

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(E\$P)**

POLICY NUMBER/SUBJECT:	101-E\$P Policy Concerning Requests for Proposals (RFP)
DATE:	January 1, 1999
SUPERSEDES:	101, 7/1/98

DISCUSSION: It is the policy of E\$P to initiate annually a Request for Proposals (RFP) in one of two forms, contingent upon the criteria presented herein.

Negotiated RFP: A request restricted to the existing Local Administering Agencies (LAAs) which are determined by the E\$P to have retained their preferential status as subgrantees, per the annual determination of standing process.

Competitive RFP: A request open to all public or private nonprofit entities, including local units of government and councils of government, qualified to serve the low income clients in the service area as described in the RFP. The competitive RFP is utilized when an existing LAA has lost its preferential status or does not desire to retain its status as an LAA.

E\$P defines the proposal submitted as the proposer's application for funding. The maximum allocation is pre-determined by E\$P and is not open to negotiation. After approval by E\$P, the proposal is recognized as part of the Cooperative Agreement between the State and the LAA.

Energy Savings Partners (E\$P) Program Competitive Selection: At some future date, competitive selection may be a prerequisite to receiving E\$P funds (weatherization +Xcel). This RFP will be conducted in accordance with the requirements set forth in 10 CFR 440.15, "Subgrantee". It is anticipated that, under this approach, the LAAs selected will receive awards/contracts which can be renewed for subsequent years, contingent upon LAA performance. In each year until competitive selection, the LAAs will be asked to submit a limited "update" of their competitive proposal, primarily addressing budget and production estimates.

SUPPORTING REFERENCE: 10 CFR 440.15 "Subgrantees".

CROSS REFERENCES: E\$P Policy 102:"Local Agency Standing Determination", 103: "Funding Allocation Formula" and 105: "Advance Calculation Policy".

SUPPLEMENTARY RESOURCES: Competitive and negotiated RFP packets available from E\$P upon request.

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(E\$P)**

POLICY NUMBER/SUBJECT:	102 Local Agency Standing Determination
DATE:	January 1, 1999
SUPERSEDES:	102, 7/1/98

DISCUSSION: Any Local Administering Agency (LAA) in good standing with the Office of Energy Management and Conservation (i.e. eligible to receive continued funding based upon performance) will be considered as preferential¹ for receiving funding in subsequent grant years, unless:

1. Substantial financial or programmatic mismanagement is documented ("substantial" as used here means disallowed costs of a large dollar amount, generally \$1,000 or more, or of a repetitive nature) or,
2. Gross or deliberate neglect of generally accepted workmanship standards is evidenced ("gross" as used here refers to major findings which are frequently recurring, unaffected by additional training and guidance).

When findings, such as those defined in items 1 and 2 above, occur, the state E\$P Office will take one of the following actions:

1. Classify the agency as "high risk" (as outlined in 10 CFR 600.114, .162 and .243) and apply additional special conditions upon the agency in accordance with the findings, or
2. If the findings are determined to be serious enough as to impact the agency's ability to continue to operate the program effectively, this will result in suspended and/or terminated funding. Basically, suspension and/or termination of funding will occur as a result of flagrant and/or frequent noncompliance issues.

NOTE: These decisions are made by the E\$P manager jointly with the Xcel Program Manager. Final appeal is to the supervisor(s) or the decision maker(s).

Non-Preferential Status

If an agency's performance over one or more grant years has yielded a recurrence of high risk classifications, then the E\$P manager will review the agency's status as a grant recipient and determine whether or not to revoke the preferential* status . This decision will primarily be based on the following:

- 1) the nature of the findings yielding the high risk classifications (are the same findings recurring?)
- 2) the agency's responsiveness to the high risk classification (were the findings resolved promptly? completely? with attention to the cause of the findings?)
- 3) the E\$P Office's assessment of the agency's potential for improving overall performance to an acceptable level.

When the State removes a local agency's preferential status, this means that the State is considering alternatives to the current agency for the area in question, due to the documented inadequate performance of the current agency. This means that continued funding of the agency will occur only if: (1) the State

¹ Preferential means that the agency will not have to compete for the available funding, except as required in the E\$P program (see the Policy and Procedures Manual, Section 101).

Policy 102 (cont.)

decides to release a competitive request for proposals, and (2) the agency is selected via the competitive procurement.

The factors used in the former Determination of Standing process still reflect the objectives of E\$P. In order to more clearly express these objectives, they are listed below in priority order, reflecting the state E\$P Office's view as to how resources should be applied in local agency program management.

PRIORITY 1: Cost Effectiveness

- 1) Using all E\$P funds available in ways that provide the greatest level of service per dollar, particularly as this pertains to Material and Labor funds (measurable by energy saved per dollar), but also to Overhead Costs, Administration and T&TA funds (Are sound decisions made as to how these limited resources are applied toward the program's goal?).
- 2) Making use of other available resources to expand the effectiveness of E\$P funds.

PRIORITY 2: (Two Parts)

- 1) Accountability
Operating the program and using funds in compliance with program rules and regulations.
- 2) Quality of Service
 - A. Services provided comprehensively, meeting the specific needs of each household (complete weatherization services including heating system, insulation, air leakage and client education);
 - B. Applying sound energy conservation principles, using proven technologies;
 - C. Protecting the health and safety of clients, as they pertain to E\$P services, following established procedures/guidelines.

PRIORITY 3: Maximizing Services

- 1) Attaining the established production goal;
- 2) Expending at least 90 percent of available funds.

