DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT
700 North 10th Street, Room 258
Sacramento, CA 95814-0338
(916) 341-4200
(916) 341-4203 (FAX)
(916) 327-6318 (TDD)

February 8, 2006

TO: ALL 2006 LIHEAP SERVICE PROVIDERS

SUBJECT: AMENDMENT NUMBER 1 – TO THE 2006 LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP) CONTRACT

Enclosed is your 2006 Low-Income Home Energy Assistance Program (LIHEAP) Contract, including updated allocation spreadsheets and budget exhibits. This amendment distributes the remaining balance of the 2006 federal LIHEAP grant award and incorporates the distribution of Emergency Contingency Funds (ECF).

Contract Change Highlights

CSD did not receive any written comments to the 2006 DRAFT LIHEAP contract. However, comments received during the recently conducted 2006 Energy Program Training Workshops were taken into consideration. Please note that the significant changes to the 2006 LIHEAP contractual terms and conditions are as set forth on the 2006 LIHEAP contract Amendment Number 1 – Draft Release distributed to the network on December 16, 2005, and have been incorporated into the 2006 Program Year with the following exceptions:

- BLOWER DOOR TESTING: The 2006 LIHEAP Contract incorporates the new policy requiring Blower Door Testing on a minimum percentage of completed weatherized dwellings under this agreement. Based on input received during the 2006 Energy Workshops, CSD has adjusted the threshold testing requirements to twenty-percent (20%) for Single-Family Dwellings and five-percent (5%) for Multi-Unit Dwellings (MUDS).

- WEATHERIZATION REIMBURSEMENT: The maximum reimbursement rates were increased for the following measures; 1) Gas Water Heater - Replacement, Open Combustion, 2) Heating Source Repair - Forced Air Unit (FAU), and 3) Evaporative Cooler. In addition, two new weatherization reimbursement measures were added to the contract; 1) Trainee performed Blower Door Tests, and 2) Storm Windows, Other. Corresponding footnotes were added to the contract.

  Reimbursement for weatherization measure “Trainee Performed Blower Door Test” is established at the fixed-rate $100.00 per test, and is intended to reimburse contractors for additional incurred labor expenses associated with the performance of blower door tests by inexperienced weatherization crew members during the contract period covering March 1, 2006 - April 30, 2006. The maximum reimbursement rate for the weatherization measure “Storm Windows, Other” is $750.00 and is to be used when the per square foot rate under the other storm window categories are too high in comparison to the actual cost of materials within your specific area of service.

- EMERGENCY CONTINGENCY FUNDING: California received approximately $4.4 million in ECF funding in response to the extraordinarily high cost of heating fuels this winter season. To assist low-income families cope with increasingly high winter fuel bills, CSD has opted to allocate $2.9 million of these funds to augment energy assistance services and supporting activities under LIHEAP, including: Wood Propane & Oil Assistance, Fast Track Utility Intervention Services, HEAP Natural Gas and Electricity Assistance, Intake, and Outreach Services. The remaining balance of $1.5 million will be distributed as follows: $428,570 will be placed into contractor's budget to support the newly added service
- component of Energy Education Workshops and $1,071,425 will be set-a-side for the purchase of promotional weatherization kits to be provided under the Energy Education Workshops. Under this program component, contractors will provide structured energy education workshops to encourage the effective management of home energy usage and expenses through the use of energy conservation techniques and strategies. Education services are limited to eligible low-income families, and contractors will be reimbursed at the rate of $10.00 for every participant attending and successfully completing the education workshop. In addition, all workshop participants shall receive a free weatherization promotional kit, to be provided by CSD, containing simple to use energy conserving measures/devices. Further information on the weatherization kit and the Energy Education Workshops is forthcoming from the Energy Service Division. However, during the interim, if you have any questions regarding the workshop, please contact Sukie Godinez, Energy Program Manager at (916)341-4285 or email at sgodinez@csd.ca.gov.

- ATTACHMENT III, 2006 LIHEAP NONCONSIDERATION ALLOCATIONS, CSD 516 (New 2/2006): This attachment was modified to provide the nonconsideration allocations for both the Energy Crisis Intervention Program (ECIP) and the Home Energy Assistance Program (HEAP) by county. Additionally, the estimated number of households to be served are provided for the HEAP program.

- ASSURANCE 16/INTAKE/ECIP/HEAP BUDGET, CSD 537E (Revised 2/2005): The budget form was modified to allow for the budgeting of the Energy Education Workshop costs.

- REPORTING FORMS: Included in this amendment package are copies of the 2006 LIHEAP monthly reporting forms and instruction sheets for the WEATHERIZATION EXPENDITURE/ACTIVITY REPORT, CSD 680 (Revised 02/2006), and the ASSURANCE 16/INTAKE/ECIP/HEAP EXPENDITURE/ACTIVITY REPORT, CSD 670 (Revised 02/2006). These forms have been revised to reflect the changes in weatherization reimbursement rates, the additional collection of demographics data, and the reporting of energy education workshop data and reimbursement of energy education expenses. These forms will be posted on the CSD website by February 15, 2006. These reports are provided solely for reference purposes, as these forms have been fully integrated into the EARS system.

If you have any questions or require additional clarification, please contact your Field Representative.

My sincere appreciation to the Weatherization Task Force and for their active participation in the development of the 2006 LIHEAP Contract and to those LIHEAP Service Providers who assisted in coordinating and developing the Energy Education Workshops. Your participation serves as a valuable resource to CSD as we continuously seek to improve in all areas addressing the energy needs of California's low-income population.

I look forward to our continued partnership in the 2006 Program Year.

Sincerely,

Original signed by

WENDY WOHL
Acting Director

Enclosure

DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT
700 North 10th Street, Room 258
Sacramento, CA 95814
(916) 341-4200
(916) 341-4203 (FAX)
(916) 327-6318 (TDD)

February 7, 2006

To All Low-Income Home Energy Assistance Program Contractors:

2006 Low-Income Home Energy Assistance Program, Amendment No. 1

Your agency's electronic packet for Amendment No. 1 to the 2006 Low-Income Home Energy Assistance Program is now available on the CSD Contractors Only website. The amendment includes a face sheet, funding information page, amendment language, and amended exhibits and attachments. The allocation spreadsheet is available on the CSD Contractors Only website.

In order to expedite the execution of your agency's Amendment No. 1, please observe the following instructions, and feel free to use this letter as a checklist.

- ❒ When you download your agency's amendment from CSD Contractors Only website, please print two complete copies of the amendment (face sheet, funding information page, amendment language, and the exhibits and attachments listed below). Please print the pages **single-sided only**, not back-to-back. You need not use a color printer.

- ❒ If applicable, submit a governing board resolution with an **original signature of your board's authorized representative**. The board's resolution must identify whom it has authorized to sign the 2006 LIHEAP contract and any amendments.

- ❒ Complete the section labeled "CONTRACTOR'S NAME" on both face sheets. Print or type the name and title of the person who is authorized to sign the amendment. Print the date signed. Ensure that **your agency's authorized representative has signed both face sheets**. Your agency's authorized representative is the person whom the governing board has specified in its resolution as the official representative to sign the 2006 LIHEAP contract and, if applicable, any amendments.

- ❒ The following exhibits have been revised and are part of the amendment packet. Please complete the budget attachments as applicable, and return all copies with the amendment packet. You may use the website's blank budget forms to complete your budget attachments. Note: CSD has entered certain allocations on Exhibit B's Attachments I, II, and III. **Do not alter these numbers**. The amended exhibits are:

Exhibit B	Budget Detail and Payment Provisions and its:
• Attachment I	2006 LIHEAP Weatherization Budget
• Attachment II	2006 LIHEAP Assurance 16/Intake/ECIP/HEAP Budget
• Attachment III	2006 Nonconsideration Allocations
Exhibit C	General Terms and Conditions
Exhibit D	Special Terms and Conditions

Exhibit E	Additional Provisions
Exhibit F	Programmatic Provisions.

❒ Please return two complete copies of the contract packet to CSD, and arrange all pages--including the face sheets, exhibits, and all attachments--in the above order. Include your board resolution (if applicable), advance request, and a transmittal letter (if desired), but please do not staple or otherwise attach these documents to the amendments themselves. If the insurance and fidelity bond documents you submitted with your original 2006 LIHEAP contract are still in effect, you do not need to resubmit them. When the amendment is fully executed, Contract Services Unit will mail you a copy for your records.

❒ Please return your completed amendment packet within 30 days (45 days for public agencies) to:

Contract Services Unit
Department of Community Services and Development
700 North 10th Street, Room 258
Sacramento, CA 95814

Please keep in mind that in order for CSD to execute your amendment, all of your agency's amendment documents must be **complete**. Authorized persons must sign the board resolution and both face sheets. Except as waived for self-insured governmental entities, the Certificate of Liability Insurance must name CSD as the Certificate Holder and as an additional insured, except for workers' compensation and fidelity bond. Insurance documents that are on file at CSD must provide proof of current coverage, or you must replace them. Coverage must include workers' compensation insurance, fidelity bond, public liability, and vehicle insurance.

If you have questions regarding this amendment process, you may contact Donna Fairchild of my staff at (916) 341-4275. For questions regarding insurance coverage, please contact Suelene Choy of my staff at (916) 341-4265. For questions regarding contractual requirements, reporting forms, or other requirements, please contact your Field Representative.

Sincerely,

Original signed by
Fernando Negrete
Manager, Contract Services Unit

FN:DGF
Enclosures

STATE OF CALIFORNIA

STANDARD AGREEMENT

STD. 213 A (Rev. 6/03)

AGREEMENT NUMBER	AMENDMENT NUMBER
06B-5387	**1**
REGISTRATION NUMBER **47001105100019.1**	

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

San Joaquin County Department of Aging and Community Services

2. The term of this Agreement is: January 1, 2006 through December 31, 2006

3. The maximum amount of this Agreement is: **$** 1,293,319.00

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:

1. The total consideration payable to Contractor by the State has changed from $454,604.00 to $1,293,319.00, reflecting an increase of $838,715.00, as allocated on the attached funding information page.

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.)* **San Joaquin County Department of Aging and Community Services**		
BY *(Authorized Signature)*	DATE SIGNED *(Do not type)*	
PRINTED NAME AND TITLE OF PERSON SIGNING		
ADDRESS P.O. Box 201056, Stockton, CA 95201		
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 **Richard J. Bueche, Chief Financial Officer**		
ADDRESS **700 North 10th Street, Sacramento, California 95814**		☐ Exempt per _____

A. $311,949.00 for LIHEAP Weatherization assistance, as set forth in Exhibit B, Attachment I, Column A, CSD 557D.

B. $245,875.00 for LIHEAP Delayed Weatherization assistance, as set forth in Exhibit B, Attachment I, Column B, CSD 557D.

C. $102,104.00 for LIHEAP Assurance 16 Program Costs as set forth in Exhibit B, Attachment II, CSD 537E.

D. $25,981.00 for LIHEAP Intake Program Costs for HEAP and ECIP as set forth in Exhibit B, Attachment II, CSD 537E.

E. $63,043.00 for LIHEAP Administrative Costs for Assurance 16, ECIP, and HEAP as set forth in Exhibit B, Attachment II, CSD 537E.

F. $16,407.00 for LIHEAP ECIP and Leveraging, if applicable: Outreach and its related costs as set forth in Exhibit B, Attachment II, CSD 537E.

G. $5,276.00 for LIHEAP ECIP: Wood, Propane, and Oil assistance as set forth in Exhibit B, Attachment II, CSD 537E.

H. $1,635.00 for LIHEAP ECIP: ECIP Heating and Cooling Service assistance as set forth in Exhibit B, Attachment II, CSD 537E.

I. $47,317.00 for LIHEAP HEAP: Outreach, and its related costs as set forth in Exhibit B, Attachment II, CSD 537E.

J. $8,808.00 for LIHEAP HEAP: Wood, Propane, and Oil assistance as set forth in Exhibit B, Attachment II, CSD 537E.

K. $10,320.00 for LIHEAP Energy Education Workshops as set forth in Exhibit B, Attachment II, CSD 537E.

2. EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS, is deleted in its entirety and replaced by the attached EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS.

3. EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS, ATTACHMENT I, PAYMENT GUIDELINES FOR WEATHERIZATION ACTIVITIES, is deleted from EXHIBIT B and is incorporated into EXHIBIT E, ADDITIONAL PROVISIONS.

4. EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS, ATTACHMENT II, 2006 LIHEAP WEATHERIZATION BUDGET, CSD 557D (Rev. 11/05), and Instructions are deleted in their entirety and replaced by the attached EXHIBIT B - ATTACHMENT I, 2006 LIHEAP Weatherization Budget, CSD 557D (Rev. 12/05), and Instructions.

5. EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS, ATTACHMENT III, 2006 LIHEAP ASSURANCE 16/INTAKE/ECIP/HEAP BUDGET, CSD 537E (Rev. 11/05), and Instructions are deleted in their entirety and replaced by the attached EXHIBIT B – ATTACHMENT II, 2006 LIHEAP ASSURANCE 16/INTAKE/ECIP/ HEAP BUDGET, CSD 537E (Rev. 12/05), its Instructions.

6. EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS: A new EXHIBIT B – ATTACHMENT III, 2006 LIHEAP NONCONSIDERATION ALLOCATIONS, CSD 516 (New 12/05), is attached and hereby incorporated by this reference and made part of this Agreement.

7. EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS: A new EXHIBIT B – ATTACHMENT IV, ECIP-FT, HEAP, WEATHERIZATION, ASSURANCE 16, AND OUTREACH PRIORITY PLANS, CSD 522G (Rev. 12/05) (formerly EXHIBIT H) are attached and hereby incorporated by this reference and made part of this Agreement.

8. EXHIBIT C, GENERAL TERMS AND CONDITIONS, is moved from the body of the contract, placed on the CSD website, and hereby incorporated by this reference and made part of this Agreement as if attached hereto.

9. EXHIBIT D, SPECIAL TERMS AND CONDITIONS, is deleted in its entirety and is replaced by the attached EXHIBIT D, SPECIAL TERMS AND CONDITIONS.

10. EXHIBIT D, SPECIAL TERMS AND CONDITIONS, ATTACHMENT I: CSD SUPPLEMENTAL AUDIT GUIDE, is moved from the body of the contract, placed on the CSD website, and hereby incorporated by reference and made part of this Agreement as if attached hereto.

11. EXHIBIT E, ADDITIONAL PROVISIONS, is deleted in its entirety and replaced by the attached EXHIBIT E, ADDITIONAL PROVISIONS.

12. EXHIBIT F, PROGRAMMATIC PROVISIONS, is deleted in its entirety and replaced by the attached EXHIBIT F, PROGRAMMATIC PROVISIONS.

13. EXHIBIT H, ECIP-FT, HEAP, WEATHERIZATION, ASSURANCE 16, AND OUTREACH PRIORITY PLANS, and Instructions are deleted as a separate exhibit of this Agreement and are hereby incorporated by reference and made part of this Agreement as if attached hereto as EXHIBIT B - ATTACHMENT IV, ECIP-FT, HEAP, WEATHERIZATION, ASSURANCE 16, AND OUTREACH PRIORITY PLANS, CSD 522G (Rev. 12/05), as specified in item 7. of this Amendment.

14. EXHIBIT I, DEFINITIONS, is relettered as EXHIBIT G, DEFINITIONS and is hereby incorporated by reference and made part of this Agreement as if attached hereto.

15. EXHIBIT J, CERTIFICATION REGARDING LOBBYING and DISCLOSURE OF LOBBYING ACTIVITIES, Standard Form – LLL, is relettered as EXHIBIT H, CERTIFICATION REGARDING LOBBYING and DISCLOSURE OF LOBBYING ACTIVITIES, Standard Form – LLL and is hereby incorporated by reference and made part of this Agreement as if attached hereto.

All other terms and conditions shall remain unchanged.

2006 LIHEAP, Amendment No. 1
Effective March 1, 2006
Additional and Replacement Pages

- EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS
- EXHIBIT B - ATTACHMENT I, 2006 LIHEAP Weatherization Budget, CSD 557D (Rev. 12/05), and Instructions
- EXHIBIT B – ATTACHMENT II, 2006 LIHEAP ASSURANCE 16/ INTAKE/ECIP/HEAP BUDGET, CSD 537E (Rev. 12/05), and Instructions
- EXHIBIT B – ATTACHMENT III, 2006 LIHEAP NONCONSIDERATION ALLOCATIONS, CSD 516 (New 12/05)
- EXHIBIT C, GENERAL TERMS AND CONDITIONS
- EXHIBIT D, SPECIAL TERMS AND CONDITIONS
- EXHIBIT E, ADDITIONAL PROVISIONS
- EXHIBIT F, PROGRAMMATIC PROVISIONS

EXHIBIT B
(Standard Agreement)

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Budget

A. Programs

1) Consideration

The total consideration payable by the State to Contractor under this Agreement shall be allocated as shown on the project-funding page that is attached to the face sheet of this Agreement and that is hereby incorporated by this reference.

a. The total amount budgeted for Administrative Costs shall not exceed the limits as described in EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS, Section 4. Budget Definitions.

b. Adherence to EXHIBIT D, SPECIAL TERMS AND CONDITIONS, Section 1. Certifications, is required and is not altered by the provisions of this section. The State shall not reimburse expenditures in excess of the Contractor's budget total.

2) Nonconsideration

The total nonconsideration payable by the State to Contractor under this Agreement shall be allocated as shown on EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS, ATTACHMENT III, 2006 LIHEAP NONCONSIDERATION PROGRAM ALLOCATIONS, CSD 516 (New 12/05).

a. ECIP: Electric and Gas (Fast Track)

The total amount allocated to the ECIP Fast Track Program shall not be made a part of the total consideration for this Agreement but shall be for Contractor's use as described in EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS, Section 2. Payments, B. Subsequent Payment Guidelines, 5) ECIP Payments, item b. ECIP Electric and Gas (Fast Track); and EXHIBIT F, PROGRAMMATIC PROVISIONS, Section 13. Special Provisions – ECIP Activities.

b. HEAP: Electric and Gas Allocation

The total amount allocated to the HEAP Electric and Gas Program shall not be made a part of the total consideration for this

EXHIBIT B
(Standard Agreement)

Agreement but shall be for Contractor's use as described in EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS, Section 2. Payments, B. Subsequent Payment Guidelines, 4) HEAP Payments, item b. HEAP Electric and Gas Payments; and EXHIBIT F, PROGRAMMATIC PROVISIONS, Section 12. Special Provisions - Assurance 16 Activities.

B. Administrative Expenses

For the purpose of administrative expenditures, Contractor shall use funds allocated under this Agreement in an amount not to exceed five percent (5%) of its total operating funds. Contractor shall not use funds provided under this Agreement to cover administrative costs incurred in the Community Services Block Grant (CSBG) in excess of the CSBG contractual limitations.

C. State Budget Contingency

1) It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.

