Board. Either a specific or current general resolution must be on file with CSD prior to CSD's finally executing this Agreement.
- D. Contractor shall submit to CSD the minutes from regularly scheduled meetings of the governing board and/or tripartite board no later than 30 days after the minutes are approved. Regularly scheduled meetings shall be in accordance with the board's bylaws.
- E. If the Contractor's board is both tripartite and advisory to the elected members governing a local government, the Contractor shall submit to CSD the approved minutes from any meeting of the elected officials where matters relating to this Agreement are heard, including but not limited to discussions about or decisions affecting the DOE WAP. Such minutes shall be submitted to CSD no later than 30 days after the related meeting.

6. AUDITING STANDARDS AND REPORTS

A. Auditing Standards

Contractor must follow all audit requirements as set forth in OMB Circular A-133 and the CSD Supplemental Audit Guide. The Supplemental Audit Guide is hereby incorporated by reference to this Agreement and may be accessed at <http://www.csd.ca.gov>.

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B. Audit Reports

- 1) a. Funds provided under this Agreement shall be included in an audit conducted in accordance with the provisions of OMB Circular A-133 for nonprofit and public agencies, standards promulgated by the American Institute of Certified Public Accountants (AICPA), and those standards included in "Government Auditing Standards, 2007 Revision, as amended."
- b. Contractors falling below the federal funding threshold that mandates a single agency-wide audit in accordance with OMB Circular A-133 shall:
 - i. Submit an annual program-specific audit within nine months of the end of the Contractor's fiscal year; and
 - ii. Be subject to an audit and/or other fiscal- or program-specific review conducted by CSD or its agents, upon 30 days written notice.
- 2) The financial and compliance audit report shall contain the following supplementary financial information: a combined statement of revenue and expenditures for each contract that presents, by budget line item, revenue and expenditures for the audit period and a description of the methodology used to allocate and claim indirect costs and any administrative cost pools.
- 3) The audit report must specifically mention that a review for compliance with OMB Circulars A-87 and A-122 was conducted.
- 4) Contractors shall submit to CSD one (1) printed copy and one (1) electronic copy of the required audit report(s) and any management letter issued by the accountant, within nine (9) months of the end of the Contractor's fiscal year, accompanied by a copy of the signed, final engagement letter between Contractor and the independent auditor.

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If the Contractor's independent auditor is unable to meet this deadline, the Contractor shall submit to CSD Audit Services Unit a written request for an extension, which includes a copy of a letter from the independent auditor explaining the anticipated delay. CSD may grant an extension not to exceed thirty (30) calendar days from the original due date. The audit report(s) and all supplemental financial information are to be submitted to the following addresses:

Printed copy:

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

Electronic copy:

audits@csd.ca.gov

In accordance with the guidelines of the Division of Audits of the California State Controller's Office (SCO), if Contractor is a local government agency, additional copies of the audit report must be submitted to the following address:

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

- 5) In the event an audit required under this section has not been submitted in a timely fashion, CSD may at its option impose sanctions as provided in OMB Circular No. A-133 at § ___.225, to include:
- a) Withholding a percentage of Federal awards until the audit is completed satisfactorily;
 - b) Withholding or disallowing overhead costs;
 - c) Suspending Federal awards until the audit is conducted; or
 - d) Terminating the Federal award.

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7. SUBCONTRACTS (CSD)

Contractor may enter into subcontract(s) to perform part or all of the services contemplated under this Agreement. Prior to the commencement of subcontracted services under this Agreement, Contractor shall obtain board approval, to include but not be limited to an assurance that the subcontractor agreement(s) shall comply with all terms, conditions, assurances, and certifications of this Agreement for the nonprofit and local governmental agencies performing services in the area(s) described in EXHIBIT A, Section 2.

- A. Contractor shall provide written notification to the State within 60 calendar days of execution of each subcontractor agreement the name of the subcontractor entity, its address, telephone number, contact person, contract amount, and program description of each subcontractor activity to be performed under this Agreement. This written notification shall also include a certification 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 provided via the Excluded Parties List System (EPLS), available at <https://www.epls.gov> .
- B. If CSD Determines that Contractor has executed a subcontract with an individual or entity listed as disbarred, suspended or otherwise ineligible on EPLS as of the effective date of the subcontract, costs Contractor has incurred under the subcontract may be disallowed.
- C. Contractor remains responsible to substantiate the allowable and allocable use of all funds under this Agreement and to adopt fiscal control and accounting procedures sufficient to permit the tracing of funds paid to any subcontractor to a level of expenditure adequate to establish that such funds have not been used in violation of this Agreement. Contractor shall ensure that any subcontracts under this Agreement contain all provisions necessary to ensure adequate substantiation and controls of the expenditure of such funds. Contractor may achieve this through detailed invoices, by periodic monitoring of subcontractor's program activities and fiscal accountability, by retaining a right of reasonable access to the subcontractor's books and records, or by any other method sufficient to meet Contractor's responsibility to substantiate costs required by OMB Circulars A-87, 122, and 133.
- D. Contractor shall immediately notify subcontractor(s) in writing within five days of such action in the event the State suspends, terminates, and/or makes changes to the services to be performed under this Agreement.

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- E. Contractor is the responsible party and shall remain liable for the performance of the terms, conditions, assurances, and certifications of this Agreement, without recourse to the State, regarding the settlement and satisfaction of all contractual and administrative issues arising out of subcontract agreement(s) entered into in support of this Agreement, including disputes, claims, or other matters of a contractual nature as well as civil liability arising out of negligence or intentional misconduct of the subcontract(s).
- F. Nothing contained in this Agreement or otherwise shall create any contractual relation between the State and any subcontractors, and no subcontract shall relieve the Contractor of its responsibilities and obligations hereunder. Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.
- G. All subcontractors shall be subject to the training and record-keeping provisions in Exhibit F of this Agreement. In addition, subcontractors whose training is provided at the Contractor's expense will be subject to a retention agreement, as indicated in Section 7.E. in Exhibit F.

8. **INSURANCE AND FIDELITY BOND**

A. General Requirements

- 1) By execution of this Agreement, Contractor agrees that the below-required insurance policies and bond shall be in effect at all times during the term of this Agreement.
- 2) Contractor shall provide the State with written notice at least 30 calendar days prior to cancellation or reduction of insurance coverage to an amount less than that required in this Agreement.

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- 3) In the event said insurance coverage expires at any time or times during the term of this Agreement, Contractor agrees to provide, at least 30 calendar days prior to said expiration date, a new Certificate of Insurance (ACORD 25) evidencing insurance coverage as provided for herein for not less than the remainder of the term of this Agreement. The Certificate of Insurance (ACORD 25) shall identify and name the State as the Certificate Holder.
- 4) New Certificates of Insurance are subject to review for content and form by CSD.
- 5) In the event Contractor fails to keep in effect at all times the specified insurance and bond coverage as herein provided, the State may, in addition to any other remedies it may have, suspend this Agreement.
- 6) With the exception of workers' compensation and fidelity bond, the State shall be named as additional insured on all certificates of insurance required under this Agreement.
- 7) The issuance of other CSD contracts, to include reimbursement payments, to the Contractor may be contingent upon required current insurance coverage being on file at CSD for this Agreement.
- 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 satisfactory proof, may waive the appropriate insurance requirements upon written certification. An appropriate county or city risk manager shall sign this certification that shall contain assurance of the adequacy of the governmental entity's ability to cover any potential losses under this Agreement.
- 2) Contractor shall specify in writing a list of which coverage(s) will be self-insured under this Agreement and shall list all applicable policy numbers, expiration dates, and coverage amounts.

