

**HEAP Weatherization (HEAP Wx)**  
**Program Guidance and Budget and Work Plan Preparation**  
Revised – June 8, 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 02/18/2016, HEAP Weatherization 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**
- **Subgrant Agreement and any applicable amendments**
- **Program Guidance and Budget Work Plan Preparation** (February 18, 2016)
- **MaineHousing Weatherization Handbook** (revised March 2000)
- **Maine Weatherization Standards Manual** (revised April 1, 2011)
- **ECOS Task Code Specifications** (updated October 2013)
- **Northeast Weatherization Field Guide** (2001)
- **Maine Weatherization Field Guide** (2015) – “Deck of Cards” format field guide, which contains DOE Standard Work Specifications (SWS)

**Eligibility**

A household may be eligible for HEAP Wx if their LIHEAP application was certified-eligible within the 12-month period preceding the onsite, energy audit date. However, if a household was denied on a subsequent LIHEAP application, the household/unit is no longer eligible for HEAP Wx (denial overrides the prior certification date). Prior to conducting an energy audit, CAA should re-verify a household’s eligibility to ensure that their most recent LIHEAP application has not been denied.

## **Wait List and Prioritization**

CAA must develop and maintain a wait list consisting of all LIHEAP eligible households that have not previously received DOE or HEAP Wx services. The CAA will prioritize households for HEAP Wx services in the following order:

1. Households that have members who are elderly, twenty-four (24) months of age or under, or susceptible to hypothermia as diagnosed by and documented by a statement from a physician.
2. Households with the highest home energy burden.
3. Households where there are opportunities to leverage funds for providing weatherization services.
4. All other Households.

## **Per Unit Averages:**

Per-Unit-Averages apply to the applicable contract term. Waivers for PUA overages on individual jobs are not required. Each CAA is responsible for managing their actual PUA amounts to ensure they are within the limits listed below.

- Health & Safety:  $\leq$  \$1,200
- Incidental Repairs are limited to no more than 20% of the total cost of weatherization tasks funded by HEAP Wx. Total cost of weatherization equals Conductive + Air Infiltration + Mechanical categories. As a reminder, meeting the 20% IR limit over the contract term does NOT mean you can install measures that are NOT “WAP eligible”. For example, roof replacements are not allowed.
- Labor, Materials, and Support: MH has not set a PUA so as to give CAAs some flexibility. However, the presumption is that the PUA for labor, materials and support costs will track similar to DOE. Based on experience, MH and CAAs may revisit the need for a PUA in the future.

## **Energy Audit Tool**

In the Detailed Model Plan (LIHEAP), reference was made to using the Home Repair Network Program Single Family Residential Energy Audit and Heat Loss Payback Calculation Template or another energy audit procedure as approved by MaineHousing.

Upon further scrutiny of the Home Repair Audit tool and Heat Loss calculator, it was found not to adequately accommodate or support the data customarily gathered in an energy audit or work order.

To facilitate the roll out of the HEAP Wx, MaineHousing is approving the use of the ECOS audit tool in an abbreviated form. Similar to the MEAFF/MEADOW combination of energy audit and work order, ECOS can be populated with only those measures the auditor intends to implement without identifying each individual segment. For example, one wall segment can be entered for all dense packed cellulose, spray foam, etc., as long as the work order contains directions for the contractor locating multiple installation points. Net square footage is required for work order accuracy.

ASHRAE 62.2-2013 compliance and Combustion Safety testing data continue to be required of all energy audits, as is pre- and post-weatherization test out diagnostics, regardless of the structure or audit tool.

HEAP Wx will observe and install measures in accordance with the ME WAP Standards. Just as MEAFF/MEADOW audits and task installations, a SIR of 1.0 or greater for the customary categories is required to ensure the proper use of funds.

When using contractors, the streamlined ECOS audit tool will provide the necessary task codes, task pricing, work order and SIR calculations currently in use for DOE audits and should provide a seamless transition to HEAP only jobs. Specific questions pertaining to populating the HEAP Wx measures in ECOS can be directed to the appropriate MaineHousing monitor.