2) If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

D. Federal Budget Contingency

1) It is mutually understood that this Agreement may have been written before ascertaining the availability of Congressional appropriation of funds, for the mutual benefit of both Parties, in order to avoid program and fiscal delays that would occur if this Agreement were executed after that determination was made.

2) This Agreement is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the purposes of this Program. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or any statute enacted by the Congress that may affect the provisions, terms, or funding of this Agreement in any manner.

EXHIBIT B
(Standard Agreement)

3) It is mutually agreed that if the Congress does not appropriate sufficient funds for this Program, this Agreement shall be amended to reflect any such reduction in funds.

4) The State has the option to invalidate this Agreement under the 30-day cancellation clause or to amend this Agreement to reflect any such reduction in funds.

2. Payments

A. Advance Payments

1) Contractor **may request one working capital advance** as set forth on the funding detail page of STD. 213, Standard Agreement. Contractor shall submit an advance payment request on agency letterhead or on the CSD LIHEAP reporting forms.

2) CSD will initiate repayment process of advance funds beginning with the **seventh monthly reporting period** of the contract term or whenever the unexpended contract balance reaches 40%of the total consideration, whichever comes first. The State shall begin applying approved expenditures to the outstanding advance balance, thereby offsetting any subsequent reimbursements. The State shall determine amounts to be offset by applying the balance of the advance equally into the remaining expenditure reporting periods. An exception may occur if the expenditure reports submitted are less than the applied settlement formula (as described immediately above). In that case, the State shall apply the entire reimbursement amounts against the outstanding advance balance.

3) In the event this Agreement is amended to increase the consideration of this Agreement, a subsequent advance payment plus any previous advances already allowed shall not exceed 25% of the total consideration of this Agreement. Subsequent advance payments may be authorized by the State if Contractor requests such an advance payment on agency letterhead or on the CSD LIHEAP reporting forms. The need for such additional advance payment shall be based upon a review of Contractor's cash flow status as recorded on Contractor's current monthly expenditure report(s).

B. Subsequent Payment Guidelines

1) Subsequent payments to Contractor shall be contingent upon receipt by the State of the monthly expenditure and activity reports. If Contractor owes CSD any outstanding balances for overpayments of any contract, current

or previous, the balance may be offset, based on arrangements made with the Contractor.

2) Weatherization Payments

a. Contractor shall be entitled to obtain a maximum average reimbursement of $2,826 per dwelling unit weatherized for applying the conservation measures and activities described in EXHIBIT E, ADDITIONAL PROVISIONS, Section 1. Guidelines for Weatherization Activities and Heating and Cooling Services (HCS).

b. The State shall issue monthly payments to Contractor for each completed dwelling at the rates listed on EXHIBIT E, ADDITIONAL PROVISIONS, Section 1. Guidelines for Weatherization Activities and Heating and Cooling Services (HCS).

i. Contractor shall not report a weatherized dwelling as completed, nor shall Contractor request reimbursement for a weatherized dwelling until all weatherization measures identified during the dwelling assessment have been installed and completed. Contractor shall not bill for incomplete units or prematurely close a unit with outstanding measures in order to receive reimbursement for work completed.

ii. Measures installed outside those weatherization measures disclosed during the dwelling's weatherization assessment constitute a reweatherized dwelling and weatherized services shall be performed in accordance with EXHIBIT F, PROGRAMMATIC PROVISIONS, Section 7. Special Provisions – Weatherization Activities, item F. Previously Weatherized Dwellings.

iii. Contractor shall maintain a Dwelling Unit Assessment, CSD 554, or Contractor's equivalent, and a Weatherization Building Check and Job Order Sheet, CSD 540 for each dwelling in which reimbursement is claimed.

c. In the event that the Governor declares a State of Emergency or Local Emergency under Article 13 or 14 of the Emergency Services Act, the maximum average reimbursement shall be $3,250 per dwelling unit. The State of Emergency or Local

Emergency includes a weather event relating to cold or hot weather, flood, earthquake, tornado, hurricane, ice storm/freeze; or an event meeting such other criteria as the Governor and/or the President, at their discretion, and/or their designee may determine to be appropriate.

3) ECIP Heating and Cooling Service (ECIP HCS) Payments

a. ECIP expenditures for HCS shall be reimbursed through the LIHEAP Monthly Assurance 16/Intake/ECIP/HEAP Expenditure/Activity Report, CSD 670. Maximum reimbursement rates and conditions differ when providing these activities under a crisis situation and when providing these activities under the Weatherization portion of this Agreement.

i. For emergency ECIP HCS provided outside Contractor's normal business hours of operations, Contractor may exceed the maximum cost limits allowed for repair and replacement services. Dwelling units in which the heating/cooling unit must be replaced or repaired, Contractor may expend a maximum average reimbursement of no more than $4,316. This limitation includes all weatherization measures installed. Contractor shall not exceed the maximum average reimbursement and shall not request reimbursement for more than one heating and/or cooling unit repaired or replaced per household, with the exception of intake and dwelling assessment, from any other source.

ii. Dwelling units receiving services under ECIP HCS may be reported as completed, and billed immediately upon the completion of ECIP HCS and regardless to the completion of other weatherization measures installed within the same dwelling.

iii. In addition to the applicant eligibility criteria set forth in EXHIBIT F, PROGRAMMATIC PROVISIONS, Section 4. Applicant Eligibility, and Service Priority, each dwelling unit shall be assessed for eligibility.

iv. Contractor shall maintain for each dwelling that reimbursement is claimed a Dwelling Unit Assessment, CSD 554, or Contractor's equivalent, and a Weatherization Building Check and Job Order Sheet, CSD 540.

b. Permit and disposal fees are acceptable expenses and may be charged only once to ECIP HCS, or LIHEAP Weatherization, or Department of Energy (DOE) Weatherization, per appliance, or weatherization measure, per weatherized dwelling. Permit and disposal fee reimbursement does include crew member staff time and will be reimbursed based on the actual cost of the fee and actual labor hours.

4) HEAP Payments

a. Wood, Propane, and Oil

Contractor shall invoice the State for accrued HEAP Wood, Propane, and Oil expenditures and activities expenditures as required in EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS, Section 2. Payments, B. Subsequent Payment Guidelines, item 1) of this Agreement and for activities as set forth in EXHIBIT F, PROGRAMMATIC PROVISIONS, Section 13. Special Provisions – ECIP Activities, B. Payment Guidelines, item 6).

b. Electric and Gas Payments

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

5) ECIP Payments

a. Wood, Propane, and Oil

Contractor shall invoice the State for accrued ECIP (excluding Fast Track) Heating and Cooling Service (ECIP HCS) expenditures as required EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS, 2. Payments, B. Subsequent Payment Guidelines, item 1) of this Agreement and for activities as set forth in EXHIBIT F, PROGRAMMATIC PROVISIONS, Section 13. Special Provisions – ECIP Activities, B. Payment Guidelines, item 6).

EXHIBIT B
(Standard Agreement)

b. ECIP Electric and Gas (Fast Track)

i. Payment for applicant's electric and/or gas energy bills shall be made by CSD directly to the utility company or in the form of a dual-party warrant, payable to the applicant and the utility company.

ii. Contractor shall make payment guarantees with utility companies for clients experiencing a life-threatening energy crisis within 18 hours of completing intake and within 48 hours of completing intake for all other energy crises.

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

(a) Contractor shall ensure that the total ECIP Fast Track benefit amount (ECIP Fast Track base amount plus supplemental benefit amount) is limited to and does not exceed the total amount due (at the time of intake) to the utility company in energy charges, reconnection fees, and other assessed utility fees/surcharges to alleviate the crisis situation.

(b) When only issuing a Fast Track base benefit amount (no supplemental payment), Contractor may exceed the total amount due to the utility company in energy charges, reconnection fees, **delinquent utility bill establishing arrearages and/or past due balances,** and other assessed utility fees/surcharges to alleviate the crisis situation.

(c) Contractor shall ensure that the maximum total Fast Track benefit amount (ECIP Fast Track plus supplemental benefit amount) does not exceed $1,000.

(d) Contractor shall provide full justification by documenting the client file(s) to include the amount of charges and verification by the utility company.

(e) Contractor shall provide Fast Track supplemental benefits in accordance with EXHIBIT F, PROGRAMMATIC PROVISIONS, Section 13. Special Provisions – ECIP Activities.

(f) Contractor shall review, check for duplicates, and approve applications in accordance with Contractor's approved EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS, ATTACHMENT IV, ECIP, HEAP, WEATHERIZATION, ASSURANCE 16, AND OUTREACH PRIORITY PLANS, and the LIHEAP Eligibility and Verification Guide.

iv. Fast Track payments shall only be made when one or more of the following conditions exist:

(a) The applicant must have received a disconnection notice, a 24- or 48-hour disconnection notice **or has received a delinquent utility bill establishing arrearages and/or past due balances** or other utility service disconnection notice that would imply a life-threatening and/or emergency situation;

(b) Applicant's utility service has been terminated;

(c) Applicant requires assistance with establishing a new energy account; or

(d) Energy-related crisis or life-threatening emergency exists within the applicant's household:

The applicant must receive energy services and be billed directly by one of the following energy providers: a utility company (-ies) and/or a mobile home park that owns its own power source(s), or a submetering billing service with the statutory authority to shut off utility services.

Note: An emergency energy-related crisis does not exist if the cost of energy is included in the applicant's rent, in which case Fast Track payment(s) shall not be made.

v. Disaster/Emergency Services Provided Under ECIP

In the event of a disaster and/or an emergency declared by a local government, the Governor, or the President, Contractor may provide other energy-related services, such as blankets, generators, alternate fuel, etc., not specifically outlined in this Agreement to relieve an individual emergency. Contractor shall provide full justification by documenting the client file(s). Contractor shall invoice the State for these expenditures using the "Other" line item on the LIHEAP Monthly Assurance 16/Intake/ECIP/HEAP Expenditure/Activity Report, CSD 670.

6) California LIHEAP Automated Services System (CLASS)

a. Contractor shall be responsible for monitoring the California LIHEAP Automated Services System (CLASS) online reports and for resolving payment issue(s) related to the delivery of benefits. The Agency Allocations/System Maintenance screen shall display historical and current detail level of program allocation information, summarizing agency's annual program allocation, expenditures, and returned benefits eligible for reissuance, if any. The Variance Report shall display the detail level of benefit information whereby the eligible benefit amount differs from the paid benefit amount. For resolution of partial credit returns, Contractor shall be responsible for following up with the client to resolve payment issue(s) and for providing the State with the necessary information to reissue benefit(s). For full credit returns and warrant redeposits, Contractor shall be responsible for resolving and updating client data in CLASS to reissue benefit(s).

b. Contractor shall utilize either the CLASS On-Line Entry method or, if precertified, the Database Transfer method to transmit client data. Contractor shall submit the data in accordance with the CLASS Reference Manual and CSD's data entry standards. Contractor shall assure that adequate files are maintained, as required in <u>EXHIBIT F, PROGRAMMATIC PROVISIONS</u>, Section 6. <u>Record-Keeping Responsibilities</u>.

7) HEAP and ECIP (Fast Track) Electric and Gas Reports

Utilizing reporting options available within the CLASS On-Line System, Contractors shall be responsible for generating HEAP and ECIP (Fast Track) reports to attain data specific to the following: a listing of HEAP/ECIP clients assisted for a specified period, Applicant Service

History (summary of repeat customers), detailed client information (social security number, address, utility company, intake data, and client status), summarized county energy costs and burden, benefit amounts and totals (expenditures), returned benefits, summary of vulnerable populations groups served, and a year-to-date goal status summary.

8) Energy Education Workshops Payments

Contractor shall be reimbursed at the rate of $10.00 per household for the eligible applicant that attends and successfully completes the Interactive Client Energy or the Video Based Workshop model. "Eligible applicant" is defined as the individual who submits an application on behalf of the household and physically attends the workshop. Contractor may claim reimbursement for incurred travel expenses for mileage (see Mileage Payment Guidelines) and lodging and per diem expenses directly associated with and related to the actual delivery of an energy education workshop.

3. Payment Guidelines and Reporting Requirements

A. Monthly Reports

1) Contractor shall complete and submit to the State, on current monthly reports provided by CSD, Contractor's expenditures and activities for Weatherization, Assurance 16, Intake, **Energy Education Workshops,** ECIP, and HEAP (excluding Fast Track and HEAP Electric and Gas). Contractor shall ensure that the reports are submitted to CSD by entry onto the web-based, Expenditure Activity Reporting System (EARS) and received by the State on or before the fifteenth calendar day following the reporting period, irrespective of the level of activity or amount of expenditure in the preceding period. The issuance of other CSD contracts, including reimbursement payments, to the Contractor shall be contingent upon timely receipt of the required reports of this Agreement. **For reporting due dates refer to CSD website at www.csd.ca.gov.**

2) Review

a. The State shall review Contractor's monthly program operations reports and evaluate Contractor's demonstrated ability to effectively utilize all funds available under this Agreement.

b. An amendment to the total consideration of this Agreement may occur as a result of the State's review of Contractor's performance related to program and fiscal operations.

EXHIBIT B
(Standard Agreement)

B. Close-out Report

Contractor shall submit, on the appropriate CSD forms, a financial and programmatic close-out report and return all unexpended funds to the State within 90 calendar days after expiration of this Agreement. Final reimbursement to Contractor, if owed, shall be contingent upon receipt of this close-out report by the State. Administrative and outreach costs shall not exceed the maximum allowable amounts. Administrative costs shall remain proportionate to the cumulative allowable program expenditures. Any administrative costs that exceed these limits shall be disallowed. Subsequent payments for subsequent LIHEAP or other CSD contracts shall also be contingent upon timely receipt of the close-out report of this Agreement. The issuance of other CSD contracts including reimbursement to the Contractor shall be contingent upon receipt of the close-out report of this Agreement.

1) The close-out packet shall include:

   a. CSD 733 Close out checklist with authorized signature

   b. CSD 670 and 680 Expenditure Reports

   c. CSD 733 Excess Revenue/Interest Earned

   d. CSD 733G Equipment Inventory Schedule.

2) All adjustments, if any, must be submitted with the close-out packet on the appropriate expenditure forms (CSD 670, and CSD 680). Each adjustment must reflect the actual expenditure period when the adjustment occurred.

3) Subsequent payments for LIHEAP and the issuance of other CSD contracts shall be contingent upon timely receipt of the close-out packet.

C. Excess Revenue/Interest Income

Effective with this agreement, Contractors shall use **2005 PY (Program Year)** and Prior Years LIHEAP Excess Revenue and Interest Income Expenditure and Close-out Report, CSD 733F, to report excess revenue and/or interest income earned. Contractor may expend excess revenue and/or interest income to perform any allowable LIHEAP activity. **Excess Revenue/Interest Income expenditures are subject to the expenditure and reimbursement guidelines for the program year in which expenditures occur.**

EXHIBIT B
(Standard Agreement)

D. Mileage Payment Guidelines

Contractor shall be credited one round trip travel surcharge for any one dwelling weatherized. Contractor may claim mileage reimbursement for travel to Single Family Dwelling (SFD) and Multi-Unit Dwelling (MUD) Units in which travel exceeds a distance of 30 miles (one way) from Contractor's material storage site or headquarters. Contractor shall maintain records and source documentation in such a manner to substantiate mileage claims by individual dwelling weatherized. The following defines the conditions for mileage reimbursement applicable to dwellings weatherized:

1) Single Family Dwelling (SFD) Unit - SFD Unit is defined as a one-unit, single-family dwelling or as a one-unit, single residential housing dwelling with two to four attached units.

   a. Contractor may claim a travel surcharge equivalent to one (1) labor hour plus a $1.50 fuel surcharge for each completed, weatherized SFD Unit within 30 miles (one way) of the Contractor's material storage site or headquarters. Contractor may only claim the SFD travel surcharge upon completion of the SFD Unit and is limited to a single surcharge per completed SFD Unit.

   b. For SFD Units in excess of 30 miles (one way) from Contractor's material storage or headquarters, Contractor may claim mileage in addition to the SFD travel surcharge for each completed, weatherized SFD Unit. Contractor may claim mileage at a rate of **$0.73** per mile for each mile in excess of 30 miles (one way) or 60 miles round trip. Mileage reimbursement is limited to a single round trip, per completed SFD Unit; and Contractor may only claim the travel surcharge, fuel surcharge, and mileage reimbursement upon the completion of the SFD Unit.

2) Multi-Unit Dwelling (MUD) Unit is defined as a residential complex with five or more units.

   a. Contractor may claim a MUD travel surcharge of $3.10 for each individual, weatherized unit within a MUD complex located within 30 miles (one way) of the Contractor's material storage site or headquarters. Contractor may only claim the MUD travel surcharge upon completion of the individual MUD Unit and is limited to a single surcharge per completed unit.

   b. For MUD Units in excess of 30 miles (one way) from Contractor's material storage or headquarters, Contractor may claim mileage in addition to the MUD travel surcharge. Contractor may claim

mileage at a rate of **$0.73** per mile for each mile in excess of 30 miles (one way) or 60 miles round trip. Mileage reimbursement is limited to a single round trip per day, for travel to a MUD complex in excess of 30 miles (one way) or 60 miles round trip, regardless of the number of individual completed units. Contractor may claim the MUD travel surcharge and mileage upon completion of each individual MUD Unit.

3) **Energy Education Workshops**

Contractor may claim mileage reimbursement at a rate of $0.73 per mile for travel to conduct Energy Education Workshops in excess of 30 miles (one way) or 60 miles round trip from Contractor's headquarters. Contractor shall maintain records and source documentation in such a manner as to substantiate mileage claims by each individual Energy Education Workshop conducted.

4) All other travel-related expenses not directly related to the weatherization of dwellings are subject to reimbursement as described in EXHIBIT D, SPECIAL TERMS AND CONDITIONS, Section 8. Travel and Per Diem.

4. Budget Definitions

A. Cost Reporting

All costs shall be reported using a "modified accrual" or "accrual" method of accounting.

B. Administrative Costs

1) Administrative Costs shall mean costs for **auxiliary functions such as salaries, wages, workers compensation, and fringe benefits for administrative staff, facilities, utilities, equipment, telephone, travel,** accounting, auditing, monitoring assistance, **office supplies,** and like services necessary to sustain the direct effort involved in administering a grant program or an activity providing services to the grant program.

a. Weatherization

Reimbursement for weatherization administrative costs shall not exceed eight percent of the cumulative allowable program expenditures for weatherization.

b. Assurance 16, ECIP, and HEAP

Reimbursement for administrative costs for Assurance 16, ECIP, and HEAP shall not exceed the amount as set forth on the funding information page attached to the face sheet of this Agreement and is contingent upon the expenditure of cumulative allowable program funds.

2) Local governments shall use OMB Circular A-87 (Cost Principles for State and Local Governments) as a guide for determining administrative costs.

3) Private, nonprofit corporations shall use OMB Circular A-122 (Cost Principles for Nonprofit Organizations) as a guide for determining administrative costs.