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- 3) In the case that the Contractor's self-insurance coverage does not contain any changes from the prior year, CSD will accept a certified letter signed by authorized personnel; stating that no changes have occurred from the last year. This letter is due at the time of contract execution or within 30 days of expiration of insurance.

C. Workers' Compensation Insurance

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

D. Commercial or Government Crime Coverage (Fidelity Bond)

- 1) Contractor shall maintain a commercial crime policy, or if Contractor is a public entity, a government crime policy (hereinafter "fidelity bond") that shall include the following coverage or their substantial equivalents: 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 four percent (4%) of the total amount of consideration set forth under this Agreement.
- 3) Contractor shall submit an applicable Certificate of Insurance (ACORD 25) to the State as evidence of compliance with the fidelity bond requirement prior to issuance of an initial cash advance.

E. General Liability Insurance

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

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

F. Vehicle Insurance

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

9. COMPLIANCE MONITORING

- A. As the recipient of federal DOE WAP grant funds under this Agreement, Contractor shall substantiate that all costs claimed under this Agreement are allowable and allocable under all applicable federal and state laws, and trace all costs to the level of expenditure.
- B. As the administrator of the DOE WAP grant for the State, CSD shall ensure the funds allocated to Contractor are expended for the purposes identified in federal and state DOE WAP law, and for allowable and allocable costs under the applicable rules of the Office of Management and Budget.
- C. CSD shall conduct on-site and follow-up monitoring of Contractor to ensure that Contractor meets the performance goals, administrative standards, financial management requirements, and other requirements of the federal and State DOE WAP.

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- D. CSD shall provide Contractor reasonable advance notice in writing of on-site monitoring reviews of Contractor's program or fiscal performance.
- E. Contractor shall cooperate with CSD program and audit staff and other representatives and provide access to all programs, records, documents, resources, personnel, inventory, and other things reasonably related to the administration and implementation of the services and activities funded directly or indirectly by this Agreement.
- F. In the event that CSD determines that Contractor is not in compliance with material or other legal requirements of this Agreement, CSD shall provide the observations, recommendations, or findings, and request for corrective action plan to Contractor in writing. Contractor shall submit to CSD a specific action plan for correcting the noncompliance.

10. NONCOMPLIANCE WITH REQUIREMENTS OF THIS AGREEMENT

A. Determination and Notice

- 1) If CSD determines that Contractor has not complied with the requirements of this Agreement, CSD shall provide Contractor with written notice setting forth: 1) the factual and legal bases for the determination of noncompliance; and 2) the corrective action(s) required and the date by which they must be taken.
- 2) If CSD determines that Contractor's noncompliance constitutes a material breach of the Agreement, and that immediate action is required, CSD may initiate an enforcement action in accordance with the provisions in this section and applicable State and federal law.

B. For purposes of this section, "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:

- 1) constitutes fraud or gross negligence by Contractor or its agent(s);
- 2) is likely to result in significant waste and/or abuse of Federal funds;
- 3) 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;

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- 4) violates or otherwise disregards significant program guidance and other requirements of the Federal Government, whether issued directly or through CSD;
 - 5) may have serious adverse effects and consequences on the Contractor's customers, employees, subcontractors, creditors, suppliers, vendors, or other stakeholders; OR
 - 6) may otherwise significantly and adversely affect the viability, effectiveness, or integrity of the program.
- C. For purposes of this section "enforcement action" means the imposition of any of the following: a) special conditions and/or sanctions, b) "high risk" designation; c) contract suspension; d) contract termination; or e) termination of service provider designation.
- D. Special Conditions and Sanctions
- 1) In addition to all other requirements set forth in this Agreement and/or in any guidance issued pursuant to this Agreement, CSD may impose 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 a material breach of contract, as defined in Paragraph B, above.
 - 2) Special Conditions may include, but are not limited to:
 - a. obtaining training and/or technical assistance;
 - b. the imposition special or additional reporting requirements;
 - c. the provision of documentation; AND/OR
 - d. the requirement to amend or modify systems, procedures, and/or policies;
 - 3) 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.

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- 4) The suspension of advances and/or reimbursements and the issuance of stop work orders are subject to the following provisions:
 - a. if Contractor elects to contest the action, Contractor shall have two working days following receipt of notice to show cause why the sanction should not be enforced;
 - b. CSD shall have two 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.
- 5) Contractor may, at any time, request in writing that CSD initiate the contract suspension or contract termination processes as set out below in order to resolve outstanding issues through the established regulatory process;
- 6) Should Contractor fail to submit a writing to show cause or fail to request that CSD initiate either the contract suspension or termination processes, CSD may initiate such action upon its own motion.
- 7) 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:
 - 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).
- 8) Enforcement Actions involving "High risk" Designation, Contract Suspension, Contract Termination and Termination of Service Provider Designation shall be initiated and conducted in accordance with the applicable provisions found in Title 22 California Code of Regulations § 100875 and other applicable State and federal statutes and regulations.

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9) Lien Rights

The State retains lien rights on all funds advanced.

11. APPEAL PROCESS WHEN SPECIAL CONDITIONS ARE IMPOSED

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

12. AGREEMENT CHANGES

A. Amendment

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

B. Minor Modifications

- 1) Contractor may request modifications to make minor adjustments during the contract term. Minor Modifications shall not affect the Maximum Amount payable under this Agreement.
- 2) Minor Modifications shall not affect the maximum limits set for specific line items under this Agreement, i.e., administrative costs, health and safety.

C. Process

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

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- 2) Exceptions to this requirement include the following:

Modifications to the projected budget(s) that do not affect the maximum amount payable under this contract or the work to be performed within the specific DOE WAP program component and the exceptions provided for in EXHIBIT E, Section 1, PROVISION FOR FEDERALLY FUNDED GRANTS.

13. SYSTEM SECURITY REQUIREMENTS

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

A. General Information/Data Description

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

B. Services Offered

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

C. Data Sensitivity

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

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D. Information Exchange Security

- 1) The security of the information being passed on this primary two-way connection shall be protected through the use of encryption software. The connections at each end shall be secured plus the physical location the application systems shall be within a controlled access facilities. Individual users may not have access to the data except through their systems security software that is logged in detail or controlled. All access will be controlled by authentication methods to validate the approved users.
- 2) Standards for secure transmission may be accomplished through such means as certificates, secure socket layer, etc., and storage of the data with encryption, if applicable.
- 3) Both CSD and Contractor shall maintain security patches and anti-virus software updates.

E. Trusted Behavior Expectations

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

F. Formal Security Guidelines

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

G. Incident Reporting

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

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H. Audit Trail Responsibilities

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

I. Data Sharing Responsibilities

All primary and delegated secondary organization that share, exchange, or use personal, sensitive, or confidential data shall adhere to all CSD's policies and SAM guidelines. If data sharing is accomplished via interconnectivity of an application system, then data sharing must be certified to be secure by both parties.