CAA will continue to use MEAFF/MEADOW for crew jobs.

It is important to note any blending of funds with DOE will require a full house audit with all its requirements.

### **Appliance Replacements/Repairs**

The purpose of repairing/replacing appliances is to address potential health and safety issues and to reduce energy costs for eligible households. Appliances may only be replaced/repared in conjunction with HEAP Wx (not a stand-alone appliance program).

The costs and scope of appliance repair/replacement should be incidental to the energy conservation measures (ECMs) installed in the dwelling unit. Appliance repair/replacement is limited to 20% of labor and material costs for the ECMs funded by HEAP Wx, or one appliance if the 20% will not cover the repair/replacement of one appliance.

Appliance repair/replacement may be categorized under Health & Safety if:

- The repair/replacement is necessary to make weatherization materials effective or to allow weatherization to occur; and
- The CAA can manage/balance their Health & Safety PUA within the required \$1,200.

To be eligible for appliance replacement or repair services, the household must meet the following qualifications:

- Electrical Appliances: Be a homeowner or renter who receives electric services through a residential meter and has an active electric service account in a household member's name; or
- Propane/Natural Gas/Oil Appliances: Be a homeowner or renter who has an active account, in a household member's name, with a licensed vendor.
- Multi-family Dwellings: Must meet one of the above qualifications. Additionally, the dwelling unit must be occupied by a LIHEAP-eligible household (as defined in the "Eligibility" section of this Program Guidance).

**Eligible Appliances:** refrigerators, freezers, clothes washers/dryers, water heaters, cooktops, wall or counter-mounted ovens, and freestanding ranges that include both the oven and the cooktop in one integrated unit.

An appliance may be eligible for replacement if it is...

- Old/inefficient – i.e. nearing or at the end of its useful life; or
- Inoperable or malfunctioning and cannot be repaired or the repair would not be cost effective. The need for replacement must be documented by a licensed/certified technician's report (if applicable), which includes details about the condition and age of the existing appliance.

**One-for-One Replacements Only:** For each appliance replaced, an appliance must be surrendered for recycle. The replaced appliance cannot be kept in service and must be disposed of properly.

Replacement appliance must use the same energy source as existing appliance.

The size/capacity of the replacement appliance should be consistent with the existing appliance and appropriate for the occupancy capacity of the dwelling unit.

All replacement appliances must be Energy Star certified (does not apply to cooktops, wall or counter-mounted ovens, and freestanding ranges).

The CAA is expected to have controls in place to ensure costs are reasonable and customary for standard/basic grade appliances.

Appliance replacement/repair activities funded by HEAP Wx will not be entered as tasks in ECOS or MEAFF/MEADOW. However, the documentation listed on page 8 of this guidance must be included in the job file and uploaded to the file section of ECOS.

### **Leveraging**

- CAAs may use HEAP Wx FY 2015 and FY 2016 funds on the same job. The intent is to allow some flexibility in managing per-unit-averages for Health & Safety and Incidental Repairs for the two contracts/grant periods.
- HEAP Wx funds may not be used in combination with CHIP funds for heating system work that exceeds the \$5,000 CHIP maximum.

### **Unvented Combustion Space Heaters**

Per DOE requirements (WPN 11-6), unvented combustion space heaters must be removed prior to weatherization, except as secondary heat where the unit conforms to ANSI Z21.11.1. Deferral of services is required for units that do not meet ANSI Z21.11.1 until removal or conforming unit is in place.

If an unvented combustion space heater is a secondary heat source, it may remain in use provided it conforms to ANSI Z21.11.1. In such cases, the audit/job file must include a photo of the ANSI compliance label affixed to the unit.

Statement by client agreeing not to use non-conforming unit is no longer acceptable.