C. Program Costs

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

a. Liability Insurance

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

b. Training (Weatherization and ECIP-HCS)

i. Training shall be allocated at two percent (2%) of the total Weatherization allocation and at two percent (2%) of the total ECIP allocation. Reimbursement shall be at actual cost up to two percent (2%) of the Weatherization allocation and up to two percent (2%) of the ECIP allocation.

ii. Training costs shall include expenditures resulting from internal Contractor training, safety training, attendance of weatherization-related training and/or workshops sponsored by utility companies, DOE, CSD, and/or other organizations offering a component of weatherization training such as: Lead-Safe Weatherization Training, Basic Weatherization Training, Environmental Hazardous

Training, Blower Door Diagnostic Training, and Combustion Appliance Safety Training.

iii. Associated costs may include costs related to: travel, admission, materials, and actual salaries/wages. On-the-job training is not reimbursable when the labor hours associated with the training are charged to a weatherization measure for reimbursement. Contractor shall comply with the Weatherization training requirements as described EXHIBIT F, ADDITIONAL PROVISIONS, Section 9. Training Activities – Weatherization, item A.

iv. Weatherization travel and per diem costs related to the participation and attendance to policy advisory committees and work groups will be reimbursed as an administrative cost in accordance with EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS, Section 4, Budget Definitions and as described in EXHIBIT D, SPECIAL TERMS AND CONDITIONS, Section 8. Travel and Per Diem.

c. Vehicle and Equipment – Acquisition Costs

Vehicle and Equipment – Acquisition Costs shall mean the actual costs associated with the purchase of vehicle and equipment over $5,000 per unit.

i. The purchase of a Duct Blaster and/or a Blower Door shall be considered a major equipment purchase to the weatherization program.

ii. Contractor shall budget for the actual costs associated with the purchase of the duct blaster and/or the blower door, and Contractor shall report and request reimbursement at actual cost.

d. Intake

Intake shall be allocated at two percent (2%) of the total LIHEAP allocation and shall be reimbursed at actual cost up to two percent (2%) of the total LIHEAP contract allocation. Intake in excess of two percent (2%) may be charged as an administrative cost.

EXHIBIT B
(Standard Agreement)

e. Direct Program Activities

Direct Program Activities shall mean those costs associated with the installation of measures to those dwellings weatherized and reported as completed, to include labor, materials, subcontractors, disposal fees, permits, travel and Duct Blasters.

f. Outreach (Weatherization, ECIP, and HEAP)

Outreach shall be allocated at five percent (5%) of the total ECIP, HEAP, and Weatherization allocations and shall be reimbursed at actual cost up to five percent (5%).

i. ECIP

Allowable costs include nonadministrative costs for outreach; its related services; Fast Track; wood, propane, and oil payments, liability insurance, vehicle equipment, workers' compensation, training, and Heating and Cooling Services (HCS).

ii. HEAP Wood, Propane, and Oil)

Allowable costs include nonadministrative costs for outreach, its related services, and wood, propane, and oil payments.

g. Workers Compensation

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

h. ECIP HCS

ECIP HCS shall mean those costs associated with heating and cooling repair and replacement services and other related costs, including costs associated with disposal fees, permits, lead-safe weatherization materials and travel.

EXHIBIT B
(Standard Agreement)

i. **Energy Education Workshops**

Energy Education Workshops shall include expenditures resulting from the applicant household's representative attending and successfully completing the Interactive Client Energy or Video-Based Workshop model. Associated costs may include travel expenses such as mileage, per diem, and lodging.

D. Assurance 16 Costs

Assurance 16 costs and its related services include those costs that are directly attributable to the performance of this Agreement and that are reasonable and necessary as determined by the State for the purpose of delivering services. Assurance 16 shall be allocated at five percent (5%) of the total allocation and shall be reimbursed for actual cost at up to five percent (5%), contingent upon the expenditure of the cumulative allowable Consideration and Nonconsideration allocation. Assurance 16 costs include needs assessment, client education, counseling, and coordination with utility companies.

5. Attachments to the Contract

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

A.	**Attachment I**	**2006 LIHEAP Weatherization Budget, CSD 557D (Rev. 12/05)**
B.	**Attachment II**	**2006 LIHEAP Assurance 16/Intake/ECIP/HEAP Budget, CSD 537E (Rev. 12/05)**
C.	**Attachment III**	**2006 LIHEAP NONCONSIDERATION PROGRAM ALLOCATIONS, CSD 516 (New 12/05)**
D.	**Attachment IV**	**ECIP-FT, HEAP, WEATHERIZATION, ASSURANCE 16, AND OUTREACH PRIORITY PLANS, CSD 522G (Rev. 12/05)**

State of California
DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT
CSD 557D (Rev. 12/05)

EXHIBIT B - ATTACHMENT I
2006 LIHEAP WEATHERIZATION BUDGET

Contractor: San Joaquin County Department of Aging and Community Services		Contract Number: 06B-5387	Telephone Number:
Class "B" Contractor's License No.:	Name on License:		Expiration Date:
Prepared By:	E-mail Address:		Fax Number:

10 - ADMINISTRATIVE COSTS		**COLUMN A**	**COLUMN B**
1.	Administrative Costs	$ 39,408	$ 59,078
20 - OTHER PROGRAM COSTS			
2.	Liability Insurance	$	$
3.	Training (Not to exceed 2% of Section D Total Budget)	7,250	12,168
4.	Vehicle and Equipment - Acquisition Costs		
5.	**Total Other Program Costs**	**$**	**$**
30 - PROGRAM COSTS			
6.	Intake (Eligibility Determination) (Up to 2% of Section D Total Budget)	**$** 7,250	**$** 12,168
7.	Direct Program Activities	430,968	635,043
8.	Outreach (Must equal 5% - see instructions)	18,124	30,418
9.	Workers' Compensation		
10.	**Total Program Costs**	**$**	**$**
40 - TOTAL BUDGET (Lines 1, 5, 10)		**$ 503,000**	**$ 748,875**
50 - TOTAL HOUSEHOLDS		#	#
55 - APPROVED LABOR RATE			$ **51**

INSTRUCTIONS
EXHIBIT B – ATTACHMENT I
2006 LIHEAP WEATHERIZATION BUDGET
CSD 557D (Rev. 12/05)

10 – ADMINISTRATIVE COSTS

Line 1 – Administrative Costs - Enter the amount of funds allocated for all Administrative Costs for Columns A and B. Administrative costs include salaries, wages, workers compensation, and fringe benefits for administrative staff, facilities, utilities, equipment, telephone travel, accounting, audit, office supplies, and miscellaneous.

20 – OTHER PROGRAM COSTS

Line 2 - Liability Insurance - Enter the amount of funds allocated for insurance bonds, general liability, vehicle insurance, and pollution occurrence insurance (if applicable) in Columns A and B.

Line 3 – Training - Enter the amount of funds allocated for weatherization-related training, both internal and external, in Columns A and B. Costs include actual labor costs, training materials, admissions, and travel expenditures. Training costs must not exceed 2% of the total Weatherization Budget.

Line 4 - Vehicle and Equipment – Acquisition Costs - Enter the amount of funds allocated for acquisition cost (actual cost to purchase) of Vehicles and Equipment in Columns A and B. Include only those purchases that are over $5,000 per unit.

Line 5 - Total Other Program Costs - Enter the sum of lines 2 through 4 for Columns A and B.

30 – PROGRAM COSTS

Line 6 – Intake - Enter the amount of funds allocated for Intake activities in Columns A and B.

Line 7 – Direct Program Activities - Enter the amount of funds allocated for Direct Program Activities in Columns A and B. Includes costs associated with the installation of measures including labor, materials, subcontractors, disposal fees, permits, travel and Duct Blasters.

Line 8 – Outreach - Enter the amount of funds allocated for Outreach activities in Columns A and B, i.e., flyers, brochures, advertisements, etc.

Note: Outreach is 5% of the total weatherization budget, excluding carryover. For Column A, this amount is 5% of the amount in A. on page 2 of the consideration page of the contract. For Column B, this amount is 5% of the total amount of A. and B. on page 2 of the consideration page of the contract.

Line 9 - Workers' Compensation - Enter the amount of funds allocated for workers' compensation for program staff in Columns A and B. Do not include workers' compensation for salaries allocated to administrative costs.

Line 10 - Total Program Costs - Enter the sum of lines 6 through 9 for Columns A and B.

40 – TOTAL BUDGET

Enter the sum of lines 1, 5, and 10 for Columns A and B. Verify the total allocation as provided by CSD.

50 – TOTAL HOUSEHOLDS

Enter the number of households projected to be weatherized during the 2006 Program Year in Columns A and B.

55 – APPROVED LABOR RATE

The Contractor Approved Labor Rate has been entered by CSD.

State of California
DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT
CSD 537D (Rev.2/4/06)

EXHIBIT B - ATTACHMENT II
2006 LIHEAP ASSURANCE 16/INTAKE/ECIP/HEAP BUDGET

Contractor:	Contract Number:	Telephone Number:
San Joaquin County Department of Aging and Community Services	06B-5387	
Prepared By:	E-mail Address:	Fax Number:

10 - ASSURANCE 16 PROGRAM BUDGET		
1.	Assurance 16 Activities	$ 118,797
20 - INTAKE PROGRAM BUDGET (ECIP AND HEAP)		
2.	Intake (eligibility determination) (up to 2% of LIHEAP allocation, excluding Weatherization Intake)	$ 31,060
30 - ADMINISTRATIVE BUDGET (ASSURANCE 16, ECIP, AND HEAP)		
3.	Administrative Costs	$ 86,967
40 - ECIP PROGRAM BUDGET		
4.	Cooling Service Repair/Replacement Implementation Period from _____to_____	$
5.	Heating Service Repair/Replacement Implementation Period from_____to_____	
6.	Other ECIP Heating and Cooling Program Costs	
7	**SUBTOTAL ECIP Heating and Cooling Services Budget (Lines 4 through 6)**	$
8	Outreach (5% of total ECIP allocation)	
9	Wood/Propane/Oil Payments Implementation Period from _____to_____	
10.	Other [1]	
11.	Liability Insurance	
12.	Training	
13.	Vehicle and Equipment	
14.	Workers' Compensation	
15.	**TOTAL ECIP Program Budget (Lines 7 through 14)**	**$** 97,540
50 - HEAP OUTREACH/WPO BUDGET		
16.	Outreach (5% total HEAP allocation)	$ 57,040
17.	Wood/Propane/Oil Payments	142,720
18.	**TOTAL HEAP Outreach/WPO Budget**	**$ 199,760**
60 -ECF ENERGY EDUCATION WORKSHOPS		
19.	Energy Education Workshop Program Costs	$ 10,320
70 - TOTAL BUDGET (Lines 1, 2, 3, 15, 18, and 19)		$
80 - ECIP PROGRAM HOUSEHOLDS		
20.	Cooling Service Repair/Replacement	#
21.	Heating Service Repair/Replacement	#
22.	Wood/Propane/Oil Households	#
23.	Other [1]	#
24.	**TOTAL ECIP Program Households**	**#**
90 - HEAP WOOD/PROPANE/OIL HOUSEHOLDS		#

[1] Used only for households receiving emergency assistance.

INSTRUCTIONS
EXHIBIT B – ATTACHMENT II
2006 LIHEAP ASSURANCE 16/INTAKE/ECIP/HEAP BUDGET
CSD 537E (Rev. 2/4/2006)

10 – ASSURANCE 16 PROGRAM BUDGET

Line 1 – Assurance 16 Activities - Enter the amount of funds allocated for Assurance 16 Activities.

20 – INTAKE PROGRAM BUDGET (ECIP AND HEAP)

Line 2 – Intake - Enter the amount of funds allocated for Intake activities.

30 – ADMINISTRATIVE BUDGET (ASSURANCE 16, ECIP, AND HEAP)

Line 3 – Administrative Costs - Enter the amount of funds allocated for all Administrative Costs. Administrative Costs include salaries, wages, workers compensation, and fringe benefits for administrative staff, accounting, audit, facilities, office equipment and supplies, telephone, training and travel for administrative staff, utilities, and miscellaneous expenditures.

40 – ECIP PROGRAM BUDGET

Lines 4 through 14 – ECIP Program Budget Line Items - Enter the amount of funds allocated for Cooling Source Repairs and Replacements, Heating Source Repairs and Replacements, Other ECIP HCS Program Costs, Outreach (limited to 5% of total ECIP allocation), Wood/Propane/Oil Payments, and Other (Households Receiving Emergency Assistance). Enter the amounts for liability insurance, training (limited to 2% of the total ECIP allocation), vehicle and equipment (include those purchases that are over $5,000), and workers' compensation.

Actual labor hours associated with the diagnostics of a heating and/or cooling system shall be included in cooling and heating repairs and replacements only for those units that do **not** receive both ECIP and CSD Weatherization services. Other ECIP HCS Program Costs and Travel consist of disposal fees, permits, lead-safe weatherization materials, and travel. For disposal fees and permits, fees and actual labor hours for crew members only are allowable. Travel is allowable for only those units that do **not** receive both ECIP and CSD Weatherization services. Weatherization travel guidelines apply.

Line 15 – Total ECIP Program Budget - Enter the sum of lines 4 through 14.

50 – HEAP OUTREACH/WPO BUDGET

Lines 16 through 17 – Outreach and Wood/Propane/Oil Payments - Enter the amount of funds allocated for HEAP Outreach and WPO payments.

Line 18 – Total HEAP Outreach/WPO Budget - Enter the sum of lines 16 and 17.

60 – ENERGY EDUCATION WORKSHOP

Lines 19– Total Energy Education Workshops Budget - Enter the amount of funds allocated for the Energy Education Workshops.

70 – TOTAL BUDGET

Enter the sum of lines 1, 2, 3, 15, 18, and 19.

80 – ECIP PROGRAM HOUSEHOLDS

Lines 20 through 23 – ECIP Program Households - Enter the number of projected Cooling Source Repairs and Replacements, Heating Source Repairs and Replacements, Wood/Propane/Oil Households, and Other (Households Receiving Emergency Assistance).

Line 24 – Total ECIP Program Households - Enter the sum of lines 20 through 23.

90 – HEAP WOOD/PROPANE/OIL HOUSEHOLDS

Enter the number of projected WPO Households to be served.

State of California
DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT
CSD 516 (New 2/2006)

EXHIBIT B - ATTACHMENT III
2006 LIHEAP NONCONSIDERATION ALLOCATIONS

Contractor:	Contract Number:	Telephone Number:
San Joaquin County Department of Aging and Community Services	06B-5387	

Prepared By:	E-mail Address:	Fax Number:

80 - NONCONSIDERATION ENERGY CRISIS INTERVENTION PROGRAM (ECIP) BUDGET		
1	ECIP Electric and Gas (Fast Track) per County Implementation Period from _____to_____	
2	SAN JOAQUIN	$ 332,615
3		$
4		$
5		$
6		$
7		$
8		$
9	**TOTAL**	$
90 - NONCONSIDERATION HEAP BUDGET		
1	HEAP Electric and Gas Allocations per County	
2	SAN JOAQUIN	$ 1,195,601
3		$
4		$
5		$
6		$
7		$
8		$
9	**TOTAL**	$
95 - NONCONSIDERATION HEAP ESTIMATED NUMBER OF HOUSEHOLDS		
1	HEAP Electric and Gas Estimated Number of Households per County	
2	SAN JOAQUIN	# 4,431
3		#
4		#
5		#
6		#
7		#
8		#
9	**TOTAL**	#

The total amount allocated to the Nonconsideration program has been entered by CSD and is not made part of the total consideration for this Agreeement but shall be for Contractor's use as described in EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS, and EXHIBIT F, PROGRAMMATIC PROVISIONS.

INSTRUCTIONS
EXHIBIT B – ATTACHMENT III
2006 LIHEAP NONCONSIDERATION ALLOCATIONS
CSD 516 (New 2/2006)

Enter the name of the agency, contract number, telephone number, e-mail address, fax number, and name of the person preparing this form.

80 – NONCONSIDERATION ECIP BUDGET

Line 1 – ECIP Electric and Gas (Fast Track): Enter the implementation period for the delivery of ECIP Fast Track services. Services are mandatory January 1, 2006 through March 15, 2006. After that date, Contractor has the option of continuing to provide this service.

Lines 2 through 8 – County: The total amount allocated to the Nonconsideration program per county has been entered by CSD and is not made part of the total consideration for this Agreement but shall be for Contractor's use as described in EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS.

Line 9 – Total: This is the sum of lines 2 through 8.

90 – NONCONSIDERATION HEAP BUDGET

Lines 1 through 8 – HEAP Electric and Gas Allocations per County: The total amount allocated to the Nonconsideration program per county has been entered by CSD and is not made part of the total consideration for this Agreement but shall be for Contractor's use as described in EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS.

Line 9 – Total: This is the sum of lines 1 through 8.

100 – NONCONSIDERATION HEAP ESTIMATED NUMBER OF HOUSEHOLDS

Lines 1 – 8: HEAP Electric and Gas Estimated Number of Households per County: The total number of estimated number of households to be served by the HEAP program per county has been entered by CSD.

Line 9 – Total: This is the sum of lines 1 through 8.

EXHIBIT C
(Standard Agreement)

GENERAL TERMS AND CONDITIONS

PLEASE NOTE: This page will not be included with the final agreement. The General Terms and Conditions will be included in the Agreement by reference to Internet site: www.csd.ca.gov.

EXHIBIT D
(Standard Agreement)

SPECIAL TERMS AND CONDITIONS

1. 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 Clause 1005 (CCC-1005)

2) National Labor Relations Board Certification (CCC-1005)

3) Expatriate Corporations (CCC-1005)

4) Domestic Partners (CCC-1005)

5) Amendment for Change of Agency Name (CCC-1005)

6) Resolution (CCC-1005)

7) Air and Water Pollution Violation (CCC-1005)

8) Information Integrity and Security (Department of Finance, Budget Letter 04-35)

For detailed explanation for each of the above certifications, see www.csd.ca.gov.

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

Federal Certification Regarding Debarment, Suspension, and Related Matters

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

2) Have not within a three (3) year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery,

bribery, falsification or destruction of records, making false statements, or receiving stolen property;

3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph 2 of this certification; and

4) Have not within a three (3) year period preceding this Agreement had one or more public (federal, state, or local) transactions terminated for cause or default.

C. Specific Assurances

1) Pro-Children Act of 1994

a. This Agreement incorporates by reference all provisions set forth in Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act).

b. Contractor further agrees that the above language will be included in any subcontracts that contain provisions for children's services and that all subcontractors shall certify compliance accordingly. For detailed explanation, see www.csd.ca.gov.

2) American - Made Equipment/Products

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

For detailed explanation for each of the above Assurances, see www.csd.ca.gov.

3) Federal and State Occupational Safety and Health Statutes, the California Safe Drinking Water and Toxic Enforcement Act of 1986, the **Universal Waste Rule (Hazardous Waste Management System: Modification of the Hazardous Waste Recycling Regulatory Program); Final Rule,** and Workers' Compensation laws.