14. SPECIAL CONDITIONS – FISCAL PERFORMANCE REQUIREMENT

- A. Adequate fiscal performance will be the achievement of one hundred percent (100%) of stated expenditures by June 30, 2013.
- B. Contractor shall complete and submit to CSD the Expenditure and Production Goals Chart, Attachment II to this Exhibit.
- C. At the conclusion of each quarterly period of the contract term, CSD shall review Contractor's achievement of goals. If goals are not being achieved, CSD shall notify Contractor that contract goals are not being met and Contractor shall be required to provide an immediate resolution.
- D. If the Contractor has previously been contacted regarding noncompliance and is found to have another quarterly period of noncompliance, the Contractor shall be notified in writing that contract goals are not being met and that the Contractor has established a pattern of non-achievement of goals. The Contractor shall have to meet all goals inclusive to the next quarter period.

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- E. If Contractor has failed to achieve contract goals or has failed to meet contract goals after written notification disclosing noncompliance, the State shall enter into negotiations with the Contractor to assess a realistic capacity to expend the remaining funds and a determination may be made as to the viable amount of funds that will remain in the contract. If a determination results in unexpended funds becoming available, the State will redistribute such funds to an eligible performing Contractor within the general geographic region of the Contractor-of-record. In the event a performing Contractor does not exist in the general geographic region, then the State shall reserve the right to redistribute funds to a performing Contractor within the state. If negotiations result in a modified expiration of the contract, EXHIBIT B, Section 1. A. shall prevail.

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

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

16. **SCHEDULE OF ATTACHMENTS**

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

- A. ATTACHMENT I BOARD ROSTER (CSD 188)
- B. ATTACHMENT II EXPENDITURE AND PRODUCTION GOALS

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ATTACHMENT II

EXPENDITURE AND PRODUCTION GOALS

EXPENDITURE AND PRODUCTION GOALS

		2011/12	2012				2013
Agency:		1	2	3	4	5	6
Total Expenditures by County	Total	12/1/11 - 3/31/12	4/1 - 6/30	7/1 - 9/30	10/1 - 12/31	1/1 - 3/31	4/1 - 6/30
El Dorado County	100%		100%				
	0%						
	0%						
	0%						
	0%						
	0%						
	0%						
Total	100%	0%	100%	0%	0%	0%	0%
Unit Production by County	Total	12/1/11 - 3/31/12	4/1 - 6/30	7/1 - 9/30	10/1 - 12/31	1/1 - 3/31	4/1 - 6/30
El Dorado County	33		33				
	0						
	0						
	0						
	0						
	0						
	0						
Total	33	0	33	0	0	0	0

Instructions

Expenditures by County -

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

Unit Production By County -

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

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

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PROGRAMMATIC PROVISIONS

1. SERVICE PRIORITY GUIDELINES

- A. Contractor shall give first priority for weatherization services to those households that have the highest energy burden and high residential energy users and shall factor into its first priority for services those households with the following vulnerable populations: families with children under the age of 19, persons with disabilities, and elderly persons (ages 60 years or older).
- B. Contractor may give first priority for services to those households whose members have life-threatening emergencies.
- C. Additional priorities shall be as set forth in the DOE Weatherization Priority Plan Narrative, Attachment I to this Exhibit, must include consideration for determining households that would qualify for energy audit assessments and installation of optional measures. Contractors serving previously weatherized dwellings shall include the selection process for serving previously weatherized dwellings.
- D. Due to limited funding, Contractors shall ensure compliance with the DOE Reweathering Policy when providing services to dwellings previously weatherized from September 30, 1994 and earlier.
- E. Equitable Treatment

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

2. OUTREACH AND INTAKE ACTIVITY GUIDELINES

A. Outreach

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

B. Intake

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

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- 1) Establish reasonable hours whereby customers/applicants will have access during regular business hours to seek program information with an assurance that the Contractor shall respond to the customer/applicant's request within a reasonable amount of time.
- 2) Accept applications for assistance during regular business hours.
- 3) Accept applications at sites that are geographically accessible to all households in the area served by Contractor.
- 4) Provide low-income individuals who are physically infirm the means to submit applications without leaving their residences.
- 5) Provide intake only at sites accessible to the disabled.
- 6) Contractor shall utilize the Energy Intake Form as a multipurpose form for referrals to the DOE WAP program, the ECIP program, ECIP EHCS program, SWEATS program, HEAP program, and LIHEAP Weatherization program.

3. CLIENT EDUCATION/COUNSELING ACTIVITIES

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

A. Needs Assessment

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

B. Client Education / Budget Counseling

- 1) Contractor shall provide to all recipients of energy assistance under this Agreement applicable energy conservation information and budget counseling in accordance with the Contractor's approved DOE Weatherization Priority Plan Narrative. Contractors shall include at least the following:

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- a. Information to the client regarding the importance of applying for energy assistance prior to being in an arrearage situation and to include information concerning various utility company budget payment plan(s) and other forms of energy assistance offered within the State;
 - b. Written information that describes energy-saving behavioral adjustments that will decrease the energy consumption of the household;
 - c. Resource information, referral, family, and budget counseling in order to assist clients in achieving self-sufficiency;
 - d. The EPA pamphlet "Renovate Right: Important Lead Hazard Information for Families, Child Care Providers and Schools" for occupants of pre-1978 dwellings;
 - e. The EPA pamphlet "A Brief Guide to Mold, Moisture, and Your Home";
 - f. A description of the benefits that the client can expect to receive as a result of the weatherization measures installed and diagnostic tests performed in the dwelling;
 - g. An explanation of the action of each measure in terms of preventing air infiltration or the escape of heated or cooled air from the dwelling and how to maximize the effect of such measures;
 - h. Disclosure of any identified health, safety, or structural hazard conditions or deficiencies to the property owner and occupying tenant.
 - i. The EPA pamphlet "A Citizen's Guide to Radon".
- 2) Contractor shall place in the client's file the Client Education Confirmation of Receipt (CSD 321) or Contractor's equivalent, which substantiates that the client was provided with energy conservation, budget counseling and mold and lead-based paint education.

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- 3) In the event pre-existing health, safety, or structural conditions prevent the delivery of weatherization services or a particular measure, Contractor shall complete the CSD Weatherization Deferral Form to document the reason(s) for the service deferral and provide a copy to the property owner and occupying tenant.

C. Coordination

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

4. WEATHERIZATION ACTIVITY GUIDELINES

A. Applicant Eligibility

- 1) Assistance shall be available only to households with incomes that do not exceed an amount equal to sixty percent (60%) of the State median income.
- 2) Income verification must be for one month and current within six (6) weeks of the application intake date or an annual award letter. For acceptable types of documentation, refer to the current LIHEAP Eligibility and Verification Guide at www.csd.ca.gov/programs.
- 3) Contractor shall certify a household's income eligibility prior to the delivery of all energy program services.
- 4) Contractor shall collect and maintain copies of all of the household's energy utility bills for the current month, and if applicable, receipt(s) for wood, propane, and oil to determine the client's energy burden.
- 5) Contractor shall reimburse DOE for all costs associated with the delivery of weatherization services covered under this agreement to dwellings occupied by family units ineligible for weatherization assistance at the time such services were provided.

