

**Central Heating Improvement Program (CHIP)
Program Guidance and Budget and Work Plan Preparation**

Revised January 22, 2016

This program guidance is intended as a supplement to the program policies and requirements outlined in the HEAP Rule and the LIHEAP Model Plan.

Effective 01/08/2016, CHIP activities funded by the FY 2015 obligation and FY 2016 grant, which are covered in two separate Subgrant Agreements, shall be administered in accordance with the following:

- **Home Energy Assistance Program Rule** - MaineHousing Rules, Chapter 24 (adopted 08/04/2015)
- **FY 2016 LIHEAP Model Plan** (amended/approved 10/01/2015)
- **Subgrant Agreement and any applicable amendments**
- **Program Guidance and Budget Work Plan Preparation** (January 8, 2016)

For additional information, please contact Kathy Kinch or Brad Fenton-Snell.

Eligibility

A household may be eligible for CHIP if their LIHEAP application was certified-eligible or certified for “CHIP Only” within the 12-month period preceding the initiation of services date. However, if a household was denied on a subsequent LIHEAP application, the household/unit is no longer eligible for CHIP (denial overrides the prior certification date). Prior to initiating services, CAA should re-verify a household’s eligibility to ensure that their most recent LIHEAP application has not been denied. The initiation of services date is defined as follows:

- ~~The date the Invitation to Bid was issued to vendors. Due date for bids as documented on the Invitation to Bid~~
- For jobs that do not require bids, the date the purchase order was issued to the vendor

Conflict of Interest Procedures

The CAA must disclose potential conflicts of interest as prescribed in the Conflict of Interest section and Appendix C of the Subgrant Agreement. CAAs cannot proceed with CHIP until MH has approved in writing the Disclosure Form (attached) and/or the CAA’s plan to manage the potential conflict.

The disclosure must be approved by MH prior to the CAA issuing a CHIP purchase order for service/replacement.

Client List

CAA must maintain a client list to track requests and to prioritize households for CHIP services in accordance with the guidelines set forth in the Section 8.A of the HEAP Rule.

Life-time Maximum Benefits

As specified in Section 8.D of the HEAP Rule, there are maximum life-time limits for CHIP services. If services exceed these limits, the CAA will need to leverage other program resources and/or secure a client contribution. Waivers will not be accepted/considered.

HEAP Wx funds may not be used in combination with CHIP funds for heating system work that exceeds the (CHIP) maximum life-time benefit.

Oil Supply System Upgrades/Replacements

The CAA can make the determination that an upgrade or tank replacement is needed using the criteria established by the DEP AGST program. Only those tanks that pose a high risk of causing an oil discharge will be replaced. In such cases, the oil supply systems can be replaced or upgraded under CHIP without an assessment and recommendation from a state licensed heating technician.

CAA Payments to Subcontractors

CAAs must pay sub-contractors for work performed within thirty (30) calendar days of receipt of the sub-contractor's invoice. This requirement applies to any and all work performed under **CHIP**. CAAs must perform any required inspections of the sub-contractor's work within this thirty-day time period.

Add Work: If upon inspection, the CAA adds work not called for in the original work order, the CAA must still pay the sub-contractor for the original work performed within thirty calendar days of receipt of the sub-contractor's original invoice.

Rework: If upon inspection, the CAA issues a sub-contractor a "rework" order due to deficient or incomplete work on the part of the sub-contractor, the CAA may delay payment to the sub-contractor. Once the sub-contractor completes the rework, the CAA must inspect the work and pay the contractor within thirty days of the date the rework is completed.

Billing

- CAAs can only bill MaineHousing for a job after all work has been finished and a final inspection completed and passed by CAA inspector (if the CHIP services were greater than \$1,000).
- Consent and Completion forms must be signed by the building owner and the client. "Owner" is defined as the owner listed on the Proof of Ownership document. Other household member signatures are not acceptable.
- CAAs must submit CHIP billings by the 20th of each month.

- CAA must complete and inspect all jobs before the end date of the applicable Subgrant Agreement. Final billing must be submitted to MaineHousing thirty (30) days after the end date of the applicable Subgrant Agreement.
- MaineHousing reserves the right to withhold payment until billing is received and approved as accurate and final.
- To ensure that jobs are billed during the correct grant timeframe, MaineHousing has established the job “end date” as the date the client signs the Completion Form. If this date is more than 4 weeks beyond the final test date (inspection date), the CAA must explain in job file.
- Jobs cannot be billed to a grant if the “end date” is outside of the grant/contract timeframe.
- Billing packets must include the Monthly Billing Summary, Completion Lists, and the following documents:

CHIP Job Documentation Requirements: The following documentation is required for job files and billing packets.	
1	<p>Bid documentation</p> <ul style="list-style-type: none"> • Bid invitation notices to include documentation to substantiate method of distribution/solicitation • Bid submissions from all vendors • Bid tabulation/summary sheet
2	Proof of ownership documentation
3	Consent and Completion forms with appropriate signatures
4	<p>Evaluation report from a licensed heating technician to include the following:</p> <ul style="list-style-type: none"> • Details about the condition of existing system • Corrective action required (repair or replacement) <p>Note: CHIP expenditures for heating system replacements must be appropriately documented. Documentation from a licensed technician, who is qualified to engage in the business of installing or servicing oil/gas/solid fuel-burning equipment in the state of Maine, must substantiate the need for replacement.</p>
5	Work order with vendor’s/installer’s signature, license #, and date work completed
6	Vendor invoices to include a description of work performed and equipment installed
7	Contractor’s Release of Lien
8	Pre and post pictures of oil tanks (if replaced under DEP AGST criteria)
9	CAA final inspection (if job is over \$1,000) – notate file with inspector name, date of inspection, and pass/fail
10	MH approved waiver request (if applicable)

Budget Considerations

- Minimum Client Service Ratio: 65%
- CAA must budget at least 25% of their HEAP Wx/CHIP allocation to CHIP.

CAAs should hold-off preparing budget documents, salary schedules, etc. until MH issues HEAP Wx Program Guidance.

CHIP Work Plan Preparation

CAA to submit one CHIP Work Plan covering both the FY 2015 obligation and FY 2016 grant/allocation. The Work Plan should summarize the agency's policies and procedures for delivering CHIP and describe how the CAA will meet major program requirements. The following is a list (not exhaustive) of topics that should be covered in the Work Plan. Work plans that do not adequately address these topics will be returned for revisions.

1. Production Schedules - projected number of units to be completed and billed each month under the CHIP. Please provide two production schedules; one for the FY 2015 obligation and one for FY 2016.
2. Describe how your agency will ensure compliance with requirements for prioritizing households for CHIP services.
3. Provide samples of the contracts your agency uses for heating contractors
4. CHIP Procurement (services over \$1,000) – describe the agency's procedures/practices for ensuring full and open competition
5. CHIP Vendors – provide a list of the agency's contracted vendors with their service areas
6. Significant changes in policies or procedures, new initiatives
7. Efforts to leverage other non-federal resources
8. Describe tracking method the agency will use to ensure chimneys are brought to code installed according to code, when the weather permits, on installations where the vendor issues a "Chimney Waiver" (as allowed by the Oil and Solid Fuel Board) to the homeowner.

We will issue an initial advance once MaineHousing has received/approved your CHIP work plan and the applicable (executed) Subgrant Agreement and Amendment. The initial advance will be based on 25% of your HEAP Wx/CHIP allocation. This will equate to (HEAP Wx/CHIP allocation x 25%) x 25%.