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

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4) Prioritization of Services

a. Contractor assures that ECIP, HEAP, Weatherization, Assurance 16, and Outreach activities are conducted in accordance with the priority plan(s), EXHIBIT B – ATTACHMENT IV, ECIP, HEAP, WEATHERIZATION, ASSURANCE 16, AND OUTREACH PRIORITY PLANS.

b. Activities shall be designed to provide assistance to low-income households in meeting their home energy costs, particularly those with the lowest incomes that pay a high proportion of household income for home energy, and that such methods to be utilized shall assure that eligible households, particularly those households with elderly individuals, disabled individuals, or children five years (5) and under are made aware of the assistance available under this Agreement.

D. Nondiscrimination Compliance

1) Contractor's signature affixed hereon shall constitute a certification that to the best of its ability and knowledge will, unless exempted, comply with the nondiscrimination program requirements set forth in this section.

2) Contractor hereby certifies compliance with the following:

a. Federal Executive Order 11246, as amended by Executive Order 11375, relating to equal employment opportunity.

b. Title VI and Title VII of the Civil Rights Act of 1964, as amended.

c. Rehabilitation Act of 1973, as amended.

d. Vietnam Era Veterans Readjustment Assistance Act of 1972, as amended.

e. Title 41, Code of Federal Regulations (CFR), Chapter 60, Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor, as amended.

f. Public Law 101-336, Americans with Disabilities Act of 1990.

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E. Provision for Federally Funded Grants

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

F. Additional Provisions

1) 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 which 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.

2) Contractor Licensing

Contractors that are nonprofit organizations and are performing weatherization activities under this Agreement certify that they possess and will continue to have an active Class "B" General Building Contractor license, issued in the agency's name/qualifying individual by the Contractors' State License Board (CSLB). Contractor shall notify CSD when any changes in licensing occur.

3) Codes of Conduct

a. Contractor shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts or subcontracts. No employee, officer, or agent of the Contractor shall participate in the selection, award, or administration of a subcontract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the

Contractor shall neither solicit nor accept gratuities, favors, or anything of monetary value from subcontractors or parties to subagreements. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipients.

b. Contractor shall not pay Federal funds received from CSD to any entity in which it (or one of its employees, officers, or agent, any member of his or her immediate family, his or her partner, or an organization which 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 Office of Management and Budget Circular A-110, section 42.

4) Affirmative Action Compliance

a. Each Contractor or subcontractor with 50 or more employees and an agreement of $50,000 or more shall be required to develop a written Affirmative Action Compliance Program.

b. The written program shall follow the guidelines set forth in Title 41 CFR Section 60-1.40, Sections 60-2.10 through 60-2.32, Sections 60-250.1 through 60-250.33, and Sections 60-741.4 through 60-741.32.

c. Each Contractor or subcontractor with less than 50 employees shall comply with Section 202 of Part II of Executive Order 11246, as amended by Executive Order 11375. Contractor shall ensure that subcontractors falling within the scope of this provision shall comply in full with the requirements thereof.

5) Political Activities

a. Contractor shall refrain from all political activities if such activities involve the use of any funds that are the subject of this Agreement.

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

6) Lobbying Activities

a. Contractor shall refrain from all lobbying activities if such activities involve the use of any funds that are the subject of this Agreement or any other funds, programs, projects, or activities that flow from this Agreement.

b. If Contractor engages in lobbying activities, Contractor shall complete, sign and date the CERTIFICATION REGARDING LOBBYING/DISCLOSURE OF LOBBYING ACTIVITIES, EXHIBIT H, as required by the U.S. Department of Health and Human Services under 45 CFR Part 93.

2. <u>Weatherization Performance Guidelines</u>

A. In an effort to ensure and strengthen performance outcomes and to measure the impact of the LIHEAP weatherization program, this Agreement contains performance guidelines. The 2006 LIHEAP contract period shall incorporate the purpose statement and the objectives and shall establish the statewide expectations of the weatherization program. While no specific performance measure targets have been established, the 2006 contract period will serve as the initial benchmark in which Contractors will cooperate with the State in establishing a measurement methodology and baseline data to be collected related to each of the measures listed below.

1) Weatherization Purpose

The Purpose of the Weatherization Program is to reduce a low-income household's energy costs and consumption while addressing health and safety considerations through education and weatherization.

2) Weatherization Policy Objectives

a. Energy Savings Objective

i. To perform the maximum-feasible weatherization measures that will achieve cost-effective, measurable, long-term energy savings.

ii. Performance Measures:

(a) Total homes weatherized

(b) Average energy saved per home weatherized

(c) Average cost per home weatherized

b. Education Objective

i. To reduce energy consumption and costs through awareness and behavior modifications and to provide education on potential hazards.

ii. Performance Measures

(a) Percentage or number of total households weatherized receiving any or all of the following:

(i) Budgeting Education

(ii) Equipment operation instructions

(iii) Energy savings education

(iv) Referral

(v) Lead safe material

(b) Total dollars spent on education.

3) Environmental Objectives

a. Assure Health and Safety Objective

i. To identify and address health and safety (H&S) hazards during the course of weatherization work.

ii. Performance Measures

(a) Total number of H&S hazards corrected

(b) Average cost of H&S hazards

b. Supportive Living Conditions H&S Objective

i. When needed to support or protect weatherization measures installed, perform work that does not necessarily have an energy savings or health and safety value but improves household living conditions.

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ii. Performance Measures

(a) Percent or number of total household weatherized that have measures which address only the living condition improvements

(b) Average cost of these measures per household.

3. Special Conditions for Entities Not Meeting Terms of the Agreement

A. Suspension

1) The State may, upon reasonable notice to Contractor or Subcontractor, suspend this Agreement in whole or in part. In the case of Contractor's fraud or gross negligence, suspension without prior notice by the State is permissible.

2) If Contractor has failed to comply with the material terms of this Agreement, the State shall:

a. Notify the Contractor in writing by certified mail or personal service;

b. Specify the effective date of the suspension;

c. Specify the reasons for the suspension and what corrective action is expected;

d. Give a specified period of time in which to take corrective action; and

e. Inform the Contractor that if the corrective action is not taken within the specified time frame, the State will terminate the contract.

3) A suspension shall remain in effect until Contractor has taken corrective action satisfactory to the State.

4) New obligations, including costs for goods, services, or related expenses, incurred by Contractor under this Agreement during the suspension period will not be allowed unless expressly authorized by the state in the notice of suspension.

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B. Termination

1) Either party may terminate this Agreement at any time prior to its date of expiration upon 30 calendar day's notice to the other party. Such notice shall be delivered to the other party in writing, stating the reason for termination and the effective date thereof.

2) Upon termination of this Agreement, the State, unless expressly granted in writing, shall not pay Contractor for any obligations incurred after the effective date of such termination. Contractor shall be paid for work performed prior to termination, as long as the work was performed according to the covenants contained herein at the time and in the manner provided herein.

C. Lien Rights

The State retains lien rights on all funds advanced.

4. 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:

A. Segregation of duties appropriate to safeguard state assets;

B. Limited access to agency assets to authorized personnel who require these assets in the performance of their assigned duties;

C. Authorization and recordkeeping procedures adequate to provide effective accounting controls over assets, liabilities, revenues, and expenditures;

D. Established practices to be followed in performance of duties and functions;

E. Personnel of a quality commensurate with their responsibilities; and

F. Effective internal reviews.

5. Audit Reports

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, 1994 Revision, as amended."

B. The financial and compliance audit 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 contract or audit period. The audit reports are to be submitted to the following address:

Department of Community Services and Development
Attention: Audit Services Unit
700 North 10th Street, Room 258
Sacramento, CA 95814

1) Private, nonprofit contractors shall submit to CSD two (2) copies of the required audit report within six months of the end of the Contractor's fiscal year. Upon written request by the Contractor's CPA, which includes an explanation of why the audit cannot be submitted within six months of the end of the Contractor's fiscal year, CSD Audit Services Unit may grant an extension for submittal of the audit report not to exceed an additional 30 calendar days from the original due date.

2) Local governmental entities shall submit to CSD two copies of the required audit report within 30 calendar days after the completion of the audit but no later than nine months after the end of the audit period.

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

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

C. Where services or funds under this Agreement are provided to, for, or by a wholly owned, or wholly controlled subsidiary of Contractor, Contractor hereby provides assurance that an audit shall be performed of this subsidiary organization in accordance with this Section. Said required audit report shall be made available to the State upon request.

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(Standard Agreement)

6. Auditing Standards

Contractor must follow all audit requirements as set forth in OMB Circular A-133 and CSD Supplemental Audit Guide. The Supplemental Audit Guide may be accessed at www.csd.ca.gov.

7. Subcontracts (CSD)

Contractor may enter into subcontract(s) to perform part or all of the direct services covered 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, SCOPE OF WORK, 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.

B. Contractor shall immediately notify all of its 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.

C. 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).

D. Nothing contained in this Agreement or otherwise shall create any contractual relation between the State and any subcontractors, and no subcontract shall relieve the Contractor of its responsibilities and obligations hereunder. Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

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(Standard Agreement)

E. Contractor shall ensure compliance with the audit requirements as described in EXHIBIT C, GENERAL TERMS AND CONDITIONS, Section 4. Audit, and EXHIBIT D, SPECIAL TERMS AND CONDITIONS, Section 5. Audit Reports, contained within this Agreement, if subcontracting LIHEAP Weatherization, HEAP, or ECIP services.

8. Travel and Per Diem

A. Contractor's employee travel costs and per diem reimbursement rates shall be reimbursed based on the Contractor's policies and procedures not to exceed federal per diem requirements.

B. In absence of a travel policy, Contractor shall defer to the rules and regulations established in the California Code of Regulations Sections 599.615 through 599.638 and be reimbursed in accordance with the definitions, terms, and provisions contained therein.

9. Procurement

A. Contract Administration

1) Contractors shall administer this Agreement in accordance with pertinent federal and state rules and regulations, including relevant Office of Management and Budget (OMB) Circulars and amendments thereto.

2) Contractor shall conduct all procurement transactions in a manner to provide, to the maximum extent practical, open and free competition. Contractor shall not permit any organizational conflicts of interest or noncompetitive practices that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective subcontractor performance and eliminate unfair competitive advantage, individuals, or firms that develop or draft specifications, requirements, statements of work, invitations for bids and/or requests for proposals shall be excluded from competing for such procurements. Contractor shall award any subcontract to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to Contractor when considering price, quality, and other factors. Contractor’s solicitations shall clearly set forth all requirements that the bidder or offeror shall fulfill in order for the bid or offer to be evaluated by the recipient.

3) Contractor assures that all supplies, materials, equipment, or services purchased with funds provided by this Agreement shall be used solely for the activities allowed under this Agreement, unless a fair market value for such use is charged to the benefiting program and credited to this Agreement.

4) Contractor shall adhere to its established policies and procedures regarding the purchase, lease, or subcontracting for any articles, supplies, equipment, or services obtained from vendors or subcontractors having a per-unit cost in excess of $5,000. Three competitive quotations shall be obtained or adequate justification maintained as to the absence of bidding. Policies and procedures shall be in conformance with OMB requirements contained in the following Circulars: A-102, Subpart C, or A-110 and approved by the Board of Directors. Noncompliance may result in a disallowance of the purchase/lease item(s) or subcontract. In cases of emergency where awarding a contract is necessary for the immediate preservation of public health, welfare, or safety, the three-bid process is not required.

5) For purchase or lease of equipment having a per-unit cost of five thousand dollars ($5,000) or more, Contractor shall prepare and submit a Request for Purchase/Lease Approval, CSD 558, to CSD prior to commencing purchasing/leasing activities. Noncompliance shall result in a disallowance of purchase/lease item(s).

6) Contractor assures that it shall exercise due care in the use, maintenance, protection, and preservation of state-owned property in Contractor's possession or any other property purchased by Contractor with State funds. Such care shall include, but is not limited to, the following:

a. Maintaining insurance coverage against loss or damage to such property.

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

B. Limitation on Use of Funds

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

10. <u>Insurance and Fidelity Bond</u>

A. General Requirements

1) By execution of this Agreement, Contractor agrees that the below-required insurance policies and bond shall be in effect at all times during the term of this Agreement.

2) Contractor shall provide the State with written notice at least 30 calendar days prior to cancellation or reduction of insurance coverage to an amount less than that required in this Agreement.

3) In the event said insurance coverage expires at any time or times during the term of this Agreement, Contractor agrees to provide, at least 30 calendar days prior to said expiration date, a new Certificate of Insurance (ACORD 25) evidencing insurance coverage as provided for herein for not less than the remainder of the term of this Agreement. The Certificate of Insurance (ACORD 25) shall identify and name the State as the Certificate Holder.

4) New Certificates of Insurance are subject to review for content and form by CSD.

5) In the event Contractor fails to keep in effect at all times the specified insurance and bond coverage as herein provided, the State may, in addition to any other remedies it may have, suspend this Agreement.

6) With the exception of workers' compensation and fidelity bond, the State shall be named as additional insured on all certificates of insurance required under this Agreement.

7) The issuance of other CSD contracts, to include reimbursement payments, to the Contractor may be contingent upon required current insurance coverage being on file at CSD for this Agreement.

B. Self-Insurance

1) When Contractor is a self-insured governmental entity, the State, upon satisfactory proof, may waive the appropriate insurance requirements upon written certification. An appropriate county or city risk manager shall sign this certification that shall contain assurance of the adequacy of the governmental entity's ability to cover any potential losses under this Agreement.

2) Contractor shall specify in writing a list of which coverage(s) will be self-insured under this Agreement and shall list all applicable policy numbers, expiration dates, and coverage amounts.

3) In the case that the Contractor’s self-insurance coverage does not contain any changes from the prior year, CSD will accept a certified letter signed by authorized personnel; stating that no changes have occurred from the

last year. This letter is due at the time of contract execution or within 30 days of expiration of insurance.

4) Should Contractor utilize a subcontractor(s) to provide services under this Agreement, Contractor shall indemnify and hold the State harmless against any liability incurred by that subcontractor(s).

C. Workers' Compensation Insurance

1) Contractor shall have and maintain for the term of this Agreement workers' compensation insurance issued by an insurance carrier licensed to underwrite workers' compensation insurance in the State of California.

2) Contractor shall submit either an applicable Certificate of Insurance (ACORD 25) or a Certificate of Consent to Self-Insure issued by the Director of the Department of Industrial Relations to the State as evidence of compliance with the workers' compensation insurance requirement prior to issuance of an initial cash advance.

D. Fidelity Bond

1) Contractor shall maintain a fidelity bond in the minimum amount of four percent of the total amount of consideration set forth under this Agreement.

2) Contractor shall submit an applicable Certificate of Insurance (ACORD 25) to the State as evidence of compliance with the fidelity bond requirement prior to issuance of an initial cash advance.

E. General Liability Insurance

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

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 insurance requirements prior to issuance of an initial cash advance.

F. Vehicle Insurance

1) Contractor shall have and maintain for the term of this Agreement vehicle insurance in the amount of $500,000 for each person and each accident for

bodily injury and in the amount of $500,000 for each person and each accident for property damage.

2) When employees use their own vehicles to perform duties within the scope of their employment, Contractor shall have and maintain for the term of this Agreement nonowned and hired-auto liability insurance in the amount of $500,000 for each person and each accident for bodily injury and $500,000 for each person and each accident for property damage. (Driving to and from work is not within the scope of employment.)

3) Contractor shall submit an applicable Certificate of Insurance (ACORD 25), designating CSD as an additional insured, to the State as evidence of compliance with said vehicle insurance requirements prior to issuance of an initial cash advance.

11) Agreement Changes

A. Amendment

1) A formal Amendment is required for changes to the term, total cost, scope of work, and formal names 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. Modifications

1) Changes involving alterations such as changes to projected goals and/or priority plans will be considered modifications.

2) Modifications to projected goals will not be allowed. In the event that projections will not be met, Contract shall provide a description of the circumstance to the State and shall contact the State for additional instruction.

C. Time Restriction

After March 15 of each program year, Contractor shall have the option of continuing to offer Energy Crisis Intervention Program services, as specified in their ECIP Local Funding Proposal, or may request an amendment to reallocate any unspent ECIP (HCS, WPO, Fast Track) funds into direct assistance payment services (HEAP – Electric and Gas, and WPO).

EXHIBIT D
(Standard Agreement)

D. Process

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

2) Transferring of funds include:

a. Transferring funds between the consideration components if ECIP (WPO, HCS) and HEAP (WPO), and the nonconsideration components of ECIP Fast Track and HEAP - Electric and Gas.

b. Transferring funds between the nonconsideration components: ECIP Fast Track and HEAP - Electric and Gas.

c. Modifications transferring funds within the ECIP subcomponents of ECIP (HCS) and ECIP (WPO).

3) 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 LIHEAP program component** and the exceptions provided for in EXHIBIT D, SPECIAL TERMS AND CONDITIONS, Section 1. Certifications, E. Provisions for Federally Funded Grants.

12. Forms

CSD shall provide masters of the Energy Intake Form, and Contractor shall duplicate them for future use. Contractors shall utilize the web-based monthly reporting system available on CSD's website at http://www.csd.ca.gov. **All contractor-equivalent forms, including the Energy Intake Form, must be preapproved by CSD prior to their use. Contractors shall not modify or utilize a contractor-equivalent form in place of the CSD programmatic and fiscal reporting forms.**

EXHIBIT E
(Standard Agreement)

ADDITIONAL PROVISIONS

1. **Guidelines for Weatherization Activities and Heating and Cooling Services (HCS)**

A. Weatherization Measures

1) **Contractor may claim reimbursement for weatherization activities as documented on the Energy Dwelling Unit Assessment, CSD 544, or Contractor's equivalent, for each eligible household not previously weatherized, with the following exception:**

Reimbursement for dwelling assessment activities shall be made only for dwelling units weatherized under the terms of this Agreement. However, should the safety check of combustion appliances reveal hazards or other unsafe conditions requiring repair that preclude envelope-tightening measures and cannot be eliminated, Contractor shall be allowed to claim reimbursement for outreach, performed assessment/diagnostic activities, and for the installation of measures identified by the footnotes listed at the end of this section.

2) **Reimbursement for weatherization activities shall be claimed only once when LIHEAP and DOE WAP, or any other funding source, are used concurrently in the same unit.**

3) **Contractor shall not split the reimbursement of a LIHEAP WX or ECIP HCS measure with an assigned fixed-fee reimbursement and shall not split the labor costs for a single measure between LIHEAP or ECIP HCS and DOE WAP, or any other funding source.**

4) **For dwellings where DOE and LIHEAP weatherization services are provided concurrently: Contractor shall not divide the reimbursement of a LIHEAP WX or ECIP HCS fixed-fee reimbursable measure with DOE or any other CSD program nor divide the labor costs associated with the installation of a single-measure between LIHEAP, DOE, or another CSD program. However, in such units Contractor may divide the material cost of a single-measure between LIHEAP, DOE, or other CSD program, when the single-measure in question is installed in a dwelling where weatherization serves are provided concurrently under these programs.**

5) For those weatherization measures that have an established maximum rate, the reimbursement amount shall be equal to the actual labor hours of

weatherization crew members at the approved labor rate and the actual cost of the materials up to the maximum rate.