PRIORITY 4: Serving Priority

- 1) Establishing service goals reflecting program policy (serving the most "in need") and attaining the goals set.

SUPPORTING REFERENCES: 10 CFR 440.15 "Subgrantees", 10 CFR 600.114 "Special award conditions", .162 and .243 "Enforcement", and .410 "Audit reports", OMB Circular A-102 ("common rule"), 10 CFR 600.25 "Suspension and Termination", .160-.162 "Termination" and "Enforcement", .244 "Termination for Convenience" and .414 "Sanctions", State / Agency Contract.

CROSS REFERENCES: E\$P Policy 101: "Policy Concerning Requests for Proposals (RFP)", 104: "Grievance Resolution Procedures" and 306.1: "Rental Housing: Equality in Service Provision".

SUPPLEMENTARY RESOURCES: E\$P Field Guide, Chapter 1 "Field Policy"

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(E\$P)**

POLICY NUMBER/SUBJECT:	103 Funding Allocation Formula
DATE:	July 1, 2005
SUPERSEDES:	103, 7/1/04

DISCUSSION: Ninety percent (90%) of the funds will be allocated according to the value of the product of Heating Degree Days (HDDs) for the region, the region’s population that is eligible for weatherization according to the income guideline (at or below 185% of the federal poverty guideline according to the 2000 U.S. Census Data) and the region’s Housing Factor. Ten percent (10%) of the funds will be allocated according to a value for each region representing that region’s percentage of the total square miles in the state. The sum of the amounts for each region in an agency's service area represents the agency's total allocation.

Local Administering Agencies (LAAs) are expected to maximize the use of funds allocated for service provision, and at a minimum they are expected to attain the unit goal and expend at least 90% of the awarded funds. Funds will generally be awarded based on the allocation formula; however, the State may use various performance indicators (such as previous years’ expenditure levels and amount of planned production completed) to factor into the allocation, so as to most effectively direct available resources to the greatest overall benefit. When the existing LAA is not capable of spending out at least 90% of its awarded budget, it may impact the LAA's standing (see Policy 102).

Public input into the formula determination process is always welcome. The DOE and LEAP allocation formula and allocation amounts are incorporated as part of the State Plan.

SUPPORTING REFERENCES(S): 10 CFR 440.10 “Allocation of funds”

CROSS REFERENCES: The Current State Plan, Policies and Procedures Manual, Sections 101: “Requests for Proposals” and 102: “Determination of Standing”

SUPPLEMENTARY RESOURCES:

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(E\$P)**

POLICY NUMBER/SUBJECT:	103.1 – Supplemental Funds Allocation and Appeals
DATE:	January 1, 1999
SUPERSEDES:	103, 7/1/98

DISCUSSION: As program funds become available at the state level for allocation during the program year (i.e., after the original allocation process has been completed), these funds will be allocated to the eligible Local Administering Agencies (LAAs). An LAA will be determined by the state E\$P Office as eligible or ineligible for inclusion in a supplemental allocation based on the following criteria:

- Standing of the LAA (see section 102): must not be under special conditions or classified as “high risk”
- Current program production: Less than ten percent off of plan after at least two months of production

The eligible LAAs will be notified of available funds and directed to communicate to E\$P their interest in receiving such funds. When an LAA is notified of supplemental funds being made available to the LAA, the LAA must submit revised production and quarterly expenditure schedules (reflecting a revised budget) and revised service provision goals prior to release of a revised award. (Other information may also be required, specific to each situation.) Minimum service provision goals previously approved must be increased when supplemental funds are received which result in additional units. Follow Policy 405 for plan revisions.

LAAs are encouraged to incorporate supplemental funds if this doesn't conflict with "sound management reasoning" (time available, staffing needs related to additional production, etc.). LAAs are not required to accept supplemental funding.

If requests for supplemental funds exceed the amount available, then E\$P will review the requests and current production status of the requesting LAAs and make allocation decisions.

Allocation of supplemental funding will generally be directed to where it can have the greatest positive impact on LAA operations, such as the provision of necessary equipment or retention of staff year-round.

SUPPORTING REFERENCES(S):

CROSS REFERENCES: E\$P Policy 102: "Local Agency Standing Determination" and 405: "Plan Revisions",

SUPPLEMENTARY RESOURCES:

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(ESP)**

POLICY NUMBER/SUBJECT:	104 – Grievance Resolution Procedures
DATE:	January 1, 1999
SUPERSEDES:	104, 7/1/98

DISCUSSION: A Local Administering Agency (LAA) may appeal any decision or action made by ESP staff, when cause for such an appeal can be presented. Such grievances shall follow the procedures set forth in this section.

When appealing the decision or action of a ESP staff member, such appeals are to be presented, in writing, to the staff member's supervisor within ten working days of the receipt of the notice of decision/action. The supervisor will review the information presented and, if cause for review is evident, will review and respond in writing within thirty (30) days of receipt of the appeal. If no cause is shown, the LAA will be notified within ten (10) days. The decision of the supervisor regarding an appeal can be appealed to that person's supervisor, following the same timetable. This second appeal is final.

When appealing a decision or action of the ESP Program Manager, the appeal is to be presented to the ESP Program Manager's supervisor. The same timetable set forth in the previous paragraph will be followed. Decisions made by the supervisor regarding appeals are final.