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B. Dwelling Eligibility

- 1) The certification shall remain in effect for a period of 120 days from the date the household is determined income eligible.
- 2) Contractor shall perform the assessment of weatherized dwellings within 120 days of the determination of the household's income eligibility to receive weatherization assistance services. In the event the Contractor is unable to perform the weatherization dwelling assessment within the 120-day period, the Contractor shall obtain updated income verification documentation to recertify the household's income eligibility, prior to commencing the delivery of any form of weatherization assistance service, include the dwelling assessment.
- 3) Contractor shall complete the post-combustion appliance safety test within sixty (60) days from the date of the pre-combustion appliance safety test. In the event the Contractor is unable to perform the work associated with the combustion appliance safety testing and the post-combustion appliance safety test within the 60-day period, Contractor shall perform another pre-test for the dwelling prior to commencing the delivery of any form of weatherization assistance services.
- 4) Contractor shall complete weatherization services within six (6) months from the date of the original assessment of a dwelling. In the event the Contractor is unable to perform all weatherization services within the six (6) month period, the Contractor shall obtain updated income verification documentation to recertify the household's income eligibility.
- 5) **Permission to Provide Services**
 - a. Contractor shall obtain general written permission of the owner-occupied dwelling or the tenant and the owner of a rental unit or owner's agent to perform an assessment and weatherization work prior to performing any such services. Such permission for rental units shall be recorded on the Energy Service Agreement for Occupied/Unoccupied Single or Multi-Family Rental Units (CSD 515).
 - b. If during the course of performing weatherization and/or heating and cooling appliance repair or replacement services in a dwelling, Contractor identifies that significant structural and/or engineering changes may occur, Contractor shall notify the owner-occupied

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dwelling and/or from the owner of a rental unit prior to continuing with the scheduled work.

6) Rent Increase Restrictions

- a. For a period of two years after weatherization work has been completed on a dwelling containing a unit occupied by an eligible household, the tenants in that unit (including households paying for their energy through their rent) will not be subjected to rent increases unless those increases are demonstrably related to matters other than the weatherization work performed.
- b. Tenants shall be given a written summary of these conditions with the current telephone number of the Contractor with instructions on how to file a complaint should these conditions not be met. Contractor shall investigate all complaints filed and shall forward a copy of all written complaints to CSD or, if a verbal complaint has been made, contact CSD with the details of the complaint including date complaint was made, date investigations began, and results.
- c. Should a complaint be found valid, Contractor shall obtain the amount equal to the weatherization work performed on that unit from the landlord and, if previously reimbursed from CSD, remit that amount to CSD along with details of the investigation.

7) Multiple Unit Dwellings

- a. In accordance with 10 CFR 440.22(b)(2), Contractor may weatherize a large multi-family building or complex containing more than 5 individual dwelling units when not less than 66 percent of the dwelling units in the building, or in the case of duplexes and four-plexes, where 50 percent of the units within the building:
 - i. Are eligible dwelling units, or
 - ii. The dwelling units will become eligible (occupied by eligible low-income tenants) within 180 days under a federal, state, or local government program for rehabilitating the building or making similar improvement to the building.

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- b. Contractor may weatherize individual units in a multi-family building in lieu of the whole building, *provided* Contractor first endeavors in good faith to weatherize the whole building in accordance with the provisions stated herein. Upon Contractor's determination that the whole building cannot be weatherized because the building does not qualify under standards established by official CSD Energy Policy which is hereby incorporated by reference and available on the CSD website at www.csd.ca.gov. Contractor shall notify CSD in writing of its intention to weatherize individual units in the multi-family building, specifying reasons why the whole building cannot be weatherized. Contractor shall retain supporting documentation justifying the determination in the event of an audit or monitoring visit.
- c. The weatherization of individual units in multi-family buildings is subject to unique criteria and allowable measures, distinct from those applicable to single family and multi-family buildings. Contractor may install only those measures allowed for individual units in multi-family buildings as specified in official CSD Energy Policy.
- d. 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.
- e. The amount of funds, however, applied to weatherization services in a building shall not exceed the number of eligible dwelling units multiplied by the \$6,572 maximum average per unit.
- f. Contractor shall complete a Multi-Family Dwelling Unit Eligibility Certification (CSD 75P) or Contractor's equivalent for each complex and shall maintain a copy in each individual client file.
- g. Contractor shall certify unit eligibility by completing Energy Intake Form (CSD 43) or Contractor's equivalent for each dwelling unit in each building. Certification of eligibility by the owner/manager of the occupants of the building/complex is not acceptable.
- h. The owner has signed a copy of the Energy Service Agreement for Rental Units (CSD 515), authorizing the weatherization work, accepting conditions protecting the interests of tenants, and other provisions required by CSD;

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- i. No undue or excessive enhancement shall occur to the value of the dwelling units.
 - j. If power is available, and all combustion appliances are CAS tested, repairs or replacements may be made to the appliance if eligible pursuant to program policy.
 - i. If a dangerous indoor air quality condition and/or fire hazard is found to exist, Contractor shall disable the appliance to eliminate the immediate hazard in accordance with CSD Weatherization Installation Standards and Policies and Procedures.
 - ii. If the dwelling is later occupied with an eligible applicant, Contractor may provide the appliance services and shall report the dwelling as previously weatherized. Upon the completion of service, Contractor shall report the dwelling as previously weatherized.
- 8) Previously Weatherized Dwellings
- a. Weatherization services for a dwelling unit previously weatherized using DOE funds are not allowable EXCEPT if:
 - i. A dwelling unit has been damaged by fire, flood, or act of nature and repair of the damage to weatherization materials is not paid for by insurance; or
 - ii. A dwelling unit weatherized using DOE WAP or other Federal program funds on or before prior to September 30, 1994 needs further weatherization assistance.
 - b. Each dwelling must receive a new assessment, diagnostic testing and energy audit which takes into account any previous energy conservation improvements to the dwelling. Only those energy conservation measures at or above a savings-to-investment ratio (SIR) of 1 are allowable.

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- c. Measures installed outside those weatherization measures disclosed during the dwelling's initial weatherization assessment constitute a re-weatherized dwelling.
- d. Once a dwelling has been submitted to CSD for reimbursement as a completed unit, any subsequent weatherization services provided to the dwelling shall be considered re-weatherization. Contractor shall not report demographics for re-weatherized dwellings.
- e. If the previous weatherization was performed under CSD or other federal or a nonfederal program, the dwelling and occupant eligibility must be recertified.

9) Ineligible Dwellings

- a. Contractor shall not weatherize a dwelling unit that is designated for acquisition or clearance by a federal, state, or local program within 12 months from the date weatherization of the dwelling unit would be scheduled to be completed.
- b. Contractor shall not weatherize any dwelling under this Agreement unless the property owner agrees to all the terms and conditions of the Weatherization Building Assessment and Job Order Sheet (CSD 540) and the Energy Services Agreement for Rental Units (CSD 515) as applicable.
- c. Contractor shall not weatherize a dwelling having master-metered units unless direct savings to individual tenants can be documented. Contractor shall place such documentation in the client's file.
- d. No institutional or commercial building including, but not limited to, universities, schools, nursing homes, hospital, hotel, motel, etc. may be weatherized under this Agreement.