6) **When costs for a measure exceed the maximum reimbursement allowed, Contractor shall obtain from their field representative, on a case-by-case basis, prior written approval to exceed the maximum.**

7) **Costs that exceed the maximum allowed for any measure with a chargeable line item shall not billable to Minor Envelope Repairs or any other line item. No other CSD program can be used to offset those costs that exceed the maximum for any measure charged under another CSD program.**

8) **All overhead costs shall be charged to the appropriate monthly expenditure reporting line items.**

9) All remaining weatherization measures are reimbursed at the fixed fee rates as noted on EXHIBIT E, ADDITIONAL PROVISIONS, Section 2. **Reimbursement Rates for Weatherization Activities and HCS Activities.**

B. Labor Rate

1) **Travel time to and from job sites shall be reimbursed under the Single Family and Multi-Family Dwelling Travel Credits and mileage reimbursement provisions as allowed in EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS, Section 3. Payment Guidelines and Reporting Requirements, item D. Mileage Payment Guidelines.**

2) **The approved labor rate includes travel time, down time, supervision, inspection, support staff hours, and related operating expenses; therefore, Contractor shall not bill additional labor hours for these costs.**

3) Contractor shall bill the actual labor hours incurred by Weatherization crew members or other personnel associated with the direct facilitation of the disposal of appliances, the procurement of permits, and services performed by a Home Energy Rating System (HERS) Program Rater.

4) Labor hours for other personnel are billable only if there are no billable hours for Weatherization crew members for these services. The approved labor rate will be allowable for Weatherization crew members only. For other personnel, a modified fixed labor rate determined by the Contractor or actual labor costs shall be used. Any modified fixed labor rate that is to

be used must be submitted to CSD for approval prior to requesting reimbursement for these costs.

5) Workers' compensation is not to be included in any actual labor costs. Contractor shall bill workers' compensation associated with salaries and wages charged to administration under administrative costs. All other workers' compensation costs shall be reimbursable under the Program Costs section of the monthly expenditure and activity reports, in accordance with EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS, Section 3. Payment Guidelines and Reporting Requirements.

6) Travel for costs associated with the completion of weatherization-related training shall be reimbursable at actual cost in accordance with EXHIBIT F, PROGRAMMATIC PROVISIONS, Section 9. Special Provisions – Training Activities – Weatherization and EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS, Section 3. Payment Guidelines and Reporting Requirements.

7) Travel time related to administrative staff shall be reimbursable under Administrative Costs at actual cost in accordance with EXHIBIT D. SPECIAL TERMS AND CONDITIONS, Section 8. Travel and Per Diem.

8) Travel time related to other program-related activities shall be reimbursable in accordance with EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS, Section 3. Payment Guidelines and Reporting Requirements, item D. Mileage Payment Guidelines.

9) All reimbursable travel costs and mileage must be substantiated.

C. Unweatherized Dwelling

In the case of an unweatherized dwelling where the installation of measures was not feasible and/or the dwelling was not accessible to install measures, Contractor may claim reimbursement for any related assessments and/or diagnostic checks that were performed. Reimbursement for travel is not allowable.

D. Deferred Dwelling

When costs for a measure exceed the maximum reimbursement allowed, the measure may be deferred, at the Contractor's option, due to the additional costs. If the required minimum number of measures cannot be installed due to the deferred measures, then the entire unit shall be deferred. Contractor shall

document the ineligibility on the Energy Dwelling Assessment, CSD 554, or Contractor's equivalent.

E. Subcontracted Services

1) When the installation of a measure is subcontracted and there are billable labor hours for weatherization crew members who share in the installation of that subcontracted measure, Contractor shall bill, in addition to the subcontracted expenditure, the actual labor hours incurred by crew members at the approved labor rate.

2) When the installation of a measure is subcontracted and there are no billable labor hours for weatherization crew members, Contractor shall bill, in addition to the subcontracted expenditure, actual labor hours incurred by other personnel associated with the direct facilitation of that subcontracted measure. The approved labor rate will not be allowable for other personnel under these circumstances. A modified fixed fee labor rate determined by the Contractor or actual costs shall be used. Any modified fixed fee labor rate that is to be used must be submitted for CSD for approval prior to requesting reimbursement for these costs.

F. Title 24 Regulations

1) Effective October 1, 2005, Contractor must comply with the 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 Program (HERS) regulations. Contractor shall obtain the services of a qualified Home Energy Rating System (HERS) Program Rater to perform required field verification and diagnostic testing on applicable weatherization measures and building alterations performed under this Agreement.

2) Procured HERS Rater services shall be obtained from an entity or individual independent from the builder or subcontractor performing the building alteration and/or energy-efficiency improvement being tested and verified, and the entity or individual shall have no financial interest in the work performed.

2. **<u>Reimbursement Rates for Weatherization and HCS Activities</u>**

A. **Assessments/Diagnostics per Dwelling**

Following the dwelling assessment and diagnostic testing, all feasible Health and Safety Measures, Insulation Measures, and Mandatory Measures must be installed before Optional Measures are provided.

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(Standard Agreement)

1) Unit Assessments
Units with attics $65.00 [1]
Units without attics $40.00 [1]

2) Combustion Appliance Safety Test (when applicable)
Pre-Test $70.00
Post-Test $40.00
(when applicable)

3) Blower Door Test $75.00 [2]
(When applicable)
Trainee-Performed Blower Door Test $100.00 [30]
(March 1 through April 30, 2006)

4) Duct Leakage Test (with Blower Door)
Pre-Test $30.00
Post-Test $30.00
(when applicable)

5) Duct Leakage Test (with Duct Blaster when applicable)
Pre-Test $60.00 [3, 10]
Post-Test $50.00 [3, 10]

6) Contractor Post Weatherization Inspection Maximum 3 Hours [4]
(Reimbursement of no more than 25% of the total weatherized dwellings is allowable for the actual time to perform the inspection activity and travel to and from the dwelling at the approved labor rate, up to a maximum of three hours per dwelling.)

B. Health and Safety Measures per Dwelling

Health or Safety Hazard Repair or Replacement, per dwelling: (Indicate on the Energy Dwelling Unit Assessment, CSD 554, or Contractor's equivalent, what health or safety conditions are to be addressed.) Includes the repair of unsafe conditions identified as "Required Repairs" in the CSD Weatherization Installation Standards (WIS) and Combustion Appliance Safety Inspection Form (CASIF).

1) Carbon Monoxide Alarm
Line-cord or Hard-wired, one or more Maximum $189.00 [5]
Lithium Battery, one or more Maximum $135.00 [5]
(Must be installed if there are operating carbon monoxide-producing appliances.)

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2)	Gas Cooking Appliance	
	Repair and Maintenance	Maximum $348.00 or 50% of Replacement [6, 7, 8]
	Replacement, Range or Cook Top	Maximum $695.00 [6, 7, 8]
3)	Gas Water Heater	
	Repair	Maximum $490.00 [6, 7, 8] or 50% of Replacement
	Replacement, Closed Combustion	Maximum **$980.00** [**6, 7, 8**]
	Replacement, Open Combustion	Maximum $980.00 [6, 7, 8]
4)	Heating Source Repair	
	Exterior Wall Direct Vent Furnace	Maximum $450.00 [6, 7, 8, 9, 10]
	Forced Air Unit (FAU)	Maximum **$870.00** [6, 7, 8, 9, 10]
	Floor Furnace	Maximum $518.00 [6, 7, 8, 9, 10]
	Interior Wall Furnace	Maximum $660.00 [6, 7, 8, 9, 10]
	Mobile Home Furnace	Maximum $618.00 [6, 7, 8, 9, 10]
	Other Types Not Listed	Max. $1,000.00 [6, 7, 8, 9, 10, 11, 12]
	Package Unit	Maximum $1,170.00 [6, 7, 8, 9, 10]
	Wood Fueled Appliance	Maximum $900.00 [6, 7, 8, 9, 10, 13] or 30% of Replacement for all heater types
5)	Heating Source Replacement	
	Exterior Wall Direct Vent Furnace	Maximum $1,500.00 [6, 7, 8, 10]
	Forced Air Unit (FAU)	**Maximum $2,900.00** [**6, 7, 8, 10**]
	Floor Furnace	Maximum $1,725.00 [6, 7, 8, 10]
	Interior Wall Furnace	Maximum $2,200.00 [6, 7, 8, 10]
	Mobile Home Furnace	Maximum $2,060.00 [6, 7, 8, 10]
	Other Types Not Listed	Maximum $3,000.00 [6, 7, 8, 10, 11, 12]
	Package Unit	Maximum $3,900.00 [6, 7, 8, 10]
	Wood-Fueled Appliance	Maximum $3,000.00 [6, 7, 8, 10, 13, 14]

C. Mandatory Measures

If feasible, Insulation Measures must be installed prior to the installation of any other Mandatory and Optional Measures. Non-Priority Mandatory Measures including Infiltration Reduction, General Heat Waste, and Electric Base Load Measures need not be installed in priority order.

PRIORITY - INSULATION MEASURES

1)	Attic Venting, per dwelling	Maximum $355.00 [5, 15]

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2)	Ceiling Insulation	Ceiling [5]	Kneewall [5]
	R-11, per square foot	$.54	$.66
	R-19, per square foot	$.66	$.74
	R-30, per square foot	$.74	N/A
	R-38, per square foot	$.88	N/A
3)	Duct Insulation, per square foot	$.95 [5]	

NONPRIORITY - INFILTRATION REDUCTION MEASURES

1)	Caulking, per dwelling	
	Mobile Home	$90.00 [16, 17]
	Multi Unit	$45.00 [16, 17]
	Single Family	$75.00 [16, 17]
2)	Cover Plate Gaskets, per dwelling	$33.00 [16, 17]
3)	Duct /Register Repair/Replacement, per dwelling	Maximum $1,223.00 [17]
4)	Glass Replacement, per dwelling	Maximum $350.00 [17, 18]
5)	Minor Envelope Repair, per dwelling	Maximum $887.00 [13, 16, 17, 18, 19]
6)	Sliding Glass Door, per dwelling	
	Repair	Maximum $400.00 [17]
	Replacement	Maximum $950.00 [17]
7)	Weatherstripping, Hinged Exterior Door, per door	$44.00 [16, 17]
8)	Weatherstripping, Other, per linear foot	$2.10 [16, 17, 20]
9)	Window Replacement	Maximum Average $825.00 [17, 18]

D. General Heat Waste Measures

1)	Evaporative Cooler/Air Conditioner Vent Cover, per cover	$66.00 [16]
2)	Hot Water Flow Restrictor, per device	
	Faucet Restrictor	$8.00 [5]
	Hand-Held Low-Flow Showerhead	$35.00 [5]

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	Low-Flow Showerhead	$27.00 [5]
3)	Water Heater Blanket, per blanket	$40.00 [5]
4)	Water Heater Pipe Wrap, per linear foot of pipe	$3.90 [5]

E. Electric Base Load Measures

1)	Compact Fluorescent Lamps	
	Hard-Wired, limit one per dwelling	Maximum $85.00 [5, **28**]
	Thread-based Compact, Limit five per dwelling	Maximum $14.00 per bulb [**5, 28**] Maximum of $70 per dwelling
2)	Electric Water Heater, per dwelling	
	Repair	Maximum $350.00 [5, 8] or 50% of Replacement
	Replacement	Maximum $700.00 [5, 8]
3)	Fluorescent Torchiere Lamp Replacement, Limit one per dwelling	Maximum $75.00 [5, **28**]
4)	Refrigerator Replacement	Maximum $1,032.00 [5, 21, **29**]

F. Optional Measures

1)	Ceiling Fans, per dwelling	Maximum $176.00 [5]
2)	Air Conditioning (Electric Base Load) Repair/Maintenance per dwelling	
	Central Unit	Max. $1,100.00 [5, 6, 7, 8, 9, 10, 13, 21, 22]
	Wall/Window Unit	Max. $ 448.00 [5, 6, 8, 9, 10, 13, 21, 22] or 50% of Replacement for all cooling types
3)	Air Conditioning Replacement, per dwelling	
	Central Unit	Maximum $2,200.00 [5, 7, 8, 10, 23]
	Multi-Story Wall Unit	Maximum $895.00 [5, 8, 10, 23]
	Multi-Story Window Unit	Maximum $685.00 [5, 8, 10, 23]
	Single-Story Wall Unit	Maximum $580.00 [5, 8, 10, 23]
	Single-Story Window Unit	Maximum $420.00 [5, 8, 10, 23]

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4)	Cooling Source Repair, Other Types Not Listed	Maximum $250.00 [5, 6, 9, 10, 11] or 50% of Replacement for all cooling types
5)	Cooling Source Replacement, Other Types Not Listed	Maximum $500.00 [5, 6, 10, 11]
6)	Electric Water Heater Timer, per timer	$112.00 [5]
7)	Evaporative Cooler Installation, per dwelling	
	New Roof Unit	Maximum $1,100 [5, 7, 8, 10, 23]
	New Wall Unit	Maximum $850.00 [5, 7, 8, 10, 23]
	New Window Unit	Maximum $780.00 [5, 7, 8, 10, 23]
	Replace Roof Unit	Maximum $850.00 [5, 7, 8, 10, 23]
	Replace Wall Unit	Maximum $655.00 [5, 7, 8, 10, 23]
	Replace Window Unit	Maximum $655.00 [5, 7, 8, 10, 23]
8)	Evaporative Cooler	Maximum **$550.00** [5, 7, 9, 10] or 50% of Repair/Maintenance Replacement for all cooler types
9)	Microwave Oven, per dwelling	Maximum $284.00 [5, 24], **27**
10)	Floor Foundation Venting (Crawl Space Venting)	Maximum $360.00 [5, 15]
11)	Floor Insulation	
	Over 36" clearance, per square foot	$1.15 [5, 25]
	Under 36" clearance, per square foot	$1.40 [5, 25]
12)	Shadescreens, per square foot	$3.30 [5]
13)	Shutters, per square foot	$6.00 [5]
14)	Storm Windows, per square foot	
	Fixed, Glass Glazing	$12.40 [16]
	Fixed, Polycarbonate	$18.40 [16]
	Operable, Glass Glazing	$13.90 [16]
	Operable, Polycarbonate	$21.40 [16]
	Other	**Maximum $750.00 [31]**
15)	Thermostat, per dwelling	
	Manual	$65.00 [5, 26], **28**
	Programmable	$157.00 [5], **26, 28**

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16)	Tinted Window Film, per square foot	$3.30 [5]
17)	Wall Insulation, Stucco and Wood, per square foot	$1.05 [5]

H. Footnotes Section

1) Unit assessments are charged for each completed unit in addition to applicable blower and/or duct testing.

2) Following a determination that no combustion byproduct hazards exist, preweatherization blower door testing is a mandatory activity on all mobile homes, manufactured homes, and all site-built dwellings with operable forced air units. **At a minimum, Contractors must perform Blower Door Tests on <u>20 percent (20%)</u> of weatherized Single-Family Dwellings and <u>five percent (5%)</u> of weatherized Multi-Unit Dwellings.**

3) A duct leakage test using the Duct Blaster is a stand-alone test **and may be performed in conjunction with the Blower Door Test for purposes of assessing outside air infiltration.**

4) An inspection of twenty-five percent (25%) of the total number of dwellings weatherized under this Agreement must be completed in accordance with CSD Inspection Policies and Procedures. Reimbursement shall not exceed the maximum twenty-five percent (25%) limit. A maximum of 25% of the total dwellings reported in a reporting period shall be inspected and shall continue through the contract term. If due to rounding, the number of required inspections does not equal 25%, the number of required inspections performed shall be rounded up and the maximum reimbursement limit will be increased accordingly. Reimbursement is allowable for the actual labor hours of the inspection activity including travel at the approved labor rate, up to a maximum of three hours per dwelling.

5) If a combustion appliance safety hazard or other unsafe conditions requiring repair is found to exist and cannot be repaired under the scope of the program, Contractor may apply the nonenvelope sealing measures identified by this note.

6) May be classified as mandatory if safety hazard exists. May be installed as an optional measure if no safety hazard exists.

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7) If required by the local jurisdiction, a building permit must be obtained and finalized for vented appliance installations (Furnace, Boiler, Water Heater, Oven and Range, and Vented Space Heater), Evaporative Cooler, Central HVAC, and Wood-Fueled Space Heater installations. A copy of the finalized permit must be placed in client's file.

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

9) Repairs include cleaning and filter replacement.

10) These maximums apply to heating and cooling source repairs and replacements under ECIP HCS with the exceptions as noted in EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS, Section 2. Payment, B. Subsequent Payment Guidelines, item 3) ECIP Heating and Cooling Service (ECIP HCS) Payments.

11) Costs that exceed the maximums in other categories of cooling and heating repairs and replacements cannot be charged to the line items reserved for other types of cooling and heating units not already listed.

12) Propane furnace repairs and replacements shall be reimbursed under Other Types Not Listed.

13) Energy Conservation Measures and Activity Definitions are included in the CSD weatherization installation standards, and EXHIBIT G, DEFINITIONS.

14) A wood-fueled space heater may only be installed if it is to be used to replace a fossil-fueled space heater and/or damaged or hazardous wood stove that cannot feasibly be repaired, i.e., cost of repair exceeds 50 percent (50%) of replacement cost or existing unit is not a listed and labeled stove.

15) Per dwelling, attic and floor foundation venting may only be performed in conjunction with ceiling and floor insulation, respectively.

16) When using a blower door in conjunction with weatherizing a dwelling, do not apply these measures if the infiltration is less than the Minimum Ventilation Requirement or if the economic stop point for air sealing has

been reached. (Refer to the Building Shell/Blower Door Use sections of the CSD Weatherization Installation Standards.) Does not apply to catastrophic leaks that are health and safety hazards, e.g., broken-out window, severely damaged door, etc.

17) Contractor may request reimbursement to cover additional labor expenses incurred by the completion of Blower Door Tests by inexperienced weatherization crew members. Reimbursement provision is limited to those Blower Door Tests performed during the period of March 1, 2006 through April 30, 2006 and only for those Blower Door Tests where labor costs exceed normal Blower Door Test reimbursement.

18) Costs that exceed the maximums in Glass Replacement cannot be charged to Minor Envelope Repair or Window Replacement. The maximum reimbursement for Window Replacement is an average over all dwellings receiving new windows. If costs should occur such that the average maximum is exceeded for Window Replacements, the additional costs cannot be charged to Minor Envelope Repair or Glass Replacement. Refer to EXHIBIT G, DEFINITIONS, for a definition of Minor Envelope Repair.