Alternative dispute resolution (ADR) may be used at any time during the above process. Voluntary consensual methods, such as mediation, may be used. A DOE dispute resolution specialist is available to provide assistance should such a need arise.

When appealing quality assurance inspection reports, use the procedures defined in section 1.4 of the ESP Field Guide.

SUPPORTING REFERENCE: 10 CFR 600.22 "Disputes and Appeals"

CROSS REFERENCES: ESP Field Guide page 12 "State ESP Agency Visits" and page 16 "Appeals Process for State Visit Reports"

SUPPLEMENTARY RESOURCES:

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(E\$P)**

POLICY NUMBER/SUBJECT:	105- Advance Calculation Policy
DATE:	January 1, 2005
SUPERSEDES:	105, 1/1/99

DISCUSSION: It is the policy of the Office of Energy Management and Conservation that within thirty (30) days of the Local Administering Agency's (LAA's) proposed start of production, a funding advance will be calculated and provided to the LAA. This policy is contingent upon E\$P's receipt of expenditure authority from the funding sources. The funding advance will be calculated to provide an amount equaling twenty percent (20%) of the OEMC-funded portion of the LAA's total annual budget (less capital items and any special project funds). This amount represents estimated cash needs for program start-up plus 45 days of operation. Exceptions to this 20% amount can be made by the E\$P state manager, based upon an LAA's specific circumstances

Note: If the 20% advance results in the LAA earning in excess of \$250 in interest annually, the advance may be reduced accordingly.

SUPPORTING REFERENCES: 10 CFR 600.122 and .221 "Payment" (Also applicable to LEAP funds by inclusion in this section.).

CROSS REFERENCE: E\$P Policy 106: "Reimbursement Policy".

SUPPLEMENTARY RESOURCES:

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(E\$P)**

POLICY NUMBER/SUBJECT:	105.1-Interest on Advances of Grant Funds
DATE:	January 1, 1999
SUPERSEDES:	105.1, 7/1/98

DISCUSSION: Effective July 1, 1998, all Local Administering Agencies (LAAs) receiving in excess of \$120,000 per year in Federal funds are expected to maintain advances in interest-bearing accounts. Interest earned up to \$250 per year may be retained by the agency for administrative expenses. Interest earned on advances in excess of \$250 per year is to be returned to the Federal government via the HHS Payment Management System. Payment is to be made via electronic funds transfer, such as the FEDWIRE Deposit system, or by check. The address is: Department of Health and Human Services, Repayment Management System, P.O. Box 6021, Rockville, MD 20852. Please contact E\$P for further instructions.

SUPPORTING REFERENCES: 10 CFR 600.122 (g, k) "Payment".

CROSS REFERENCE: E\$P Policy 105: "Advance Calculations"

SUPPLEMENTARY RESOURCES:

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(E\$P)**

POLICY NUMBER/SUBJECT:	106-Local Reimbursement Policy
DATE:	January 1, 2005
SUPERSEDES:	106, 1/1/99

DISCUSSION: It is the policy of E\$P to reimburse Local Administering Agencies (LAAs) monthly, based upon the LAA's submission of fiscal and program reports. The cooperative agreement between the State and the LAA is a "cost-reimbursement" agreement; thus, LAAs are to report costs incurred on monthly fiscal reports, from which a reimbursement amount is calculated. Under normal circumstances, the monthly reimbursement will equal the reported monthly expenditures less two amounts: one-twelfth of the OEMC advance and one-twelfth of the Xcel advance. If an additional advance has been provided, such as for purchasing a capital item, and that purchase is reported in the monthly expenditures, then the reimbursement will be reduced by that amount.

The calculated amount may be revised upward to reflect extenuating circumstances regarding LAAs' production status, anticipated major expenditures or other factors affecting cash flow. (For instance, when an LAA is anticipating major inventory purchases or receipt of an invoice on a vehicle purchase, the LAA should notify E\$P during the monthly reporting process so that this information can be taken into account during the reimbursement calculation process.)

LAAs are expected to notify E\$P, via comments on the monthly fiscal report, when the "cash on hand" (the advance remaining) is adequate to cover anticipated remaining expenses. This is in order to avoid LAAs having to remit funds to E\$P after the end of the grant. In order to prevent over-reimbursement of LAAs, reimbursements will not be prepared from the period 12 fiscal report. Instead, a final reimbursement will be prepared upon receipt of the period 13 (final) fiscal report.

SUPPORTING REFERENCES:

CROSS REFERENCES: E\$P Policy 108: "Closeout Procedures" and 401: "Fiscal Reporting".

SUPPLEMENTARY RESOURCES:

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(ESP)**

POLICY NUMBER/SUBJECT:	108- Closeout Procedures
DATE:	January 1, 2005
SUPERSEDES:	Section 108, 1/1/99

DISCUSSION: It is the policy of ESP that a grant with a Local Administering Agency (LAA) is not formally considered "closedout" until all of the following have been achieved:

- 1) Resolution of all outstanding ESP Field Standard major and or/minor findings for which an inspection report required a response during the program year;
- 2) All necessary final reports have been submitted to ESP by the LAA. The final fiscal report is due within 45 days of the award letter termination date. If final fiscal reports can be submitted sooner that is preferred, and will expedite release of any final amount owed to the LAA. (See also Policy 106.)
- 3) Final program and fiscal reports have been reviewed by ESP staff for accuracy and as a preliminary basis for assessing allowability of expenditures reported;
- 4) Any and all weatherization grant funds in the possession of the LAA which have not been earned are returned to ESP;
- 5) Documentation of remaining inventory, by type, quantity and value, is submitted to ESP (include documentation of inventory wastage);
- 6) A fiscal and compliance audit and an audit reconciliation covering the entire grant period is prepared, submitted to the State, reviewed by the State, and any questions or issues raised are resolved, and
- 7) A summary report of callback work conducted using funds from the grant being closedout is submitted for the State file (see Policy 310).