10) Temporary Shelters/Homeless Individuals

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

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11) Group Homes

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

C. Minimum Requirements for Weatherization Services

- 1) Single-family detached and other single-story dwellings that have not been previously weatherized under a CSD program or other program may be weatherized under this Agreement only if:
 - a. Ceiling Insulation plus two (2) additional Mandatory Measures are installed, or
 - b. In the event Ceiling Insulation is not feasible, at least three (3) Mandatory Measures are installed.
 - c. Blower door and duct leakage diagnostics may be counted as Mandatory Measures for the purpose of meeting the minimum number of measures.
- 2) Multi-unit dwellings that have not been previously weatherized under a CSD program or other program, may qualify for weatherization services only if ceiling insulation plus two (2) additional Mandatory Measures are installed or, in the event ceiling insulation is not feasible, at least three (3) Mandatory Measures.
 - a. Installation of ceiling insulation may be counted as a ceiling insulation measure for each unit within that building envelope.
 - b. Installation of a common water heater shall qualify as a Mandatory measure for each unit served by the same water heater.
 - c. Blower door and duct leakage diagnostics may be counted as Mandatory Measures for the purpose of meeting the minimum number of measures.
- 3) If the required minimum number of weatherization measures cannot be installed due to the deferral of measures, then the entire unit shall be deferred and the dwelling ineligibility documented in the client file pursuant to CSD Health and Safety Policy and Procedures.

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- 4) Repair of large leaks identified by blower door testing may reduce shell leakage so close to the Minimum Ventilation Requirement (MVR) that caulking and/or weather stripping are not feasible, thus reducing the number of feasible Mandatory and Priority List Measures to fewer than needed to qualify the dwelling for weatherization. In this case, Contractor may substitute non-infiltration reduction Optional Measures as needed for the non-feasible caulking and/or weather-stripping measures only if a REM/Design energy audit or TREAT, as applicable, has been performed and the savings-to-investment ratio (SIR) is greater than 1 for any Optional Measures to be installed.
- 5) The minimum number of weatherization measures may be leveraged with other weatherization programs except DOE ARRA. All leveraged measures used to fulfill the minimum number of required weatherization measures shall meet CSD installation standards.

D. Dwelling Assessments

- 1) Contractor shall assess eligible dwellings to identify the specific energy-efficiency and health and safety services to be offered under the allowable scope of services outlined in this agreement.
- 2) Contractor shall ensure that all dwelling assessments are performed by trained individuals possessing all the required skill and training, as specified in the TRAINING REQUIREMENTS Section of this Exhibit.
- 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) Contractor shall provide notification to the owner-occupant and the owner of a rental unit or owner's agent and inform the tenant of the following:
 - a. Any significant structural and engineering changes required to complete the weatherization work before the specified work commences; and
 - b. Confirmation of the work completed.

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5) Dwelling Assessment Performance

- a. Dwelling assessments shall include the following required activities:
 - i. The visual assessment of the eligible dwelling to identify safety and structural hazards conditions present within the dwelling that may limit ability to perform any or all of the required weatherization services in accordance with CSD weatherization guidelines and terms of this agreement. Assessor shall disclose all noted safety and structural hazard conditions to the property owner and tenant, where applicable.
 - ii. The visual inspection and pre-CAS diagnostic testing of all combustion appliances as to identify the presence of combustion appliance safety conditions within the occupied living space and requiring immediate attention and the offering of prescribed list of health and safety measures needed to remedy noted conditions.
 - iii. The visual inspection of dwelling to identify any structural deficiencies and/or barriers inhibiting the ability for required pressurized diagnostics to occur. Assessor shall also inform client of the various types of diagnostic testing to be performed within the dwelling, including the general nature and benefits of each form of required diagnostic testing.
 - iv. Determination of whether the dwelling meets the criteria for Historic Preservation Review as specified in Subdivision b below.

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- b. Historic Preservation Review of Dwellings
 - i. To ensure compliance with Section 106 of the National Historic Preservation Act (16 U.S.C. 470), CSD will establish appropriate procedures for historic property review standards as outlined by a Programmatic Agreement with the State Historic Preservation Office. The established review standards will be utilized for weatherization activities conducted under the DOE ARRA Program on dwellings that are 45 years or older. For purposes of this Agreement, the historic review shall be known as the Historic Preservation Review.
 - ii. The Contractor shall ensure that a Historic Preservation Review is completed on a dwelling that is either: (1) 45 years or older, (2) located within a historic district, or (3) considered to be of exceptional importance under the National Register Criteria for Evaluation pursuant to 36 CFR 60.4.
 - iii. When a dwelling assessment is performed and the dwelling is determined to meet any of the criteria specified in Subdivision ii., Contractor shall initiate the Historic Preservation Review process as specified in CSD Historic Preservation Review Policy incorporated by reference to this Agreement, and available on the CSD website at www.csd.ca.gov.
- c. Combustion Appliance Safety (CAS) Tests
 - i. The completion of a pre-combustion appliance safety (CAS) test is required on all dwellings with combustion appliances.
 - ii. If it is determined during the CAS test that the dwelling unit contains a condition that is hazardous to the occupants, proper steps must be taken to alleviate the hazard. In these cases, infiltration reduction measures may not be installed until the hazard has been corrected; however, Contractor may install non-infiltration reduction measures.

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- d. If the dwelling unit is not eligible because of the need for extensive repair, the unit shall not be serviced and the applicant should be referred to the local Housing and Community Development Department, U.S. Farmers Home Administration Housing Loan Program, or other similar organizations or programs.
 - i. Documentation of such ineligibility due to the need for extensive repairs shall be recorded on the CSD Weatherization Deferral Form.
 - ii. If the applicant can obtain the necessary repairs to make the dwelling unit eligible for weatherization services, weatherization activities may be accomplished following the repair work.
- E. Diagnostic Testing
 - 1) Contractor shall perform blower door diagnostic testing only for shell sealing purposes on all single-family and multi unit building types weatherized under this agreement in accordance with CSD blower door testing standards and policies and procedures. Infiltration reduction measure subject to blower door diagnostics shall not be installed if the diagnostic testing is not performed.
 - 2) Following a determination that no combustion byproduct hazards exist, Contractor shall perform pressure diagnostic guided infiltration reduction using a pre-weatherization blower door test.
 - 3) Duct Blaster diagnostic testing shall be required on all weatherized dwellings units with forced-air systems.
 - 4) Contractor shall ensure that all dwelling diagnostic tests are performed by trained individuals possessing all the required skill and training, as specified in Section 7, TRAINING REQUIREMENTS.
 - 5) If an unvented space heater is being utilized, infiltration reduction measures shall not be applied unless venting is installed or the unit is replaced

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F. Health and Safety Measures

- 1) Contractor is authorized to mitigate health and safety hazards generated by combustion appliances, preserve or improve indoor air quality, and address knob-and-tube wiring. In addition to all provisions in this Agreement regarding Health and Safety Measures, Contractor must adhere to the attached HEALTH AND SAFETY APPLIANCE REPLACEMENT POLICY, ATTACHMENT II, to seek reimbursement for replacing specified appliances. The HEALTH AND SAFETY APPLIANCE REPLACEMENT POLICY is hereby incorporated by reference to this Agreement and available on the CSD website at <http://www.csd.ca.gov/Contractors/ENERGY/Energy.aspx>.
- 2) All Health and Safety and Mandatory Measures must be installed before optional measures, and no measure shall be excluded, unless the:
 - a. Blower door and/or pressurized duct diagnostic test indicates that installation of the measure is not necessary;
 - b. Dwelling already has that measure in place;
 - c. Measure cannot be properly installed;
 - d. Client refuses installation (client refusal is to be documented and placed in file);
 - e. Maximum dollar limit is reached; or
 - f. Measure is not needed or required.
- 3) If a health or safety hazard is found to exist that requires replacing or repairing a combustion appliance, the cost of which will preclude the installation of the required number of Mandatory Measures for a unit to be weatherized, the dwelling may qualify for weatherization under the following conditions:
 - a. The combustion appliance is repaired or replaced; and
 - b. All remaining feasible Mandatory Measures are installed up to the maximum quantity and dollar amounts specified for each measure as referenced in Attachment II to Exhibit B.