19) When installing a Minor Envelope Repair Measure, the installation of deadbolt locks in conjunction with an exterior door replacement is allowable on rental units only. Reimbursement will be based on the material costs for the door, the deadbolt lock, and the labor.

20) Includes sliding glass doors. Does not include weatherstrip applied to attic and crawl space access hatches, to evaporative-cooler and air-conditioner covers, or to open combustion appliance enclosure doors. Expenditures for weatherstripping applied to covers and enclosure doors shall be charged under the appropriate appliance repair line item. When insulation is not installed, applies to access hatches and windows.

21) Technicians performing evacuation and charging of refrigerant must have EPA-approved certification as a Type II or Universal technician. Refrigerant shall be recovered, and all hazardous waste materials shall be disposed of in conformance with federal, state, and local codes.

22) Do not perform if dwelling has an operative evaporative cooler.

23) Electric Base Load Measures: Special training is a mandatory prerequisite for Contractors before performing Evaporative Cooler Installation and Window/Wall Air Conditioner Replacement. Contractor must contact CSD to schedule training.

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24) Cabinet retrofits are only allowed for built-in microwaves that have been replaced and are reimbursable under Minor Envelope Repair.

25) Crawl space height shall be documented on the Weatherization Building Check and Job Order Sheet.

26) Manual Thermostats may be installed in lieu of Programmable Thermostats if it is determined that the client receiving such services will not be able to operate and maintain the Programmable Thermostat properly.

27) Microwaves may be installed in dwellings with gas cooking appliances.

28) Contractors shall ensure the proper disposal of hazardous wastes products such as fluorescent light tubes, batteries and mercury thermostats in accordance with the Universal Waste Rule (Hazardous Waste Management System: Modification of the Hazardous Waste Recycling Regulatory Program); Final Rule.

29) CSD Policies and Procedures for electric base-load measures state that a replacement refrigerator may be replaced <u>only</u> if it was manufactured in 1992 or earlier. Documentation in the client file shall contain: the manufacturer, make, and model of all replaced refrigerators.

30) At its option, Contractor may request reimbursement to cover the additional labor expenses incurred with the performance of Blower Door Testing by inexperienced weatherization crews. This reimbursement provision is limited to those Blower Door Tests performed during the period March 1, 2006 through April 30, 2006.

31) May be used by those Contractors that find that the per-square-foot rate under the other storm window categories is too high in comparison to the actual cost of materials within its service area.

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PROGRAMMATIC PROVISIONS

1. Right to Monitor, Audit, and Investigate

   A. Any duly authorized representative of the federal or state government, which includes but is not limited to the State Auditor and the entity selected by CSD to perform inspections, shall have the right to monitor and audit Contractor and all subcontractors providing services under this Agreement through on-site inspections, audits, and other applicable means the State determines necessary.

      1) 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.

      2) Contractor or a ride-along (designated representative) shall accompany the inspector on client inspection visits and shall provide transportation and equipment to the inspector in accordance with the CSD Inspection Policies and Procedures. When possible, Contractor shall make corrections during the client inspections visits.

      3) Contractor shall make appropriate books, documents, papers, and records available to the federal government, the state, or any of their duly authorized representatives including representatives of the entity selected by CSD to perform inspections, for examination, copying, or mechanical reproduction, on or off the premises of the appropriate entity upon a reasonable request therefor.

   B. Any duly authorized representative of the federal or state government shall have the right to undertake investigations in accordance with Public Law 97-35, as amended.

   C. All agreements entered into by Contractor with audit firms for purposes of conducting independent audits under this Agreement shall contain a clause permitting any duly authorized representative of the federal or state government access to the working papers of said audit firm(s).

2. Fair Hearing Process for Alleged Violation of the Civil Rights Act Against Contractor

   A. In the event of any violation or alleged violation of Title VI of the Civil Rights Act of 1964, as amended, Contractor has the right to request a fair hearing in response to such violation or alleged violation within 30 calendar days from the date of such action.

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B. The State shall conduct such fair hearing in accordance with Title 45, Code of Federal Regulations (CFR), Section 81.1 et seq.

3. Fair Hearing Process for Applicants for Denial of Benefits by Contractor: Weatherization, HEAP and ECIP

A. Contractor shall provide all interested individuals equal opportunity to apply for LIHEAP programs, and shall not discourage any interested individual from submitting an application for LIHEAP assistance. Contractor shall act upon all applications in writing within fifteen (15) working days.

B. **Pursuant to Title 22 of the California Code of Regulations, Section 100805, Contractor shall establish a written appeals process to enable applicants who are denied benefits or services, or who receive untimely response or unsatisfactory performance, the right to appeal the decision or performance to the Contractor. Contractor's process shall include, at a minimum, all of the requirements of Section 100805 subdivision (b), plus:**

1) Provisions that ensure that each applicant is notified in writing of the right to appeal a denial of or untimely response to an application, or to appeal unsatisfactory performance, and the process to request such an appeal, at the time that each applicant submits an application. Such notification shall include information about the right to appeal to both the Contractor and to CSD.

2) Provisions that ensure that Contractor will make a good faith effort to resolve each appeal.

3) Provisions that ensure that Contractor notifies the applicant in writing of the Contractor's final decision within fifteen (15) working days after the appeal is requested. If the appeal is denied, the written notification shall include instructions on how to appeal the decision to CSD. Whenever Contractor notifies an applicant of a denial of an appeal, Contractor shall simultaneously provide a copy of the final decision to the Manager of CSD's Energy Services Division.

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

C. If a weatherization-related Special Condition is imposed, Contractor shall proceed with the appeal process as described in EXHIBIT F, PROGRAMMATIC PROVISIONS, Section 7. Special Provisions – Weatherization Activities, item N. Special Conditions – Appeals Process.

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4. Applicant Eligibility and Service Priority

A. Eligibility

1) Assistance shall be available only to the following households:

a. Households with incomes that do not exceed an amount equal to sixty percent (60%) of the State median income; or

b. Households in which one or more individuals are receiving one or more of the following types of assistance and whose income does not exceed an amount equal to sixty percent (60%) of the State median income:

i. Temporary Assistance for Needy Families, Public Law 104-193, Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Chapter 2, Part 3, Division 9 of the Welfare and Institutions Code;

ii. Supplemental Security Income (SSI)/State Supplementary Program (SSP) payments;

iii. Food Stamps;

iv. Payments under Sections 415, 521, 541, or 542 of Title 38 of the United States Code, or under Section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978; or

v. County General Assistance, Part 5, Division 9 of the Welfare and Institutions Code.

2) No household shall be excluded from eligibility solely on the basis of household income if that income is less than one hundred and ten percent (110%) of the poverty level for this State.

3) 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 LIHEAP Eligibility and Verification Guide. Contractor shall maintain appropriate documents in each applicant's file.

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.

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B. Service Priority

1) Contractor shall give first priority for services to those households with the highest energy burden and high residential energy users.

2) Contractor shall factor into its first priority for services, households with the following vulnerable populations: young children (ages 5 years or under), disabled, and elderly persons (ages 60 years or older).

3) Contractor may give first priority for services to those households whose members have life-threatening emergencies.

4) EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS, ATTACHMENT IV, ECIP, HEAP, WEATHERIZATION, ASSURANCE 16, AND OUTREACH PRIORITY PLANS, as described in EXHIBIT D, SPECIAL TERMS AND CONDITIONS, Section 1. Certifications, C. Specific Assurances, item 4) Prioritization of Services, shall contain the following elements:

a. Contractor shall assign, for the ECIP and HEAP component, prioritization points for the Energy Burden, Vulnerable Populations, and Optional Agency-Defined categories. Optional Agency-Defined categories may include, for example: life-threatening emergencies, life support equipment, and repeat customers.

b. Contractor shall for the Weatherization component, describe in narrative format the selection process for dwellings to be weatherized and shall describe the outreach methods to be utilized to assure that eligible households are made aware of the services through the LIHEAP program or any similar energy-related assistance program.

c. Contractor shall describe in narrative format a description of how Assurance 16 services will be provided to include needs assessments, education, counseling, and coordination with utility companies. Contractor shall include specific Assurance 16 activities designed to target households that have not been previously served under a LIHEAP ECIP, HEAP, and Weatherization program.

5) Due to limited funding, Contractors are discouraged from providing either:

a. Energy Assistance Benefits to households with energy burden of less than five percent (5%) and/or with substantial credit(s) on its utility bills; or

b. Providing weatherization services to dwellings previously weatherized under LIHEAP within the past four years.

c. Contractors serving previously weatherized dwellings shall include the selection process for serving previously weatherized dwellings in EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS, ATTACHMENT IV, ECIP, HEAP, WEATHERIZATION, ASSURANCE 16, AND OUTREACH PRIORITY PLANS.

C. Eligibility to Receive Federally Funded Public Benefits

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

D. Equitable Treatment

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

5. Outreach and Intake Activities

A. Outreach

1) Contractor shall use outreach funds for program support of ECIP, HEAP, and Weatherization.

2) Contractor shall perform appropriate outreach activities to ensure households in the service area are informed about LIHEAP and have an opportunity to apply for services. Contractor may claim reimbursement for outreach and its related services only once for each unit weatherized under this Agreement or previous CSD Agreement. Outreach is not an allowable cost if household/unit was referred from ECIP or HEAP and outreach costs were incurred within one of those program components.

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B. Intake

Contractor shall use Intake as multipurpose funds for program support of ECIP, HEAP, and Weatherization. Intake program funds shall be used for determining eligibility of applicants seeking LIHEAP services. Services include the process of completing an intake form and reviewing applicant documentation. Contractor shall:

1) Establish reasonable hours whereby customers/applicants will have access during regular business hours to seek program information with an 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 for ECIP Fast Track and Wood, Propane, and Oil at sites that are geographically accessible to all households in the area served by Contractor.

4) Provide to low-income individuals who are physically infirm the means to submit applications for HEAP and ECIP 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 CARE/RRP programs, the LIHEAP Weatherization program, the ECIP HCS program, HEAP program and DOE program.

C. Scope of Services

1) Unweatherized Dwellings

Contractor may claim reimbursement for outreach and intake for each eligible unit not previously weatherized. Additionally, Contractor will be allowed to claim reimbursement when a safety check of combustion appliances reveals safety hazards that preclude tightening of the envelope.

2) Dwellings Weatherized with Nonfederal Funds

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

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3) Dwellings Weatherized with Department of Energy (DOE) and LIHEAP Funds

Contractor may claim reimbursement for outreach and intake only once when DOE and LIHEAP funds are used concurrently in the same unit.

6. Record-Keeping Responsibilities

A. All records maintained by Contractor shall meet the OMB requirements contained in the following Circulars: A-102, Subpart C, ("Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments") or A-110, Subpart C, Nonprofit Organizations, whichever is applicable.

B. Contractor shall maintain all records pertaining to this Agreement for a minimum period of three years after submission of the final report. However, Contractor shall maintain all such records until resolution of all audit and monitoring findings are completed.

C. Contractor shall maintain client intake/needs assessment form(s) for Weatherization, HEAP, and ECIP, 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**.

D. Contractor assures that employee and applicant records shall be maintained in a confidential manner to assure compliance with the Information Practices Act of 1977, as amended, and the Federal Privacy Act of 1974, as amended.

E. Contractor shall ensure that the ECIP Home Energy Supplier Assurance, CSD 416, or Contractor's equivalent, is completed by each nonregulated utility company, e.g., propane suppliers, wood suppliers, etc., providing services to clients of this Agreement.

F. Contractor shall maintain source documentation in such a manner that include job references and total labor hours so that actual costs, are traceable, so that actual labor hours billed to the weatherization and ECIP HCS programs can be substantiated and that all costs expended under this Agreement have purchase orders, inventory records, and time sheets identifying the funding source. To be sure that the per-dwelling average has not been exceeded, Contractor shall calculate the average program support including materials costs at least once each reporting period and shall retain a dated copy in a file to be available for review by CSD upon request.

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

1) CSD 600, Statement of Citizenship, Alienage and Immigration Status for Public Benefits, and supporting documents, if applicable;

2) Energy Intake Form, CSD 43, or 44;

3) **The client file shall contain copies of source documents supporting eligibility, disqualifications, denials, and/or appeals.**

4) A source document that substantiates that the client was provided services in accordance with Assurance 16 requirements; and including:

5) Weatherization and/or HCS specific;

a. Energy Dwelling Unit Assessment (WX only);

b. Weatherization Building Check and Job Order Sheet (WX only);

c. Combustion Appliance Safety Inspection Form (CASIF), if applicable;

d. Blower Door Data Sheet, if applicable;

e. Hazardous Correction Work Plan, if applicable;

f. Waivers to exceed maximums of weatherization measures, if applicable;

g. Source documentation that substantiates all costs for labor and materials;

h. Documentation of weatherization measures installed with other weatherization program funds, if applicable;

i. Source documentation that substantiates the criteria for replacement of all gas and electric appliances and the nonfeasibility of all mandatory measures not performed or installed;

j. **Documentation of compliance with <u>EXHIBIT E, ADDITIONAL PROVISIONS</u>, Section 2. <u>Reimbursement Rates for Weatherization and HCS Activities</u>, H. Footnotes**

Section, item 29) including the manufacturer, make, and model of all replaced refrigerators.

k. If applicable, CSD Weatherization Deferral Form;

l. Written permission of the owner-**occupied and/or owner of** a rental unit or his/her agent prior to performing any weatherization services recorded on the Energy Service Agreement for Rental Units, CSD 515, or the Service Agreement for Unoccupied Multi-Unit Dwelling, CSD 515d;

m. If applicable, Contractor Post Weatherization Inspection Report, CSD 611.

n. If applicable, source documentation and records substantiating mileage claim by individual weatherized SFD and MUD Unit;

o. Source documentation that substantiates the basis for providing HCS under either the Weatherization or ECIP components, including results of the HVAC diagnostic inspection; copy of permit application and/or permit; or documentation of permit cost claimed, and if applicable documentation substantiating the referral to the weatherization program;

p. If applicable, Weatherization Inspection Report (WIR), CSD 581, filled out by RHA, Inc.; and

q. If applicable, Multi-Family Dwelling Unit Eligibility Certification, CSD 75P.

6) Cash Assistance Specific

a. Utility/energy bill(s);

b. A source document that substantiates the ECIP Fast Track supplemental payment that shall include the total amount due (at the time of intake) to the utility company, reconnection fees, and any other assessed utility fees/surcharges**; and shall provide the condition(s) that establishes eligibility for benefits in accordance with** EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS, Section 2. Payments, B. Subsequent Payment Guidelines, 5) ECIP Payments, item b.

c. A source document substantiating the portion of rent that goes toward energy costs (HEAP and ECIP: W/P/O only).

7) Documentation of Compliance

a. Documentation of 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, effective October 1, 2005, as described in EXHIBIT F, PROGRAMMATIC PROVISIONS, Section 7. Special Provisions – Weatherization Activities, item J. Quality Assurance.

b. Required building permits, or building permit applications.

c. Documentation of compliance with the Environmental Protection Agency rules in 40 CFR 745, Lead; Requirements for Hazard Education Before Renovation of Target Housing, Final Rule, using Lead-Safe Education Confirmation of Receipt, CSD 321. All pre-1979 dwellings are subject to the lead-safe weatherization guidelines in accordance with the CSD Lead-Safe Weatherization Policy and Procedures. Contractor shall document notification to tenants of multi-family housing of weatherization and/or renovation activities in common areas using the Notice of Weatherization/Renovation, CSD 320; and Record of Tenant Notification Procedures, CSD 322.

7. Special Provisions – Weatherization Activities

A. Weatherization Considerations

Weatherization consideration to be paid Contractor for the months of January, February, March and April, if applicable, will be calculated and reimbursed to Contractor to include administrative costs on sixty percent (60%) of the total weatherization budget allocation. The remaining forty percent (40%) of the total budget for the remaining months to include administrative costs is totally contingent upon a weatherization waiver being granted to CSD by the Federal Department of Health and Human Services (HHS) to allow weatherization expenditure levels at twenty-five (25%) percent of the statewide allocation of the federal LIHEAP grant. Contractor will be notified by CSD, in writing, on the status of the waiver and disposition of the remaining funding immediately upon notification from HHS, which could occur May 1, 2006 or thereafter.

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B. Provision of Services

1) Contractor shall certify a household's income eligibility for the provision of weatherization services before the installation of any weatherization measure.

2) The certification shall remain in effect for a period of 120 days from the date the household is determined income eligible.

3) At a minimum, within the 120-day period of the household's certification, Contractor shall perform the assessment of the dwelling and determine the weatherization measures to be installed.

4) If the assessment of the dwelling and the determination of the weatherization measures to be installed do not begin within the 120-day period of the household's certification, Contractor shall recertify the household's eligibility and shall not charge for costs associated with recertification such as outreach, intake, and Assurance 16 activities.

C. Assessment of Dwelling

1) Contractor shall inspect the dwelling of each eligible applicant to determine if the unit is structurally sound and not in need of extensive repairs. All pre-1979 dwellings are subject to the lead-safe weatherization guidelines in accordance with the CSD Lead-Safe Weatherization Policy and Procedures.

2) 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.

3) Documentation of ineligibility due to the need for extensive repairs shall be recorded on the Energy Dwelling Unit Assessment, CSD 554, or Contractor's equivalent.

4) 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.

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.

6) Contractor shall conduct a preliminary combustion appliance safety (CAS) check on all dwelling units that are not all-electric units, and, where applicable, perform a post-check of said dwelling. Contractor shall perform CAS post-test according to the specifications outlined in the Combustion Appliance Safety Inspection Form (RHA 1/15/03). **Contractor shall perform all CAS testing in conformance with current CSD Conventional Home Weatherization Installation Standards (WIS) and CSD Mobile Home WIS.**

7) If it is determined during the assessment that the dwelling unit contains a condition that is hazardous to the occupants, proper steps in accordance with CSD Low-Income Weatherization Assistance Program Policies and Procedures Manual 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.

8) Contractor may claim reimbursement for weatherization activities as documented on the Energy Dwelling Unit Assessment, CSD 554, or Contractor's equivalent, for each eligible household not previously weatherized. Additionally, Contractor will be allowed to claim reimbursement when a safety check of combustion appliances reveals safety hazards that preclude tightening of the envelope.

9) **Contractor shall install at least one carbon-monoxide (CO) alarm in each dwelling containing any type of combustion appliance, including those that burn wood, pellets, coal, liquid petroleum, and oil. Contractor shall install a second CO alarm when prescribed by Section 30 of the current CSD Conventional Home WIS.**

10) Contractor may claim reimbursement for dwelling assessment only once when LIHEAP and DOE funds are used concurrently in the same unit.

11) Contractor may claim reimbursement for dwelling assessment for each eligible unit not previously weatherized.