SUPPORTING REFERENCES: 10 CFR 600.171 "Closeout Procedures" and .250 "Closeout"

CROSS REFERENCE: ESP Policy 310: "Callbacks".

SUPPLEMENTARY RESOURCES:

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(ESP)**

POLICY NUMBER/SUBJECT:	108.1-Records Retention (and Re-Weatherization Prevention)
DATE:	July 1, 2004
SUPERSEDES:	Section 108, 1/1/99

DISCUSSION: All Local Administering Agencies (LAAs) are required to retain all pertinent records (program and fiscal) for **six (6)** years, per the Colorado Controller, following the close of any weatherization grant. (Please review Section 108 regarding when a grant is defined as formally "closedout".)

Per 10 CFR 440.18(e)(2) and Section 301.5 of this manual, LAAs are restricted against re-weatherizing units previously served by any ESP weatherization program. Only those units which previously received services during the period of October 1, 1975 to September 30, 1993 may be re-weatherized. Services to these units require prior ESP approval and do not count toward an LAA's minimum unit goal, unless the State has determined that an energy emergency has been declared and the provisions of Policy 301.5(D) have gone into effect. To document compliance with these requirements, LAAs must retain documentation on all units within the LAA's service area which have received ESP weatherization. At a minimum, the information retained must include the address of the unit and the date of the service. The LAA is responsible for retaining complete and accurate information which is adequate for documenting compliance with the re-weatherization restrictions.

NOTE: This documentation must cover all units served since October 1, 1975 for the LAA's entire service area. This pertains to all ESP funded programs. Any LAA which, for whatever reason, is missing any of these records, must notify the ESP Office for guidance immediately.

SUPPORTING REFERENCES: 10 CFR 440.18(e)(2) "Allowable expenditures", 10 CFR 600.153 and .242 both - "Retention and access requirements for records"

CROSS REFERENCES: ESP Policy 108: "Closeout Procedures" and 301.5: "Outreach/Client Services Restriction on Re-Weatherizing"

SUPPLEMENTARY RESOURCES:

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(E\$P)**

POLICY NUMBER/SUBJECT:	201- Financial Management Systems
DATE:	January 1, 1999
SUPERSEDES:	201, dated 7/1/98

DISCUSSION: It is the policy of E\$P that all Local Administering Agencies (LAAs) operate a financial management system which meets or exceeds the minimum requirements set forth in 10 CFR 600.121 or .220, or OMB Circular A-110.21, as applicable to the specific LAA. E\$P reserves the right to establish additional requirements, in line with federal and state regulations, when specific situations merit such requirements.

All applicants for funding must verify compliance with these standards. Verification of compliance is a prerequisite to the State's entering into a contract with the LAA. E\$P will monitor the LAA's financial management systems.

SUPPORTING REFERENCES: 10 CFR 600.121 and .220 both - "Standard for financial management systems".

CROSS REFERENCES: Request for Proposal for the Current Fiscal Year; E\$P Policy 101: "Policy Concerning Requests for Proposals" and 102: "Local Agency Standing Determination".

SUPPLEMENTARY RESOURCES:

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(ESP)**

POLICY NUMBER/SUBJECT:	202- Allowable Expenditures
DATE:	July 1, 2004
SUPERSEDES:	202, dated 1/1/99

DISCUSSION: Regulations establishing the general parameters of allowable expenditures are set forth in 10 CFR 440.18. These regulations are further clarified in the contract document between the State and the Local Administering Agency (LAA) in the annual DOE and LEAP State Plans prepared by ESP and the appropriate OMB Circulars identified in the references.

All expenditures, in order to be allowable, must be reasonable, allocable and appropriate, in conformance with the principles and definitions set forth in 10 CFR 440.18 and the OMB Circulars. The LAA's financial management system must be capable of determining and documenting reasonableness, allocability and appropriateness. Expenditures must also be based upon acceptable procurement procedures and demonstrate a cost-effective approach in order to be classified as allowable. Expenditures not meeting these criteria are subject to disallowance. Allowable expenditures are also contingent upon the LAA's achieving production and expenditure goals as set forth in the contract; non-attainment of these goals may result in the defining of some expenditures incurred by the LAA as disallowed. Interpretive guidance will be provided as necessary regarding definitions of allowable expenditures, and incorporated as part of this section.

Allowable expenditures of ESP funds must correspond to an approved budget and conform to the definitions of allowable expenditures for each budget category. The following information provides guidance on the types of expenditures allowable under each budget category.

Charges to grants for wages and salaries are to be supported by "... after-the-fact" time records. The specific wording of the regulations varies somewhat between non-profits and governments. Please see OMB Circular A-87, Attachment B-11, or Circular A-122, Attachment B-6. In most cases, such records will show the dates, number of hours worked and the allocation of the time to grant and budget categories. This assumes that the employee completing the time sheet understands the definitions for the grants and allocations. Pursuant to the federal regulations, cited above, one key principle to keep in mind when developing a procedure for documenting salary and wage changes is "reasonableness". In this context, reasonableness means whether the procedure yields a reasonable representation of the actual work performed by each employee and whether the fund amounts involved merit the amount of time required to perform the procedure.