### **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 HEAP Wx until MH has approved in writing the Disclosure Form (attached) and the CAA's plan to manage the potential conflict.

The disclosure must be approved by MH prior to the CAA conducting the energy audit.

CAA must submit the proposed work order for MH's review and approval prior to awarding the job to the contractor/crew.

### **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. 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.
- 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 billings by the 20<sup>th</sup> 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.

**HEAP Wx Documentation Requirements for all jobs completed in ECOS:**  
 All documentation listed must be uploaded to the “Files” section within the job.

1	Site plan sketch
2	Check-off list of written materials provided to client during audit
3	Client/Owner Consent Form: signed by CAA and property owner
4	Mold Checklist
5	<p>Photo documentation:</p> <ul style="list-style-type: none"> <li>• Dwelling exterior (all sides)</li> <li>• Pre-weatherization photos to support the energy auditor’s assessment - i.e. condition of the dwelling and the areas that will be treated</li> <li>• Post-weatherization photos of installed measures (all that are accessible and visible for inspection)</li> <li>• ANSI Z21.11.1 compliance label for unvented combustion space heaters used as a secondary heat source (if applicable)</li> </ul>
6	<p>Inspection/Completion form with appropriate signatures.</p> <p>If the job included appliances, the CAA must also inspect the appliances to ensure:</p> <ul style="list-style-type: none"> <li>• Correct make/model was installed</li> <li>• Repairs were completed and appliance is in working condition</li> </ul> <p>Note: Both weatherization and appliance measures must be complete and pass inspection prior to billing job as a completed unit.</p>
7	Contractors’ Release of Lien
8	Proof of ownership documentation
9	Lead Paint Inspection Checklist
10	Change Orders with appropriate signatures (if applicable)
11	Contractor invoices
12	MH approved waiver request (if applicable)
13	Incidental Repairs: notes to document relationship of IR measures with ECMs
14	Final Ventilation Inspection Checklist (REV 11.13.15)
15	Power Source Sign-off
16	SHPO - Section 106 Checklist (if applicable)
17	Thermal Barrier Application Verification (if applicable)
18	ASHRAE 62.2-2013 Ventilation Worksheet (pre and post)

<b>Appliance Replacement/Repair Documentation:</b> The following documents must be uploaded to the job file in ECOS:	
1	Documentation to verify energy source for appliance being replaced/repared – to include account name/number and to verify account is active. Acceptable documentation includes a recent utility bill or written statement from energy vendor.
2	Photo of existing appliance and identification tag
3	Report from a licensed appliance technician documenting the need for replacement/repair (if applicable)
4	Vendor Release of Lien
5	Vendor invoices (delivery/installation/repairs): <ul style="list-style-type: none"> <li>• Description of replacement appliance or repairs (including make and model numbers)</li> <li>• Must indicate vendor removed and properly disposed of existing appliance</li> <li>• Invoice amount</li> <li>• Installer’s license number (if required)</li> </ul>
6	Vendor’s delivery/install documentation to verify household’s receipt and acceptance of the appliance (must be signed by a household member who is 18 years of age or older)
7	Appliance Replacement/Repair Consent form

**Crew Jobs:** In addition to the documents listed above, billing packets for crew jobs must include the MEAFF form and MEADOW report.

## **Monitoring**

- MaineHousing will monitor CAA production schedules. For those CAAs that do not meet their production schedules, MaineHousing may withhold future payments to ensure that cash payments balance with actual work performed. MaineHousing retains the right to provide additional service providers within regions where the CAAs are unable to meet contract obligations.
- MaineHousing will perform program and fiscal monitoring to satisfy DHHS program oversight requirements. Program and fiscal monitoring will include the items described below.
  - Regular field monitoring of work performed – completed and in progress.
  - Review of project files for complete data including client income verification, properly completed program forms, contractor invoices and pictures.
  - Assessment of customer education and satisfaction with services received.
  - On-Site fiscal review of each agency at least once per year. Fiscal Monitoring includes the following:
    - review of A-133 audit reports;
    - review of expenditures, source documentation and cost allocation;
    - review of compliance with OMB Circulars A-110 and A-122;
    - review of productivity to workplan projections;
    - comparison of program expenditures to budget and workplan; and
    - analysis of program costs including administration, delivery of services and deficits in the program, if any.