D. Diagnostic Testing

1) Pre-Weatherization Blower Door Test

a. Following a determination that no combustion byproduct hazards exist, Contractor shall perform pressure diagnostic guided infiltration reduction using a pre-weatherization blower door test. Post-weatherization blower door testing will be performed on those dwellings that received pre-weatherization blower door testing and

shell tightening to determine that ventilation requirements are not below minimum shell target. All blower door testing shall be performed in conformance with the CSD Conventional Home Weatherization Installation Standards (WIS) and CSD Mobile Home Weatherization Installation Standards (WIS) Manuals.

b. **Contractor shall perform the blower door diagnostic testing for shell sealing purposes on a minimum of twenty percent (20%) of the total SFD (1 to 4 units) and a minimum of five percent (5%) of MUD (5 or more units) weatherized under this Agreement.**

2) **Duct Blaster diagnostic testing shall be required on all weatherized dwellings and ECIP HCS units with forced-air systems.**

3) Repair of large leaks identified by blower door testing (sealing of catastrophic leaks and minor envelope repairs) may reduce shell leakage so close to the Minimum Ventilation Requirement (MVR) that caulking and/or weatherstripping are not feasible, thus reducing the number of feasible Mandatory Measures to fewer than needed to qualify the dwelling for weatherization. In this case, Contractor may substitute noninfiltration reduction Optional Measures as needed for the nonfeasible caulking and/or weatherstripping measures.

E. Selection of Units to be Weatherized

1) Occupied Multiple Unit Dwellings

Funds under this Agreement may be used to weatherize an entire building containing multiple dwelling units only if the dwelling units occupied by eligible applicants represent at least sixty-six percent (66%) of the total units within the building. In order to weatherize a building that contains two or four units, at least fifty percent (50%) of the dwelling units must be eligible. Otherwise, only units occupied by eligible households shall be serviced.

a. The amount of funds, however, applied to weatherization services in a building shall not exceed the number of eligible dwelling units multiplied by the $2,826 maximum average per unit. Example: if a building of 10 units has eight units occupied by eligible households and two units occupied by ineligible households, $22,608 is the maximum to be reimbursed.

b. Contractor shall complete a **Multi-Family Dwelling Unit Eligibility Certification, CSD 75P (REV. 1/96),** for each

complex and shall maintain a copy in each individual client file. Contractor shall certify unit eligibility by completing Energy Intake Form, CSD 43 or 44, latest version, for each dwelling unit in each building. Certification of eligibility by the owner/manager of the occupants of the building/complex is not acceptable.

c. **For multi-unit dwellings with a common water heater, Contractor may claim reimbursement for only one water heater. Contractor may claim reimbursement for the actual number of water heater blankets used to wrap the common water heater. Contractor shall prorate the cost among all dwelling units.**

2) Unoccupied Multiple Units Dwelling

Contractor may provide weatherization services under this Agreement to ineligible dwelling units in an unoccupied multiunit building only when the following conditions are met:

a. The dwelling units will become eligible (occupied by eligible low-income tenants) within 180 days under a federal, state, or local government program for rehabilitating the building or making similar improvement to the building;

b. The benefits of weatherization assistance in connection with such rental units, including units where the tenants pay for their energy through their rent, will accrue primarily to the low-income tenants residing in the units. These benefits include lower energy bills, improved health and safety, and a higher level of comfort;

c. The owner has signed a copy of the **Service Agreement for Unoccupied Multi-Unit Dwelling, CSD 515d,** authorizing the weatherization work, accepting conditions protecting the interests of tenants, and other provisions required by CSD;

d. 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. 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 (date made, date investigations began, and results). 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. See Energy Service Agreement for Rental Units, CSD 515 (Rev. 10/99). This form shall be retained in the Contractor's file; and

e. No undue or excessive enhancement shall occur to the value of the dwelling units.

F. Previously Weatherized Dwellings **(Also known as Reweatherized Dwellings)**

1) If a dwelling has been previously weatherized under a CSD or another federal program, Contractor may provide previously unapplied mandatory and optional measures within the dollar limits of this Agreement. **The dwelling and occupant eligibility must be recertified; therefore, Contractor shall report the dwelling as previously weatherized and may claim reimbursement for assessment of the dwelling.**

Weatherization services shall be provided to a dwelling unit on a one-time basis for the same occupant(s), except that Contractor may return to the unit within the same calendar year under which the initial services were provided and apply measures not applied during the initial services within the total remaining expenditure limit. Reimbursement for outreach and dwelling assessment shall not be claimed nor can the unit be claimed as another completion. Client education may be claimed for reimbursement under the Assurance 16 Budget.

a. Dwellings in which a single appliance has been both repaired and replaced within the same Weatherization and/or ECIP HCS component; or under a reweatherization call-back, may claim reimbursement for both the repair and the replacement of the appliance. Contractor shall report the single appliance as both a repaired and replaced appliance.

b. If during the course of repairing a defective unit, additional problems are found that would increase the cost of repairs to more than established limits for repairs, the unit may be replaced and Contractor may claim reimbursement for incurred costs related to the repair in addition to those costs associated with the replacement of the heating/cooling appliance.

c. Contractor shall report the defective primary heating/cooling appliance as both a repaired and replaced appliance in accordance with <u>EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS</u>, Section 3. <u>Payment Guidelines and Reporting Requirements</u>.

2) If the previous weatherization was performed under a nonfederal program, the dwelling and occupant eligibility must be recertified; therefore, Contractor may claim reimbursement for assessment of dwelling and charge for intake.

3) Dwelling that has been damaged by a natural disaster such as fire, flood, earthquake, hurricane, etc., or any other act of God, and repair of the damage to weatherization materials is not and will not be paid for or reimbursed by any other source, Contractor may have damages repaired. The occupant must be certified as currently eligible, and a dwelling assessment must be preformed.

G. Ineligible Dwellings

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.

H. **Owner-Occupied Dwellings and/or Rental Dwellings**

1) The following provisions apply to both owner-occupied and rental units:

2) Contractor shall obtain written permission of the owner-occupied dwelling, and/or of the owner of a rental unit, or his/her agent prior to performing any weatherization services. Such permission shall be recorded on the Energy Service Agreement for Rental Units, CSD 515, or the Service Agreement for Unoccupied Multi-Unit Dwelling, CSD 515d. **At a minimum, the written documentation and/or notification shall include the following:**

a. General permission to do assessment and weatherization work;

b. Notification of specific work to be done before the work is done;

c. Notification of significant structural changes:

i. If during a dwelling assessment, Contractor identifies that major weatherization services to a dwelling are required and that significant structural change may occur as a result of the installation of such measures, Contractor shall obtain written permission of the owner-occupied dwelling and/or from the owner of a rental unit prior to performing any major weatherization services to the dwelling. Such permission shall be recorded on the sample Energy Service Agent Agreement/Rental Units form or the Service Agreement for Unoccupied Multi-Unit Dwelling.

ii. If during the course of performing weatherization services to a dwelling, Contractor identifies that significant structural change will occur, Contractor shall obtain written permission of the owner-occupied dwelling and/or from the owner of a rental unit prior to continuing with the weatherization work. Contractor shall note the change on the Energy Service Agent Agreement/Rental Units form or the Service Agreement for Unoccupied Multi-Unit Dwelling and shall obtain an updated signature from the owner-occupied dwelling and/or from the owner of a rental unit prior to continuing with the service; and

d. Post-installation confirmation of work completed.

I. Installation Guidelines

Measures shall be applied in accordance with the Energy Dwelling Unit Assessment. Installation of those measures contained therein shall be accomplished in conformance with the current CSD Conventional Home WIS, the CSD Mobile Home WIS, the CSD Low-Income Weatherization Assistance Program Policies and Procedures Manual, the CSD Lead-Safe Weatherization Policy and Procedures, CSD Health and Safety Plan, and the CSD Inspection Policies and Procedures, hereby incorporated by reference and made part of this Agreement as if attached hereto. Contractor shall perform all work in a lead-safe manner when and where appropriate.

1) Health or Safety Hazard Repair or Replacement (which includes both hazardous conditions and other “required repairs” per the Combustion Appliance Safety Inspection Form), Carbon Monoxide/Alarm, and Priority Insulation measures must be installed in priority order. Other mandatory

measures must be installed before optional measures, and no measure shall be excluded, unless the:

a. Blower door and/or pressurized duct diagnostic test indicates that installation of the measure is not necessary;

b. Dwelling already has that measure in place;

c. Measure cannot be properly installed;

d. Client refuses installation (client refusal is to be documented and placed in file);

e. Maximum dollar limit is reached; or

f. Measure is not needed or required.

2) Leveraging weatherization funds may be used to install mandatory and/or optional measures in a dwelling in any order practical to the application of weatherization measures. Client files shall be documented accordingly.

3) Standards contained in the Uniform Building Code and local city and county codes shall take precedence over the CSD WIS if the code requirement: 1) is not included in the manual; or 2) is more stringent.

4) Upon the State's request, Contractor shall furnish proof that materials used under this program conform to the requirements contained within the CSD Weatherization Installation Standards and/or state, county, or local regulations and were procured in conformance with OMB requirements contained in the following Circulars: A-102, Section 36, or A-110, Section 40.

5) Any weatherization materials purchased with these grant funds and remaining at the expiration of this Agreement shall be credited against Contractor's weatherization materials expenditures under this Agreement and charged to whatever other weatherization program Contractor may have in effect. If Contractor has no other weatherization program in effect, the State shall be contacted for disposition instructions.

6) **Mandatory Measures**

a. 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 <u>only if</u>:

i. Ceiling Insulation plus two additional Mandatory Measures are installed, or

ii. In the event Ceiling Insulation is not feasible, at least four Mandatory Measures are installed.

b. 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, the dwelling may qualify for weatherization under the following conditions:

i. The combustion appliance is repaired or replaced; and

ii. All remaining feasible Mandatory Measures are installed up to the maximum dollar limit.

c. Multistory, multiunit complexes, may qualify with the installation of ceiling insulation and any two other mandatory measures or, in the event ceiling insulation is not feasible, at least three mandatory measures.

i. Installation of ceiling insulation may be counted as a ceiling insulation measure for each unit within that building envelope. The charge shall be prorated among all dwelling units.

ii. Insulation of a common water heater shall qualify as a mandatory measure for each unit served by the same water heater. Reimbursement may be claimed, however, for only one water heater and the equivalent number of standard-sized water heater blankets installed, and the cost shall be prorated among all dwelling units.

d. If the dollar limit has not been reached in installing feasible mandatory measures, Contractor may install optional measures.

J. Quality Assurance

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. In addition, Contractor shall provide assurance that all weatherization work performed under this agreement is consistent with the CSD Low-Income Weatherization Assistance Program Policies and Procedures Manual, CSD Conventional Home and CSD

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Mobile Home Weatherization Installation Standards, CSD Lead-Safe Weatherization Policy and Procedures (if applicable), and CSD Health and Safety Plan. Such assurance will be documented and noted on the Weatherization Building Check and Job Order Sheet (CSD 540), or Contractor's equivalent, signed and dated by certifying agency representative.

1) Contractor shall not report a dwelling as weatherized nor request reimbursement prior to the above certification.

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

3) **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.

K. Post-Weatherization Dwelling Inspections

Contractor shall perform Post-Weatherization Inspections on 25 percent (25%) of the total weatherized dwellings under this Agreement. Post-Weatherization Inspections shall be proportional to the number of completed units for each reporting period.

1) Contractor shall submit for reimbursement a maximum of 25% Post-Weatherization Inspections of the total dwellings weatherized per reporting period.

2) Contractor may, at its option, perform inspections beyond the minimum requirement of 25% of the total dwellings weatherized; however, Contractor shall not be reimbursed beyond the maximum amount allowable of 25% Post-Weatherization Inspections per reporting period.

3) Contractor shall ensure that a total of 25% Post-Weatherization Inspections have been completed and that Contractor has not exceeded the maximum reimbursement amount allowable of 25% of the total weatherized dwellings under this service agreement.

4) Contractor shall perform Post-Weatherization Inspections in accordance with CSD Inspection Policies and Procedures. Contractors shall give priority to inspecting dwellings receiving the following weatherization services/measures:

   a. Combustion Appliance Safety Testing

   b. Blower Door Testing

c. Ceiling Insulation

d. Minor Envelope Repairs.

5) Post-inspections shall be conducted for the purpose of assessing the quality and completeness of performed weatherization services and compliance with CSD Low-Income Weatherization Assistance Program Policies and Procedures Manual, CSD Conventional Home and CSD Mobile Home Weatherization Installation Standards, CSD Lead-Safe Weatherization Policy and Procedures (if applicable), CSD Health and Safety Plan, and the terms and conditions of this Agreement. At a minimum, the post- inspection shall review the following;

a. Weatherization Building Check and Job Order Sheet, CSD 540, to verify that all specified measures were accurately reported and invoiced to CSD.

b. 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 and/or the installation of a measure (nonfeasible measure) that may be in noncompliance with said standards and the terms and conditions of this Agreement;

c. Verification that the unit received Blower Door Testing (where applicable);

d. Inspection of all combustion appliances receiving Combustion Application Safety (CAS) Testing to ensure that all tests were completed in compliance with said standards and the terms and conditions of this Agreement;

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.

6) Post-Weatherization Inspections of dwelling units shall be performed by individuals trained and with expertise in: performing dwelling assessments; performance of combustion appliance safety (CAS) testing and appliance related hazards remedies; performance of blower door diagnostics and Infiltration Reduction Measures; and knowledge of the CSD Low-Income Weatherization Assistance Program Policies and

Procedures Manual, CSD Conventional Home and CSD Mobile Home Weatherization Installation Standards, CSD Lead-Safe Weatherization Policy and Procedures (if applicable), CSD Health and Safety Plan, and the terms and conditions of this Agreement. Inspector shall certify performed Post Weatherization Inspections of dwelling units by completing and signing Post Weatherization Inspection Report, CSD 611. Contractor shall retain a copy of the completed and signed form in client file.

7) Contractor agrees to remedy all Nonhazardous Conditions (nonhazardous work deficiencies) noted by the State or its designee within 20 working days of written notification.

8) Contractor must remedy all Hazardous Conditions (safety hazards) 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.

L. Title 24, Part 6, of the California Code of Regulations

Effective October 1, 2005, Contractor shall comply with Title 24, Part 6, of the California Code of Regulations, 2005 Building Energy Efficiency Standards, California Home Energy Rating System (HERS) Program, and required field verification and diagnostic testing.

1) Contractor's activities with respect to 2005 Building Energy Efficiency Standards, Title 24, Part 6, HERS Regulations, shall be in accordance with **EXHIBIT E. ADDITIONAL PROVISIONS, Section 1. Guidelines for Weatherization Activities and Heating and Cooling Services (HCS), item F. Title 24 Regulations.**

2) Weatherization measures must be installed in site-built single family dwellings and small multi-family dwellings (less than five units) in accordance with energy-efficiency standards of Title 24, Part 6, and the CSD Low-Income Weatherization Assistance Program Policies and Procedures Manual.

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

b. Note: Contractor shall exercise caution to not utilize the DOE Climate Zone for Title 24 requirements.

3) 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. Weatherization measures subject to compliance are as listed in EXHIBIT F, PROGRAMMATIC PROVISIONS, Section 7. Special Provisions – Weatherization Activities, item J. Quality Assurance.

4) Contractor shall obtain the services of a certified HERS Rater to perform the required field verification and diagnostic testing. The HERS Rater shall be an independent entity from the builder or subcontractor performing the building alteration and/or energy-efficiency improvement being tested and verified and shall have no financial interest in the work performed.

M. Weatherization Noncompliance

1) In accordance with the CSD Inspection Policies and Procedures, 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, the 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 noninstalled measure or quantity will be withheld from subsequent reimbursements.

4) In accordance with the CSD Inspection Policies and Procedures, 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).

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

5) CSD will implement Imposed Special Conditions on a progressive basis, which may include:

   a. Additional training and technical assistance;

   b. Additional reporting requirements; and

   c. Formal high-risk designation and possible suspension and termination.

6) Based on the severity and frequency of the identified circumstances, CSD may impose any one or more Special Conditions. Should Special Conditions be warranted, CSD shall send the Contractor a written Notice of Special Conditions, which shall contain the following information:

   a. The nature of the Special Condition(s) and/or Sanction(s) being imposed;

   b. The reason(s) for imposing Special Condition(s) and/or Sanction(s);

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).

N. Special Conditions – Appeal Process

When Special Conditions are imposed, Contractor may submit documentation in opposition and request reconsideration by filing a written statement within five (5) working days after receipt of the Notice of Special Conditions. The written statement must set forth the issue in dispute, state why the Special Conditions should not be imposed, and provide supporting documentation. The written statement must be mailed, faxed, or hand delivered to:

Department of Community Services and Development
Attention: Energy and Environmental Services Division
700 North Tenth Street, Room 258
Sacramento, CA 95814-0338

1) CSD shall consider and review the documentation presented by the Contractor as well as any showing that the Contractor has adequately corrected the issue(s) leading to imposition of Special Conditions. The Director of the Department of Community Services and Development shall make the final decision regarding the appeal.

2) CSD shall notify the Contractor in writing of CSD's decision regarding the appeal within ten (10) working days from receipt of the written appeal from the Contractor.

3) If, after considering the material presented, CSD concludes that the Contractor failed to show cause why the Special Conditions should not be imposed, the Contractor shall be notified in writing of the decision regarding the denial of their appeal and CSD shall impose the Special Conditions as outlined in the Notice of Special Conditions.

8. Special Provisions – Lead-Safe Weatherization

Contractor shall perform all weatherization services on pre-1979 units in a lead-safe manner in accordance with CSD Conventional and Mobile Home WIS, Appendix I., Cal/OSHA Lead in Construction Standard, Title 8, Code of California Regulations (CCR) Section 1532.1, and CSD Lead-Safe Weatherization Policy and Procedures.

A. Lead-based paint is presumed to be present in all pre-1979 units unless the dwelling unit has previously been certified by a California Certified Inspector/Risk Assessor to be lead-free. A copy of the certification must be placed in client's file. In all units not certified to be lead-free, all weatherization

measures that disturb painted surfaces are subject to lead-safe weatherization guidelines in accordance with the CSD Lead-Safe Weatherization Policy and Procedures.

B. In United States Department of Housing and Urban Development (HUD) units built prior to 1979, lead-based paint is presumed to be present unless the dwelling unit has been certified by a California Certified Inspector/Risk Assessor to be lead-free. HUD units not previously certified to be lead free, built prior to 1979, and receiving weatherization services in which painted surfaces exceeding di minimis levels (refer to EXHIBIT G, DEFINITIONS) 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. Should a clearance inspection be required, agencies should defer the costs of the clearance inspection to the property owner and/or local housing authority. In many cases, the local housing authority has licensed inspectors and may possibly conduct a clearance inspection of a HUD unit free of charge. However, in those instances where the property owner and/or the local housing authority are unable to incur the costs of the clearance inspection, Contractors may seek a waiver allowing the cost of the inspection as a reimbursable activity. Waiver requests will be treated on a case-by-case basis and must be approved by CSD prior to beginning weatherization services. A copy of the clearance inspection must be placed and maintained in the client's file.