Another method is for the employee to indicate the actual work done and the time involved by date. Examples might include: "Unit 142, audit, 9:00-11:30. Insulation 12:30 – 4:30." or "Prepared fiscal report 9:00-11:30". In this approach, a person familiar with the appropriate definitions would code the work to the proper category.

Occasionally, a person works for many grants and several budget categories. This mostly happens in accounting departments or by agency managers and all their time would be charged to the Administration budget category.

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However, where there are many grants and categories involved, it may be more efficient and still accurate to devise an allocation method using sampling methods. Such methods would reduce the amount of daily record keeping after an acceptable formula had been developed. Complete documentation for such formulae is necessary.

Budget estimates and funds available may not be used to allocate costs to budget categories, except in unusual circumstances (which will have been specifically approved in advance by the State or Federal awarding agencies). The allocations are to be made on the basis of definitions contained in State and Federal regulations.

The above discussion is for allocating direct charges. Indirect charges are determined by the cognizant Federal agency and are charged to the Administration category.

A. Administration

1. Administrative and Management Staff:
 - a. Salary and fringe benefits of the Program Manager, Program Coordinator and the agency Director, when carrying out the functions concerning General Organizational Processes.
 - b. Salaries and fringe benefits of clerks/secretaries, bookkeepers, accountants, fiscal and other administrative staff associated with the General Organizational Processes. Not included are those activities specifically defined under Operations Costs.
2. Definition: General Organizational Processes:
 - a. Activities associated with maintaining and sustaining the organization within which the Weatherization program is located. Examples include:
 - i. Internal organizational planning and development
 - ii Board/governance-related activities
 - iii Accounting, payroll and other financial management activities
 - iv. Developing and implementing internal Policies and Procedures.
3. Other Administrative Costs:
 - a. Telephone costs, including long distance charges, incurred by the E\$P program when not directly attributable to allowable functions under Operations or Field Costs.
 - b. Cost for office materials and supplies not directly related to allowable functions under Operations or Field Costs.
 - c. Those costs directly associated with the E\$P program that are not covered under defined categories.

B. Health and Safety

1. Health and Safety Materials:
 - a. Materials associated with resolving health and safety issues encountered during the course of weatherization, in accordance with the E\$P Health and Safety plan and guidance found in the E\$P Field Guide.
 - b. The E\$P Field Guide limit the types of activities which can be performed as health and safety, not the types of materials to be used. This is left up to the judgment of the subgrantee.
2. Health and Safety Labor
 - a. Labor associated with resolving health and safety issues encountered during the course of weatherization, in accordance with the E\$P Health and Safety plan and guidance found in the E\$P Field Guide.
 - b. The E\$P Field Guide both requires and limits the types of activities which can be performed as health and safety.
 - c. Health and Safety Labor may either be tracked and reported via the E\$P Database, on a unit by unit basis, or an average estimated amount will be assumed by the State E\$P staff. LAA's may choose to track and report Health and Safety Labor on every unit, or use the estimated amount, but may not do both.

NOTE: Weatherization work during new construction of dwelling units (not additions to existing) is not an allowable activity.

C. Operations Costs (Functions in direct support of the delivery of services to clients' homes.)

1. Operations Salaries
 - a. Salaries and fringe benefits of off-site personnel who are involved in client outreach, client intake, client file maintenance, or other E\$P activities that directly support the delivery of services to clients.
 - b. Salary and fringe benefits of the weatherization Program Manager or the Program Coordinator when carrying out the functions not related to general organizational processes.
2. Rent for Office Space
 - a. Rent for office space used in operating E\$P program.
3. Other Allowable Operations Costs (when associated with supporting the delivery of services to clients)
 - a. Utilities
 - b. Telephones
 - c. Postage

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- d. Dues, Memberships
- e. Printing, Reproduction
- f. Advertising, Publicity
- g. Supplies
- h. Reference Books and Subscriptions
- i. Vehicles used to transport office personnel
- j. Office equipment maintenance
- k. All other costs directly related to E\$P functions carried out at the organization's office.

4. Energy Conservation Materials:

a. Materials associated with allowable weatherization activities and related repairs for reducing fuel consumption in eligible homes. See Appendix A of 10 CFR 440 and the E\$P Field Guide, section 1.2.

b. Materials Costs may include:

- 1.) Costs to purchase and deliver materials to the agency storage site.
- 2.) Labor involved in the manufacturing materials.

5. Liability Insurance

a. Personal injury, property damage, and pollution occurrence insurance for weatherization and furnace work.

b. This insurance will cover any damage/injury to a unit or an individual in that unit caused by an employee of the agency while that employee is performing intake functions, auditing, inspecting or installing materials.

c. This insurance must cover all possible corrective costs resulting from improper installation of materials or use of improper materials.

d. There **must** be insurance for the Officers' and Program Manager's liability.

6. Labor

a. Field Crews: Salaries and fringe benefits of field workers who install materials in clients' homes.

b. Subcontractor Labor: Payments to engage contractors to install Energy Conservation or Health and Safety materials or perform energy conservation services.

c. Supervision of Field Staff: Salaries and fringe benefits of managers and crew leaders spent supervising Field Staff on-site.

7. Field Overhead

a. Field Support Salaries: Salaries and fringe for auditors, inspectors, production managers/coordinators and inventory clerks.

b. Rent for Field Operations Space: Rent for warehouse space, inventory storage space and vehicle parking.