## **Work Plan Preparation**

CAA to submit one HEAP Wx Work Plan covering both the FY 2015 obligation and FY 2016 grant. The Work Plan should summarize the agency's policies and procedures for delivering HEAP Wx 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 HEAP Wx. Please provide two production schedules; one for the FY 2015 obligation and one for FY 2016
2. Provide manufacturers' spec sheets for CAA's standard (appliance) offering.
3. Describe your agency's procurement process for the purchase and installation of appliances.
4. Describe how your agency will ensure compliance with requirements for prioritizing households for HEAP Wx services
5. Provide a sample of the contract your agency uses for weatherization contractors
6. Weatherization Delivery Methods - Crews, Contractors

7. Geographic considerations, transportation
8. Significant changes in policies or procedures, new initiatives
9. Efforts to leverage other non-federal resources
10. Documentation to validate POI coverage
11. EPA Lead Renovation, Repair and Painting Rule – explain how CAA will ensure contractor compliance

### **Budget Preparation**

CAAs must setup separate budgets and maintain separate cost centers for FY 2015 HEAP Wx, FY 2015 CHIP, FY 2016 HEAP Wx, and FY 2016 CHIP. The following attachments are provided to aid in the development of the budget and work plan:

1. FY 2016 HEAP Wx/CHIP allocations
  2. FY 2015 HEAP Wx/CHIP allocations
  3. Consolidated Budget Forms for HEAP Wx/CHIP:
    - a. FY 2015 Obligation
    - b. FY 2016 Grant/Allocation
  4. Support Salaries Schedules for HEAP Wx/CHIP:
    - a. FY 2015 Obligation
    - b. FY 2016 Grant/Allocation
  5. HEAP Weatherization Monthly Billing Summary:
    - a. FY 2015 Obligation
    - b. FY 2016 Grant
  6. Weatherization Completion List has been revised to include DOE, HEAP Wx FY 2015 Obligation, and HEAP Wx FY 2016.
- Projected expenditures for all heating systems activities (replacements, repairs, oil tanks, chimneys, and CTEs) may be grouped together in one line-item named CHIP Materials. Include sub-contractor labor. Also report the number of households you are planning to serve under the CHIP program.
  - Projected expenditures for installed weatherization and repair materials should be recorded on the line marked Weatherization Materials. Do not include sub-contractor or crew labor; they go on the Direct Labor & Fringe line. Again, report the number of household units you expect to weatherize.
  - Supporting schedules for the following line-items must be submitted as part of the budget:

1. Support Salaries & Fringe (use **Support Salaries Schedule form**)
2. Equipment Purchases
3. Support "Other"
4. Administration - include a copy of your agency's HHS approved Indirect Rate Agreement, if applicable
5. Production Schedule

**Support Salaries Schedule:** The Support Salaries Schedule is designed to present a more complete picture of how staff time and salary cost will be divided between HEAP Wx/CHIP programs and other agency programs. CAAs are requested to report salaries only on this schedule. Federal cost principles require that staff salary allocations, between two or more programs, should be proportionate to the actual amount of time that staff work on those programs, as documented by signed time sheets. Salaries and fringe budgeted to federally funded programs should reflect an agency's best projections for how much time CAA staff will work on different programs. Final billings must be based on actual time and efforts, not budgeted. CAA staff must support time billed to MaineHousing's funded programs with task lists (nouns and verbs).

The HEAP Wx/CHIP Budget form and Support Salaries Schedule are available in MS Excel spreadsheet format.

Before submission to MaineHousing, the completed Work Plan and Budgets should be signed by either the CAA's Housing Director or Executive Director.