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- 4) If the dollar limit has not been reached in installing feasible Mandatory measures, Contractor may install optional measures after performing a REM/Design energy audit, or TREAT, as applicable, pursuant to the Energy Audit Requirements Section of this Exhibit.

G. Allowable Heating and Cooling Appliance Repair and Replacement Services

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

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

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H. DOE Waiver for Fuel Switching

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

I. Order of Operations

- 1) After Outreach, Intake, Assessment and Diagnostic Testing, Contractor shall install measures as specified in the CSD Order of Operations Policy incorporated by reference to this Agreement, and available on the CSD website at www.csd.ca.gov.

J. Priority Lists of Energy Conservation Measures

- 1) Contractor shall install energy conservation measures in single-family dwellings, mobile homes and multi-unit dwellings in accordance with the DOE-Approved Priority List which is hereby incorporated by reference to this Agreement and available on the California State Weatherization Assistance Program website at <http://www.calstatewap.com>.

K. Energy Audit Requirements

- 1) Energy audits will be conducted as specified in the CSD Measure Installation Policies and Procedures incorporated by reference to this Agreement, and available on the California State Weatherization Assistance website at <http://www.calstatewap.com>.
- 2) REM/Design energy audit tool shall be applied to single-family dwellings, mobile homes and multi-unit dwellings containing twenty-five (25) or fewer dwelling units where each unit is independently heated and cooled and has its own domestic hot water heater.
- 3) Targeted Retrofit Energy Analysis Tool (TREAT) shall be applied to all multi-unit dwellings except for those multi-unit dwellings that are qualified to use REM/Design.
- 4) Contractor shall install those feasible energy conservation measures shown by the energy audit to have a SIR of 1 or more.
- 5) Contractor shall install measures with higher SIRs before or instead of measures with lower SIRs.

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L. Natural Disasters

- 1) When a dwelling that has been damaged by a natural disaster such as fire, flood, earthquake, hurricane, etc., a scope of work shall be submitted to CSD for approval prior to beginning work related to a natural disaster pursuant to the DOE WAP DISASTER RELIEF PLAN, which is hereby incorporated by reference to this Agreement and available on the CSD website at www.csd.ca.gov/Contractors/ENERGY/Energy.aspx
- 2) Contractor may provide services to repair damages that are within the scope of the weatherization program if the same services will not be paid for or reimbursed by any other source.
- 3) The occupant shall be certified as currently eligible and a dwelling assessment shall be performed.

5. PROGRAM STANDARDS AND REGULATORY REQUIREMENTS

A. Program Standards

- 1) Contractor shall adhere to all CSD program standards pursuant to the following documents and manuals which have been incorporated by reference and made part of this Agreement as if attached hereto:
 - a. CSD Low-Income Weatherization Assistance Program Policies and Procedures;
 - b. CSD Conventional Home Weatherization Installation Standards (WIS);
 - c. CSD Inspection Policies and Procedures;
 - d. CSD LIHEAP/DOE Program HEALTH AND SAFETY APPLIANCE REPLACEMENT POLICY;
 - e. Official State and Federal Program Notices;
 - f. DOE WAP DISASTER RELIEF PLAN;
 - g. Current LIHEAP Eligibility Verification Guide.

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

B. Regulations

- 1) Standards contained in the Uniform Building Code and local city and county codes shall take precedence over the CSD WIS if the code requirement is not included in the manual and/or is more stringent.
- 2) Weatherization work performed in all applicable dwellings shall be in compliance with California Energy Commission 2005 Building Energy Efficiency Standards, Alterations under Title 24, Part 6, of the California Code of Regulations, California Home Energy Rating System (HERS) Program regulations.
- 3) Services provided to all applicable pre-1978 dwellings shall be in compliance with the Environmental Protection Agency rules in 40 CFR 745, Lead-Based Paint Poisoning Prevention in Certain Residential Structures and the Housing and Urban Development rules in 24 CFR 35; and Lead Requirements for Hazard Education Before Renovation of Target Housing; Final Rule.
- 4) All materials procured for weatherization purposes shall be in conformance with the Department of Energy rules in 10 CFR Part 600.236, Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local and Tribal Governments or 10 CFR Part 600.140, Uniform Administrative Requirements for Awards and Sub awards to Institutions of Higher Education, Hospitals, Other Nonprofit Organizations, and Commercial Organizations.
- 5) All materials must be in compliance with Department of Energy rules in 10 CFR 440, Appendix A.

C. Title 24

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

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- 2) Title 24 requirements are applicable only to energy conservation measures installed to dwellings located within Contractor's specific California Energy Commission (CEC) Climate Zone. For a listing of the CEC climate zones, refer to the California State Weatherization Program website at www.calstatewap.com.

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

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

D. Pre-1978 Dwellings

- 1) Lead-based paint is presumed to be present in all pre-1978 units unless the dwelling unit has previously been certified by a California Certified Inspector/Risk Assessor to be lead-free.
- 2) HUD units not previously certified to be lead free, built prior to 1978, and receiving weatherization services in which painted surfaces exceeding de minimis levels are disturbed require the successful achievement of lead-safe standards after the completion of weatherization services. Contractor shall assure that a third-party California Certified Inspector/Risk Assessor performs the clearance inspection after the completion of weatherization services and that the Assessor deems the weatherized HUD unit as lead-safe.
- 3) Contractor shall document notification to tenants of multi-unit housing of weatherization and/or renovation activities in common areas using the Notice of Weatherization/Renovation (CSD 320) or Contractor's equivalent and Record of Tenant Notification Procedures (CSD 322) or Contractor's equivalent.

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6. QUALITY ASSURANCE

A. Certification

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

B. Post-Weatherization Inspections

- 1) Contractor shall perform post-weatherization inspections on one-hundred percent (100%) of the total dwellings.
- 2) Contractor shall not report a weatherized dwelling as complete nor shall Contractor request reimbursement for a weatherized dwelling until all weatherization measures identified during the dwelling assessment have been installed, including post-weatherization inspections.
- 3) Any dwellings which are not inspected by Contractor may be inspected by CSD's third-party inspectors. In the event deficiencies or irregularities in the weatherization work are discovered, Contractor will be responsible for correcting workmanship issues and their associated costs. In the event the Contractor is unable to successfully remediate noted workmanship issues, then CSD will disallow all project costs for weatherized dwelling in question and the cost of the inspection charged to Contractor.
- 4) Post-Weatherization inspections shall be conducted for the purpose of assessing the quality and completeness of performed weatherization services and compliance with CSD weatherization guidelines. At a minimum, the post-inspection shall:

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- a. Review the Dwelling Assessment and Weatherization Building Assessment and Job Checklist (CSD 540) to ensure that all feasible weatherization measures identified during the assessment were installed.