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c. Tools, Equipment and Miscellaneous Field Related Expenses: Purchase and maintenance of tools and equipment; lease of tools, equipment and vehicles used for Field activities, protective clothing and equipment for worker health and safety, and building permits.

d. Travel Expenses: Expenses for lodging, per diem, or other allowable costs associated with travel on the job that are not covered under other defined categories.

e. Vehicle Cost: Maintenance, operation, and insurance for vehicles used to transport field crews, supervisors, energy auditors and inspectors to the job site, and for vehicles used to transport materials.

D. Financial Audit

Annual financial and compliance audit as required by OMB Circular A-133. The amount budgeted is to be the proportionate share of the agency's overall audit which is applicable to the weatherization activities.

E. Capital Equipment

Capital Equipment is defined as: An article of tangible, non-expendable, personal property that has a useful life of more than one year and an acquisition cost of \$5,000 or more. When purchasing individual items which represent components of a larger article, the acquisition cost criteria are to be applied to the sum of the individual items.

F. Training and Technical Assistance

If a T&TA allocation is received, then allowable expenditures defined by 10 CFR 440.23 include:

- a. Costs associated with providing Training and Technical Assistance for subgrantees personnel and/or board members for the improved efficiency and effectiveness of the weatherization program.
- b. Providing information concerning conservation practices to occupants of eligible dwelling units.
- c. Planning of innovative financing projects.
- d. Computerization to improve efficiency and/or effectiveness of the weatherization program.
- e. Items set forth in the E\$P Policy 303, and other expenditures agreed to by the E\$P Office.

Examples:

- a. Subscriptions to technical magazines
- b. Educational publications for eligible clients or targeted low-income populations
- c. Training for weatherization staff, performed in-house or through related conferences sponsored by the State, federal agencies or independent organizations
- d. A portion of staff salary commensurate with time spent doing in-house training and/or receiving training to become an in-house trainer.
- e. Client education programs
- f. Computer hardware/software and related equipment

NOTE: Some items or equipment that are allowable T&TA expenses may also be allowable overhead expenses, such as computers, software and related office equipment.

SUPPORTING REFERENCES: 10 CFR 440.18 "Allowable expenditures", .23 "Oversight, training, and technical assistance" and Appendix A "Standards for Weatherization Materials"; 10 CFR 600.127 and .222

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both – “Allowable costs”; OMB Circulars A-87 “Cost Principles for State, Local and Indian Tribe Governments”, Attachment B-11 “Compensation for personal services”, and A-122 “Cost Principles for Non-Profit Organizations”, Attachment B-6 “Compensation for personal services”.

CROSS REFERENCES: E\$P Policy 303: “Training and Technical Assistance/Client Education” and 401: “Fiscal Reporting”; E\$P Field Guide, pages 10 & 11

SUPPLEMENTARY RESOURCES:

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(ESP)**

POLICY NUMBER/SUBJECT:	202.1 - State Travel Cost Reimbursement
DATE:	January 1, 2005
SUPERSEDES:	Section 202.1, 7/1/04

DISCUSSION: Normally, Local Administering Agencies (LAAs) are expected to cover the travel costs associated with LAA staff participating in training activities. Only on rare occasions will ESP reimburse LAAs for travel costs related to special meetings and training events. (Examples: Interagency training, LAA staff assisting with ESP training.) The LAAs will be notified in advance of such situations. When an LAA is submitting a request to ESP for reimbursement of travel expenses, the form found in this policy is to be completed and submitted with supporting receipts for lodging expenses and any unusual expenses (training materials, for example).

LAA travel costs incurred as part of carrying out an ESP project plan are to be handled in accordance with the pertinent federal regulations which govern allowability and allocability. (See the regulations cited in the Supporting References section, below.)

SUPPORTING REFERENCES:

OMB Circular A-87, Attachment B, paragraph 41 (applicable to units of government)
OMB Circular A-122, Attachment B, paragraph 55 (applicable to nonprofit organizations)

CROSS REFERENCE: State of Colorado Travel Expense Form

SUPPLEMENTARY RESOURCES:

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(ESP)**

POLICY NUMBER/SUBJECT:	202.2 - Vehicle Use
DATE:	July 1, 2004
SUPERSEDES:	202.2, 1/1/99

DISCUSSION: We are aware of at least one case where a Local Administering Agency's (LAA's) weatherization employee was driving with permission a grant-paid-for vehicle to his home after work and was involved in an accident. A non-employee passenger in the vehicle was injured. The agency has been sued by the passenger and grant funds were needed to pay the deductible to replace the vehicle.

Also, over the years we have required agencies to stop allowing employees to use grant-paid-for vehicles for commuting, or to charge any costs to the grant for the use of vehicles for commuting. Therefore, we are establishing this guidance for all agencies regarding use of vehicles paid for or charged to the grant.

- 1) Vehicles are not to be used for commuting or in other ways as a substitute for a personal vehicle.
- 2) When a vehicle is used personally for short periods as part of a larger weatherization trip, the grant is to be reimbursed within a month for all personal miles used.
- 3) When an employee is required to take a vehicle home because the employee is on-call at home for emergencies and must use the vehicle when called out, such as a requirement must be part of the job description. The only employees who fit the emergency on-call provisions in the weatherization program are those who must respond to heating system emergencies.
- 4) Each agency is to have a specific written policy for the personal use of vehicles and the method to be used to reimburse the grant.
- 5) The maximum mileage rates for reimbursement to the grant by the employee are 28 cents per mile.
- 6) Mileage logs are to be maintained for all vehicles.