C. The occupant(s) of pre-1979 units must not be in the immediate vicinity of the work area and cannot reoccupy the work area until it has been thoroughly cleaned in accordance with the CSD Lead-Safe Weatherization Policy and Procedures.

9. Special Provisions – Training Activities - Weatherization

A. Contractor shall use training funds for costs associated with the completion of Weatherization related training such as internal Contractor training, safety training, workshops sponsored by utility companies, DOE, CSD, and/or other organizations offering a component of weatherization training. Training may include: Lead-Safe Weatherization Training, Basic Weatherization Training, Blower Door Diagnostic Training, and Combustion Appliance Safety Training. Associated costs include the actual costs related to: travel, admission, materials, and salaries/wages. On-the-job training is not reimbursable when the labor hours associated with the training are charged to a weatherization measure for reimbursement.

B. Weatherization Training Requirements: All weatherization employees of Contractor, subcontractors, and inspectors shall be trained in lead-safe and basic weatherization practices.

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1) Within 30 days of employment, weatherization employees of Contractor and subcontractors who provide basic weatherization services shall receive both Lead-Safe Weatherization Training and Environmental Hazard Training, in accordance with CSD Lead-Safe Weatherization Policy and Procedures. An Assessor, Worker, Supervisor, or Inspector will not be allowed to enter, assess, weatherize, or inspect a pre-1979 dwelling unit until the required Lead-Safe Weatherization Training has been completed.

2) Within 180 days of employment, weatherization employees of Contractor and subcontractors who provide basic weatherization services shall receive Basic Weatherization Training by completion of any one of the following: (a) Pacific Gas & Electric (PG&E) Energy Training Center, Stockton (ETC--Stockton) Basic Weatherization curriculum, Southern California Gas Training Center, or a CSD-approved comparable training facility; (b) DOE; or (c) CSD-approved Contractor's equivalent internal training curriculum that teaches basic weatherization concepts and conformance with CSD's weatherization policies, procedures, and installation standards.

3) Weatherization employees of Contractor and subcontractors who perform combustion appliance safety checks shall be properly trained in accordance with one of the following: (a) the Blower Door and Combustion Appliance Safety Training curriculum at the PG&E ETC--Stockton or at a CSD-approved comparable training facility; or (b) successful completion of field training provided by CSD's contract field technicians. No employee of Contractor and subcontractor shall perform combustion appliance safety checks without having completed the required training.

4) For weatherization services performed on HUD units, all work crews of Contractor and subcontractor who perform basic weatherization services are required to be trained in HUD-approved Lead-Safe Weatherization, although certification is not required. Although a crew supervisor can be certified as a HUD Lead Supervisor, it is not a substitute for the requirement of trained work crews. Training costs for HUD certification programs are not an allowable weatherization program expense; however, costs associated with training utilizing HUD's one-day Renovation and Remodeling Course are allowable expenditures.

5) Contractor and subcontractors who perform basic weatherization services are required to maintain a training **log** for current employees. 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. Such training log shall be maintained in the

Contractor's file and shall be made available for review by CSD upon request.

6) Every assessor, inspector, and work crew of the Contractor and subcontractor who performs basic weatherization services is required to maintain and have available for reference the current CSD Conventional Home WIS and CSD Mobile Home WIS Manuals and CSD Low-Income Weatherization Assistance Program Policies and Procedures Manual when providing any weatherization services.

10. Special Provisions – Heating and Cooling Service (HCS) Guidelines

A. Guidelines

The following HCS guidelines are applicable to services delivered through the LIHEAP weatherization and/or the ECIP HCS component and are restricted to occupied SFD and/or MUD units:

1) Heating Services

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, including but not limited to: wall furnaces, forced air units (FAUs), wood-fueled space heating appliances, **space heating units,** and oil-fueled space heating appliances.

2) Cooling Services

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. Cooling services may be provided when one of the following conditions exists:

B. Conditions

Heating and/or cooling services may be provided when one of the following conditions exists:

1) Existing primary heating/cooling appliance is deemed hazardous by a qualified technician or HVAC contractor;

2) Existing primary heating/cooling appliance is verified by a qualified technician or HVAC contractor to be inoperable or in need of repair; or

3) Dwelling is without heating/cooling and has no means to provide adequate heating/cooling to occupants of the dwelling during the heating/cooling season or extreme weather conditions in accordance with EXHIBIT F, PROGRAMMATIC PROVISIONS, Section 10. Special Provisions – Heating and Cooling Service (HCS) Guidelines, item E. Allowable Exceptions.

C. Diagnostic Inspection

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. Any and all heating/cooling services shall be performed in accordance with the following guidelines:

1) Heating Repair

Contractors shall repair a defective primary heating appliance when the cost to assess and repair is estimated at less than 30 percent (30%) of the cost of installing a new replacement unit.

2) Cooling Repair

Contractors shall repair a defective primary cooling appliance when the cost and repair is estimated at less than 50 percent (50%) of the cost of installing a new evaporative cooler or less than 50 percent (50%) of the cost of installing a new central air conditioning unit evaporative cooler. The cost of repairs for window/wall air conditioners is limited to general maintenance items, including filter replacement or cleaning and heat exchanger cleaning.

D. Replacement Criteria

Contractors shall replace a defective primary heating/cooling appliance when:

1) Repair of a defective primary heating/cooling appliance cannot be performed in a timely manner, and the absence of a heating/cooling source during the heating/cooling season or extreme weather condition poses imminent danger to the health and/or well being of occupants**, or, as per CSD Appliance Replacement Criteria Policy, the unit is the primary heating/cooling appliance and the condition of the unit(s) meets anyone of the following criteria:**

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a. Space heating unit:

i. Cracked firebox/heat exchanger;

ii. Obsolete parts;

iii. Repairs other than those listed exceed 30% of replacement cost;

iv. CO hazards cannot be corrected or repaired;

v. Open combustion in mobile living space;

vi. Nonmobile home approved furnace (mobile homes only); or

vii. Unit verified by a certified technician to be inoperable and cannot be repaired.

b. Wood-burning stoves:

i. Cracked firebox or improvised firebox that is unsafe;

ii. Door cannot be repaired or replaced;

iii. Nonmobile home approved wood stove (mobile homes only);

iv. Cracks in stove beyond repaired and unsafe to operate;

v. CO hazards cannot be corrected or repaired;

vi. Obsolete Parts; or

vii. Repairs other than those listed exceed 30% of replacement cost.

c. Central and Window/Wall Air Conditioners:

i. Required repairs exceed 50% of replacement cost and/or exceed the scope of general maintenance (Window wall A/C only);

ii. Unit is verified by a technician/contractor to be inoperable and cannot be repaired; or

iii. Repairs other than those listed exceed 50% of replacement cost (Central A/C only).

d. Evaporative Coolers:

i. Rusted and leaking pan not feasible to repair;

ii. Undersized unit for size of conditioned living space area; or

iii. Repairs other than those listed exceed 50% of replacement cost.

Note: Space heaters, central and window/wall air conditioners, wood-burning stoves, and Evaporative Cooler replacements under LIHEAP WX and DOE can only be performed in conjunction with weatherization services.

2) When replacement of a defective primary heating/cooling appliance is performed under the ECIP HCS component, Contractor shall perform necessary duct repair and/or replacement services in order to conform to Title 24 requirements.

Note: 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 and Contractor may claim reimbursement for incurred costs related to the repair in addition to those costs associated with the replacement of the heating/cooling appliance. Contractor shall report the defective primary heating/cooling appliance as both a repaired and replaced appliance. This Agreement incorporates by reference all provisions of the **CSD Appliance Replacement Criteria when the following heating/cooling sources are replaced: space heating units, central and window/wall air conditioners, wood-burning stoves, water heating (gas and electric),**

ranges (gas and electric), and evaporative coolers. For a detailed explanation of the CSD Appliance Replacement Criteria Policy see www.csd.ca.gov.

E. Allowable Exceptions

All repair and replacement services are limited to dwellings with pre-existing heating and cooling appliances. An exception to this rule exists, however, for those dwellings without a heating and cooling appliance/portable device and there are no means to provide adequate heating and/or cooling during a climatic season that would cause imminent harm to the health and well being of individuals or the household. Such a condition and circumstance constitutes a true crisis under which Contractors, when feasible, may install a new heating or cooling appliance within the dwelling not to exceed the established maximum reimbursement rates for heating and cooling appliance installation. For those conditions where a true crisis exists and the installation of a new heating and/or cooling unit is nonfeasible, Contractor may provide such dwellings with portable devices to support the means of providing adequate cooling and/or heating to occupants of the residence to alleviate the crisis situation.

F. Weatherization Referral

Contractor is strongly encouraged to provide weatherization services to ECIP HCS-serviced dwellings using LIHEAP, DOE, and/or utility-funded weatherization services.

11. Special Provisions - Leveraged Funds

A. Contractor shall ensure that any leveraged-funded activity performed in conjunction with the LIHEAP Weatherization and/or the ECIP HCS program is in conformance with the current CSD Conventional Home WIS, the CSD Mobile Home WIS, and the CSD Low-Income Weatherization Assistance Program Policies and Procedures Manual. If permitted by the leveraged-funding source, Contractor shall document within the weatherization and/or ECIP client file the activity performed, date of the activity performed, and the source of the leveraged funds. If the leveraged-funding source prohibits the disclosure of such information, Contractor shall at a minimum make reference to the leveraged activity within the weatherization and/or ECIP client file. 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 (compensation) for the same product or service do not occur.

B. Concurrent Activities

Contractor may perform services and install energy conservation measures as per this Agreement and as per other energy programs concurrently in the same dwelling as feasible and in the best interest of the client; however:

1) Contractor may not claim reimbursement for the same services performed and energy conservation measures(s) installed from more that one funding source.

2) Contractor may not split Fixed-Fee measures under LIHEAP with any other funding source.

3) Contractor may not split LIHEAP or ECIP HCS labor fees associated with a single measure with any other funding source.

12. Special Provisions – Assurance 16 Activities

A. ECIP/HEAP/Weatherization Funds

Contractor shall use Assurance 16 as multipurpose funds for program support of ECIP, HEAP, and Weatherization.

B. Assurance 16 Program Funds

Assurance 16 program funds shall be used for such services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, client education and counseling, and coordination with utility companies.

1) Needs Assessment

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

2) Client Education - Counseling

Contractor shall provide to all recipients of energy assistance under this Agreement applicable energy conservation information and counseling in accordance with the Contractor's approved EXHIBIT B – ATTACHMENT IV, ECIP, HEAP, WEATHERIZATION, ASSURANCE 16, AND OUTREACH PRIORITY PLANS. Contractors shall include at least the following:

a. Information to the client regarding the importance of applying for energy assistance prior to being in an arrearage situation and to include information concerning various utility company budget payment plan(s).

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. Education/Counseling - Weatherization

i. Unweatherized Dwellings

Contractor may claim such costs for the occupants of each eligible unit not previously weatherized. Additionally, Contractor will be allowed to claim Assurance 16 costs when a safety check of combustion appliances reveals safety hazards that preclude tightening of the envelope.

ii. Dwellings Weatherized with Nonfederal Funds

(a) Contractor shall not claim Assurance 16 costs for client education unless the dwelling was previously weatherized by nonfederal funds, i.e., regulated or nonregulated utility companies, private sector funds, etc., or by a weatherization service provider not associated with the provisions of this Agreement. If such circumstances exist, Contractor shall conduct client education in accordance with EXHIBIT F, PROGRAMMATIC PROVISIONS, Section 12. Special Provisions – Assurance 16 Activities, and shall claim Assurance 16 costs for the occupants of each eligible unit previously weatherized.

(b) Contractor shall place in the client's file a source document that substantiates that the client was provided with energy conservation education.

iii. Dwellings Weatherized with LIHEAP and DOE Funds

Contractor may claim Assurance 16 costs for client education only once when LIHEAP and DOE funds are used concurrently in the same unit.

iv. Client Education Policy for Pre-1979 Dwellings

Occupants of pre-1979 units to be weatherized must receive the pamphlet "Protect Your Family from Lead in Your Home." A copy of the Lead-Safe Education Confirmation of Receipt (CSD 321) must be completed and retained in the client file.

v. A description of the benefits that the client can expect to receive as a result of the weatherization measures installed in the dwelling.

vi. 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.

3) Coordination

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

b. Contractor shall provide assistance in coordinating the payment of client's energy/utility bill with the appropriate energy vendor or utility company. Contractor may also perform other coordinative activities with energy vendors/utility companies to provide input relative to the energy assistance needs of California's low-income and a proactive educational concept in serving clients. This includes expending up to five percent (5%) of the Assurance 16 allocation for attending the California Public Utilities Commission's Low-Income Oversight Board Committee meetings.

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13. Special Provisions – ECIP Activities

A. ECIP funds shall be provided on January 1, 2006 through March 15, 2006 for the following:

1) ECIP Fast Track services shall be provided through March 15, 2006. After that date, Contractor has the option of continuing to provide this service.

2) If Contractor serves applicants who use wood, propane, and/or oil fuels, these payments shall be provided through March 15, 2006. After that date, Contractor has the option of continuing to provide this service.

3) Contractor has the option of providing ECIP HCS repair and replacement services throughout the term of this Agreement. ECIP HCS activities must be performed in accordance with CSD weatherization policies, procedures, installation standards, and requirements of this Agreement.

B. Payment Guidelines

1) Eligible households may receive only one ECIP WPO, ECIP Fast Track, or HEAP payment per program year. Contractor may establish a maximum benefit for wood, propane, and oil payments; such maximum shall be consistently applied.

2) Contractor must exercise due care to ensure that duplication of ECIP or HEAP payments does not occur at any time during the term of this Agreement.

3) In addition to receiving one ECIP (Fast Track or WPO) or HEAP payment, eligible households may receive ECIP HCS services and/or other weatherization services, if needed.

4) Consistent with EXHIBIT F, PROGRAMMATIC PROVISIONS, Section 13. Special Provisions – ECIP Activities, item B. Payment Guidelines, above, Contractor shall complete the ECIP Payment Confirmation (Non-Regulated Utility Companies Only), CSD 415, or Contractor's equivalent.

5) Eligibility is met when the applicant has been determined to be ECIP qualified. Once applicants meet the eligibility and prioritization criteria and funds are available, Contractor shall:

a. Not later than 48 hours after a household is determined to be eligible for ECIP, provide assistance in the form of a payment

guarantee to the appropriate gas or electric vendor; a wood, propane, or oil payment; or a heating or cooling services that will resolve the energy crisis. Provide a Fast Track benefit amount (ECIP Fast Track plus supplemental) not to exceed $1,000, which may be issued to a household in accordance with EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS, Section 2 Payments, B. Subsequent Payment Guidelines, item 5) ECIP Payments.

b. Not later than 18 hours after a household applies for ECIP, provide assistance in the form of a payment guarantee to the appropriate gas or electric vendor; a wood, propane, or oil payment; or a HCS that will resolve the energy crisis if such household is in a life-threatening situation. Provide a Fast Track benefit amount (ECIP Fast Track plus supplemental) not to exceed $1,000, which may be issued to a household in accordance with EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS, Section 2, Payments, B. Subsequent Payment Guidelines, item 5) ECIP Payments.

c. CSD shall reimburse Contractor for allowable ECIP HCS expenditures in accordance with EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS, Section 2, Payments, B. Subsequent Payment Guidelines, item 3) ECIP Heating and Cooling Services (ECIP HCS).

d. For emergency ECIP HCS provided outside normal business hours of operations, Contractor may exceed the maximum cost limits allowed for repair and replacement services.

6) Contractor shall make payments directly to energy vendors on behalf of clients whose energy sources are wood, propane, or oil.

7) CSD shall not make payments to clients for wood, propane, and oil assistance.

8) Before paying energy vendors, Contractor shall verify that charges for the services and goods provided are reasonable and within fair market value.

9) Contractor shall notify the applicant of the recipient household, in writing, when payments are made directly to an energy vendor for wood, propane, or oil on their behalf.

10) Unless a different, formal, or documented agreement exists to the contrary, Contractor shall forward payments for wood, propane, or oil on

behalf of applicants to corresponding energy vendor within 60 calendar days from the date obligation was incurred.

11) When a HEAP payment or ECIP Fast Track payment has been made directly to an energy vendor, notification of payment(s) shall be sent to the client via an account credit letter from CSD or the utility company, or it shall be shown as a credit on the utility bill(s).

12) Permit and disposal fees and services performed by a Home Energy Rating System (HERS) Program Rater are acceptable expenses and may be charged only once to ECIP HCS, or LIHEAP Weatherization, or DOE Weatherization, per weatherized dwelling, and in the event ECIP HCS are performed in conjunction with these programs. Permit and disposal fee reimbursement does not include staff time and will be reimbursed based on the actual cost of the fee.

14. <u>Special Provisions -Energy Education Workshops</u>

A. Contractor shall use Energy Education Workshop funds to conduct Energy Education Workshops by utilizing the CSD Interactive Client Energy or the Video-Based Workshop models. Contractor may modify either workshop models to improve compatibility with existing programmatic operations, i.e., intake, outreach, etc., and/or to more effectively address service area needs and fuel types.

B. Applicant Eligibility

1) To receive reimbursement, Contractor shall perform all of the following activities:

a. Assure that each household self-certifies its income eligibility by completing the Energy Education Workshop Intake Form, CSD 330 (New 02/2006).

b. Insure that the eligible applicant attends and successfully completes the Interactive Client Energy or Video-Based Workshop models and verify attendance by completing the Energy Education Sign-In, CSD 331 (New 02/2006).

c. Provide each eligible applicant with one promotional bag per household.

d. Provide the eligible applicant with an explanation on how to use the energy-efficient measures included in the promotional bag and the energy-efficiency benefits that can be expected.

e. Claim reimbursement only upon the eligible applicant's attending and completing the Interactive Client Energy or Video-Based Workshop.

2) Each eligible applicant household shall be eligible to attend only one Interactive Client Energy or Video-Based Workshop during the term of this Agreement.

C. Service Priority

Contractor is encouraged to give first priority to households who may not receive immediate assistance under LIHEAP or who are excluded from receiving LIHEAP services per the Contractor's ECIP, HEAP, and Weatherization Priority Plans.

D. Record-Keeping Responsibilities

Contractor shall maintain a separate workshop file containing relevant documentation to substantiate the delivery of workshops, the eligibility of workshop applicants, and the total number of workshop participants. Each individual workshop file shall contain the following:

1) Date, time, and location of the workshop;

2) Energy Education Sign-In, CSD 331 (New 02/2006), documenting the names of all workshop participants with clients' signatures;

3) Energy Education Workshop Intake Form, CSD 330 (New 02/2006), for all workshop participants; and

4) If applicable, documentation substantiating all expenses incurred for long-distance mileage, per diem, and/or lodging.