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

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

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

- c. Verification that the unit received blower door and duct leakage testing;
 - d. Verification that required CAS testing of eligible combustion appliances was performed and inspection of combustion appliances to verify the safe operating condition of combustion appliances within the dwelling residence; and
 - e. Inspection of the unit dwelling to ensure that all identified health and safety hazards, whether preexisting or resulting from the performance of weatherization services, have been successfully remedied.
- 5) Contractor shall ensure that Post-Weatherization Inspections are performed by trained staff successfully completing all required training as specified in Section 7, TRAINING REQUIREMENTS.
 - 6) Contractor's shall ensure job separation between staff performing post-weatherization inspection activities and weatherization crew personnel performing the physical installation and performance of weatherization measure services funded under this agreement.

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

D. Subcontracted Services for Basic Weatherization

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

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E. Noncompliance

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

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

7. TRAINING REQUIREMENTS

- A. All training, as indicated by employee classification in Attachment II, shall be provided through a CSD-approved training center utilizing CSD-approved training curriculum. In-house training shall no longer be an acceptable form of training to meet any CSD training requirements for weatherization services with the exception of HUD-approved Lead-Safe Weatherization Training or unless otherwise noted. Training coursework must be successfully completed 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 noted below.
- B. Training Provisions for New Staff of Contractor and Subcontractors with Prior Experience Providing Weatherization Services under CSD Program
- 1) For the purposes of this section, subcontractors must have prior experience providing basic weatherization pursuant to a CSD program. Subcontractors who do not have prior basic weatherization experience pursuant to a CSD program must follow the training provisions in Section 7.D.
 - 2) Within 30 days of employment, weatherization employees of Contractor and subcontractors shall receive Worksite Safety, Environmental Hazards Awareness and Lead-Safe Weatherization Training. An Assessor, 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 Worksite Safety, Environmental Hazards Awareness and Lead-Safe Weatherization Training has been completed.
 - 3) Within ninety (90) days of employment, all weatherization employees of Contractor and subcontractors shall receive Basic Weatherization Training.
 - 4) Within 180 days of employment, weatherization employees of Contractor and subcontractors shall receive Duct Leakage/Blower Door Diagnostic Training. No employee of Contractor and subcontractor shall perform diagnostic testing without having completed the required training.

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- a. Subsequent to successful completion of the Duct Leakage/Blower Door 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 subcontractor employees failing to demonstrate 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.
- 5) Within 180 days of employment, weatherization employees of Contractor and subcontractors shall receive Combustion Appliance Safety Training. No employee of Contractor and subcontractors shall perform combustion appliance safety checks without having completed the required CSD-approved training.
- a. Subsequent to successful completion of the 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 knowledge and skill in this area of diagnostic 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.
- 6) Within 180 days of employment, weatherization employees of Contractor and subcontractors who perform Assessments and/or Field Supervision shall receive Field Assessment Training. No employee of Contractor and subcontractors shall perform assessments without having completed the required training.
- a. Subsequent to successful completion of the Field Assessment 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.

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- 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 prohibited from performing this activity until the completion of required training.
- 7) Within 180 days of employment, weatherization employees of Contractor and subcontractors who perform Inspections and/or Field Supervision shall receive Quality Assurance Training. No employee of Contractor and subcontractor shall perform inspections without having completed the required training.
 - a. Subsequent to successful completion of the Quality Assurance 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 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 prohibited from performing this activity until the completion of required training.
- C. Training Provisions for Existing Staff of Contractor and Subcontractors with Prior Experience Providing Weatherization Services under a CSD Program
 - 1) For the purposes of this section, subcontractors must have prior experience providing weatherization services pursuant to a CSD program. Subcontractors who do not have prior weatherization experience pursuant to a CSD program must follow the training provisions in Section 7.D.
 - 2) By November 17, 2009, existing weatherization employees of Contractor and subcontractors shall receive the, Worksite Safety, Environmental Hazards Awareness and Lead-Safe Weatherization Training.

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- 3) Within 90 days of the execution of this agreement, existing weatherization employees of Contractor and subcontractors that have completed the following classes at a CSD-approved training center prior to the dates listed below or for whom no training dates at a CSD-approved training center are recorded (but have field experience of at least 12 months performing weatherization services and diagnostic testing for CSD weatherization programs) shall be required to take and pass an online "test-out" or receive the required CSD-approved trainings. Employees not completing the required diagnostic testing training or successfully test out of the training shall no longer be able to perform the diagnostic tests.
 - a. Basic Weatherization – November 2003
 - b. Duct Blaster – April 2006
 - c. Blower Door – April 2006
- 4) Within 120 days of the execution of this agreement, existing weatherization employees of Contractor and subcontractors who perform the combustion appliance safety test and that have (1) completed Combustion Appliance Safety Training through a CSD-approved training center prior to April 2006 or (2) who have no training dates recorded shall receive Combustion Appliance Safety Training.
 - a. Employees who received Combustion Appliance Safety Training prior to April 2006 through a CSD-approved training center may continue to perform the diagnostic testing; however, Contractor shall provide documentation verifying the past completion of the required training. Employees shall receive the training in order to continue performing the combustion appliance safety test after the required 120-day time period has lapsed or pass an online CAS test. Employees not completing the required CAS training or successfully testing out of the training shall no longer be able to perform the diagnostic tests.
 - b. Employees who have never received the Combustion Appliance Safety Training through a CSD-approved training center shall not perform the combustion appliance safety test until the required training is received.

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- 5) Within 120 days of the execution of this agreement, weatherization employees of Contractor and subcontractors who perform Assessments, Energy Audits, and/or Field Supervision shall receive Assessment Training.
 - 6) Within 120 days of the execution of this agreement, weatherization employees of Contractor and subcontractors who perform Quality Assurance Inspections and/or Field Supervision shall receive Quality Assurance Training.
- D. Subcontractors who have never provided basic weatherization services pursuant to a CSD program are required to have all staff complete the entire required course of training, relative to their job classification, as detailed in Attachment II to this Exhibit prior to commencing unit production work.
- E. Training and technical assistance funds may also be used to train Contractor's subcontractors participating in the program and excludes on-the-job training. In making the determination to pay for subcontractor training, Contractor should secure a retention agreement in exchange for the training. The subcontract agreement should stipulate that the subcontractors will work in the program, for a minimum of 12 months. The training costs are limited to travel, admission and materials.
- F. Training Provisions for Staff of Subcontractors Who Provide Specialty Services
- All field employees of subcontractors who perform the of HVAC work for a Contractor are strongly encouraged to receive the required CSD-approved training. If the subcontractor does not receive the training, it shall be the responsibility of the Contractor to perform all pre- and post-combustion appliance safety diagnostic testing for all HVAC services performed by subcontractors.
- G. For weatherization services performed on HUD units, all work crews of Contractor and subcontractors who provide 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.