In addition to ESP guidelines, agency management and accounting personnel should be familiar with and assure compliance with the Internal Revenue Service requirements for reporting which may apply if a vehicle is taken home for "on-call" reasons. Also, the agency may be liable for payments to the employee for the "on-call" or "stand-by" time even when the employee is not called out.

SUPPORTING REFERENCES: OMB Circulars A-87 "Cost Principles for State, Local and Indian Tribal Governments", Paragraph C-1 "Basic Guidelines", and A-122 "Cost Principles for Non-Profit Organizations", B-8 "Contributions".

CROSS REFERENCES:

SUPPLEMENTARY RESOURCES:

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(E\$P)**

POLICY NUMBER/SUBJECT:	204.1 - Waiver Provisions
DATE:	July 1, 2005
SUPERSEDES:	204.1, 7/1/04

DISCUSSION: Local Administering Agencies (LAAs) must obtain waiver approval from the State E\$P Field Services staff in the following situations:

Multifamily building weatherization: Multifamily projects must follow the requirements set forth in the E\$P Field Guide, section 2.6. Type 3 and Type 4 multifamily projects require that the LAA consult with the E\$P State staff to develop an appropriate priority list. The LAA must submit a proposal detailing the results of an energy audit and how much financial participation has been committed by the owner. Approval for the project will be granted, if E\$P requirements are met for the project. See Policy 307 for further details regarding multifamily building eligibility criteria.

A waiver is required whenever any measure(s) that deviate from E\$P Field Guide will be implemented. Agency waivers, as discussed in the Field Guide (section 1.6), are single occurrence exceptions and do not require prior state approval. State waivers are general exceptions to Field Policy, and they require a written request and written approval from the state.

Pilot Projects: It is the policy of E\$P to waive certain program regulations when a Local Administering Agency (LAA) is operating an approved E\$P pilot project (see Policy 204.2). Specific waiver provisions will be set forth in the contract by E\$P. Specifically, the provisions set forth in the following references may be waived by E\$P for pilot projects (as appropriate to the specific project):

- 10 CFR 440.18(a) and (b) - Expenditure average and maximum.
- 10 CFR 440.21(b) - Restricting allowable materials to Appendix A of 10 CFR 440.

PROCEDURE: Approved waivers will be generated by the State E\$P Energy Services staff. Requests can be made by mail, email or telephone. LAA staff must provide specific information pertaining to the unit(s) to E\$P staff. If approved, a waiver number will be issued to the LAA and the number will be kept in a log at the state office. The waiver number must also be documented in the client file(s). Work can proceed on a unit after verbal verification of the waiver number. The state office will also generate a signed waiver form (a sample of this form is attached as part of this section). The original copy of this form will be mailed to the LAA for client file documentation by the end of the grant year.

NOTE: When exceeding \$400 for health and safety repair materials on rental property, owner participation is required (federal regulations prohibit undue enhancement of rental property).

SUPPORTING REFERENCE: 10 CFR 440.22(b) "Eligible dwelling units", 10 CFR 440.18(a) and (b) "Allowable expenditures" and .21(b) "Standards and techniques for weatherization".

CROSS REFERENCES: E\$P Policy 204.2 "Pilot Projects" and 501 "Client Files" : E\$P Field Guide, page 17. "E\$P Field Guide Waivers"

SUPPLEMENTARY RESOURCES:

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(E\$P)**

POLICY NUMBER/SUBJECT:	204.2- Pilot Projects
DATE:	July 1, 2005
SUPERSEDES:	204.3, 7/1/02

DISCUSSION: It is the policy of E\$P to waive certain program regulations when a Local Administering Agency (LAA) is operating an approved pilot project under a LEAP Weatherization grant. Specifically, the provisions set forth in the following references may be waived by E\$P for LEAP pilot projects (as appropriate to the specific project):

10 CFR 440.18(a) and (b) - Expenditure average and maximum.
10 CFR 440.21(b) - Restricting allowable materials to Appendix A of 10 CFR 440.

Also, specific waiver provisions will be set forth in the contract by E\$P.

Pilot Project Measures: Pilot Project Measures are those optional heating and cooling measures that can be analyzed for cost effectiveness with NEAT. They include:

- Low E windows
- Window shading (awnings)
- Sun screens (fabric and louvered)
- Window films
- Electric vent dampers
- Intermittent ignition devices (IID)
- Electric vent dampers and IIDs combined
- Flame retention head oil burners
- Mid efficiency furnace replacement (for efficiency Increase)
- High efficiency furnace replacement (for efficiency Increase)
- Water Heater Replacement (for efficiency Increase)
- Space heater replacement
- Water Heater fuel conversion
- Smart thermostats (setback thermostat)
- Air conditioner tune up
- Air conditioner replacement (for efficiency Increase)

Other measures may be considered on a pilot basis as well. Any material contained in Appendix A of 10 CFR 440, or any other energy saving measure may be submitted for consideration as a pilot project.

Procedure for submitting Pilot Projects:

Agencies will submit to the state E\$P staff a written description of the proposed pilot project. The description will contain information about:

1. Materials and installation procedures that will be performed,
2. Expected costs and energy savings associated with the measure,

Policy 204.2 (continued)

3. The savings analysis methods, such as NEAT analysis, short term metering, long term fuel consumption analysis, or other industry accepted techniques may be submitted for energy savings measurement.
4. Estimates of the number of homes that will receive the measure, the time period involved,
5. The impact of the project on the agency budget.