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

8. CONTRACTOR LICENSING

Contractors that are nonprofit organizations and are performing weatherization activities under this Agreement certify that they possess and shall 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. Notify CSD when any changes in licensing occur; and
- D. Possess all applicable licenses as required by the CSLB to carry out the installation and/or repairs of Central HVAC Systems, Furnaces, and Boilers.

9. 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 exempt from being certified as a firm.
- B. Contractors shall have at least one certified renovator on staff that is trained by EPA-approved training providers. Contractors who subcontract all of their weatherization and ECIP EHCS services shall have at least one EPA Certified Renovator on staff for subcontractor oversight purposes.
- C. Contractors shall ensure that all subcontractors whose work potentially disturbs lead paint are EPA Certified Firms and have EPA Certified Renovators on staff.

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- D. Any Contractor or subcontractor (basic and specialty, if applicable) without an EPA Certified Firm certificate on file with CSD will not be allowed to work in the Renovator capacity on pre-1978 buildings.
- E. Any EPA Certified Renovator for a Contractor and subcontractor (basic and specialty, if applicable) without certifications on file with CSD will not be allowed to work in the capacity of a Renovator in pre-1978 dwellings.

10. SPECIAL LICENSING - WEATHERIZATION

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

11. CERTIFIED RENOVATOR

Contractor shall be certified to conduct lead-based paint activities and shall have a minimum of one Certified Renovator on staff in accordance with the Environmental Protection Agency (EPA) Lead: Renovation, Repair and Painting Program (40 CFR Part 745) and CSD Lead-Safe Weatherization Policies. Lead-based paint activities in pre-1978 housing and child-occupied facilities shall be conducted by certified renovation firms, use renovators with accredited training, and follow the work practice requirements of the rule.

12. LEVERAGING ACTIVITIES

- A. Contractor is strongly encouraged to provide weatherization services to LIHEAP ECIP HCS-serviced dwellings using LIHEAP and/or utility-funded weatherization services. Contractor shall not leverage weatherization measures funded under this agreement with other forms of DOE WAP funding.
- B. Leveraging weatherization funds may be used to install priority and/or optional measures in a dwelling in any order practical to the application of weatherization measures. Client files shall be documented accordingly.

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- C. Contractor shall ensure that any non-CSD leveraged-funded activity performed in conjunction with the DOE WAP program is in conformance with weatherization guidelines. If permitted by the leveraged-funding source, Contractor shall document within the Weatherization client file the activity performed, date of the activity performed, and the source of the leveraged funds. If the leveraged-funding source prohibits the disclosure of such information, Contractor shall at a minimum make reference to the leveraged activity within the weatherization client file.
- D. CSD ensures that this information will be utilized for the sole purpose of verifying the delivery of services. CSD also reserves the right to use a third-party inspector to review and verify that the leveraged-funded activities conform to applicable standards and practices. Contractor shall ensure that duplicate billings for the same product or service do not occur.

13. **RECORD-KEEPING RESPONSIBILITIES**

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

- B. **Client Files – General Requirements**

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

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

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C. Client Files – Weatherization

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

- 1) Dwelling Assessment Form (CSD 540) or Contractor's equivalent;
- 2) Combustion Appliance Safety Inspection Form (CASIF) and (CSD 700 or 702);
- 3) Blower Door Data Sheet (CSD 704);
- 4) Duct Test Data Sheet (CSD 706);
- 5) CSD Weatherization Deferral Form (CSD 542) and other source documentation supporting deferrals and appeals
- 6) Notice of Weatherization/Renovation (CSD 320) or Contractor's equivalent;
- 7) Record of Tenant Notification Procedures (CSD 322) or Contractor's equivalent;
- 8) Energy Service Agreement for Rental Units (CSD 515);
- 9) Contractor Post-Weatherization Inspection Report (CSD 611)
- 10) Weatherization Inspection Report (WIR) (CSD 581);
- 11) Multi-Family Dwelling Unit Eligibility Certification (CSD 75P) or Contractor's equivalent;
- 12) Required building permits, building permit applications or documentation of permit cost, and a copy of the final permit with appropriate signatures;
- 13) Copy of lead clearance inspection by a California Certified Inspector/Risk Assessor for applicable pre-1978 HUD units;
- 14) Waivers from CSD to exceed maximums costs and quantity limits of weatherization measures and work outside of the scope of CSD weatherization policies and standards;

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- 15) Approvals from DOE and CSD to make a fuel change for an installed appliance;
- 16) Source documentation that substantiates all actual labor hours and all costs for labor and materials;
- 17) Source documentation of weatherization measures installed and leveraged with other CSD and non-CSD weatherization program funds;
- 18) Source documentation that substantiates the criteria and basis for replacement of all gas and electric appliances including results of all required diagnostic tests results and the non-feasibility of all mandatory measures not performed or installed;
- 19) Source documentation indicating the manufacturer, manufacture date, make, serial number and model and metering information for all replaced refrigerators pursuant to CSD WIS;
- 20) Source documentation and records substantiating mileage claims by individual weatherized SFD and MUD Unit;
- 21) A copy of the energy audit output report listing the recommended energy conservation measures;
- 22) Source documentation of HERS inspection
- 23) Source documentation providing evidence that the client receiving disaster-related services was a victim of a natural disaster;
- 24) Source documentation providing evidence of participation in a federal, state, or local government rehabilitation program if being used to qualify ineligible multi-family dwelling units for weatherization services.
- 25) Documentation of notification to the owner-occupant, tenant and/or the owner of a rental unit or owner's agent of significant structural changes to the dwelling due to weatherization services;
- 26) All HPO review documentation, including the printed Project Description Sheet (PSD) and HPO site e-mails;
- 27) Copy of the report generated from the REM/Design audit software indicating measure that meet the SIR requirement for installation;

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- 28) Documentation of attempts to schedule post-weatherization inspection appointments if inspection could not be performed; and
 - 29) All other documentation as further defined by CSD.
- D. Other Recordkeeping Responsibilities
- 1) Labor and Materials
 - a. Contractor shall maintain source 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 program can be substantiated.
 - b. Contractor shall document all costs expended under this Agreement with purchase orders, inventory records, and payroll records identifying the funding source.
 - c. Contractor shall maintain source 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/or state, county, or local regulations.
 - 2) Training

Contractor and subcontractors who perform basic weatherization services are required to maintain a training log for all current and former employees. The Weatherization Staff Training Log (CSD 784), or Contractor's equivalent, shall be used for this purpose. The training log shall document for each employee all training received and shall include for each training session/course the source/location, type/content, and completion date. The training log information for terminated employees must be maintained for a period of 18 months after termination date. Such training log shall be maintained in the Contractor's file and shall be made available for review by CSD upon request.
 - 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.

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- b. Contractor and subcontractors who perform blower door and duct leakage diagnostic tests shall maintain the Manometer Calibration Log (CSD 786) documenting the calibration of all manometers as required.

E. Automation

Contractor shall use ServTraq, EPD or equivalent software database system to support all required data collection and reporting requirements under the administration of this grant.

14. SCHEDULE OF ATTACHMENTS

The following attachment to this exhibit is hereby attached and incorporated by this reference:

ATTACHMENT I DOE WEATHERIZATION PRIORITY PLAN NARRATIVE

ATTACHMENT II TRAINING MATRIX