In addition, the proposal must include a methodology for analyzing the results of the project. This should include:

- Financial tracking of materials and labor costs
- Measurement of the energy consumption before and after the measures are installed

SUPPORTING REFERENCES: 10CFR 440, Appendix A

CROSS REFERENCES: Contact State Staff

SUPPLEMENTARY RESOURCES:

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(E\$P)**

POLICY NUMBER/SUBJECT:	204. 3-Heating System and Refrigerator Replacements
DATE:	July 1, 2005
SUPERSEDES:	204.3, 7/1/02

DISCUSSION: Heating system and refrigerator replacements are an allowable expense in the E\$P program. Candidates for heating system replacement include: 1) heating systems with cracked heat exchangers, verified visually, 2) open combustion mobile home furnaces with combustion safety problems, and 3) heating systems where repair costs exceed 40% of replacement costs. 4) Heating systems that are cost effective to replace (contact Energy Services for approval).

Awards to heating contractors by Local Administering Agencies (LAAs) for new heating system installations must follow E\$P procedures for bidding and awarding work. Condensing forced-air furnaces are not allowable furnace replacement equipment.

Candidates for refrigerator replacements include those that meet the SIR criteria for replacement, and can be reasonably accessed for removal and replacement. The State will go through the bidding and awarding procedures and the LAA must replace refrigerators using the company contracted by the State.

LANDLORD FINANCIAL PARTICIPATION

In the case of rental units, a minimum of 50% of the total cost for heating system and/or refrigerator replacements must be contributed by the owner. This requirement is waived if the owner is also eligible for E\$P services and eligibility is verified as stated in Policy 301.2. It is preferred that landlords fully cover the cost of replacing forced-air furnaces.

SUPPORTING REFERENCES: 10 CFR 440.22(b) - (1) and (3)(i) "Eligible dwelling units".

CROSS REFERENCES: Policy and Procedures Manual, Sections 301.2: "Outreach/Client Services: Client Eligibility Criteria" and 306.2: "Rental Housing: Landlord Agreements".

SUPPLEMENTARY RESOURCES:

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(E\$P)**

POLICY NUMBER/SUBJECT:	205-Procurement Procedures
DATE:	July 1, 2004
SUPERSEDES:	205, 1/1/99

DISCUSSION: It is the policy of E\$P that a Local Administering Agency (LAA) shall have written procurement procedures on file at E\$P prior to E\$P executing a contract for weatherization services. This document must explain the procedures for purchasing all goods and services, and express how compliance with OMB Circular A-110 or 10 CFR 600.144 or 10 CFR 600.236 (as applicable) is achieved. (REFER TO THE ATTACHED CHECKLIST FOR ITEMS REQUIRED.)

We suggest that the numbers or letters which the agency uses to identify the relevant sections in the procurement procedures be placed in the blank spaces on the check list.

Material and subcontracted labor bid specifications are to be submitted to E\$P for review prior to their use. If prior bid specifications will be reused and have already been approved by the E\$P State office, there is no need to resubmit for State approval. Verbal or written comments will be made within two weeks of receipt of the specifications. Please factor this into your procurement schedule.

For governmental and non-profit entities, small purchase procedures may be used when purchases "in the aggregate" are under \$25,000. Purchases over \$25,000 require formal proposals or bid requests according to the State procedures.

Costs incurred by an LAA through procurement procedures not complying with OMB Circular A-110.44 or 10 CFR 600.144 or 10 CFR 600.236 (as applicable) shall be subject to disallowance by E\$P. Such non-compliance may also be grounds for high-risk status, contract suspension and/or termination.

10 CFR 247 requires, effective July 1, 1997, the use of recycled materials to the maximum extent possible. The LAA is the "procuring agency" for purposes of this regulation. The threshold for the regulation is \$10,000 of purchases of one of the items or functionally equivalent items in a year. When this threshold applies, the policy of E\$P is to allow a price differential of 5% to 15% for the purchase of the recovered items.

The LAA is responsible for retaining all documentation necessary to verify compliance with the applicable procurement regulations. These documents will be monitored at least once a year by E\$P staff.

SUPPORTING REFERENCES: 40 CFR 247 "Comprehensive Procurement Guideline for Products Containing Recovered Materials", 10 CFR 600.144 "Procurement Procedures" and .236 "Procurement", OMB Circulars A-87 "Cost Principles for State, Local, and Indian Tribal Governments", A-110 "Uniform Administration Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations" and A-122 "Cost Principles for Non-Profit Organizations".

CROSS REFERENCE: E\$P Policy 102: "Local Agency Standing Determination".

SUPPLEMENTARY RESOURCES:

Procurement Procedures – Checklist

Use the following list to review the agency's procurement procedures. Indicate the appropriate references in your policies to the subjects set forth. See 10 CFR 600.144 or 10 CFR 600.236 or OMB Circular A-110.

- _____ Are they written?
- _____ Do you have a code of conduct governing the performance of officers, employees or agents engaged in the awarding and administration of a contract using Federal funds?
- _____ Do your methods provide for open and free competition?
- _____ Do your purchasing policies avoid unnecessary duplication of items within the program and/or agency?
- _____ Are your specifications clear and accurate?
- _____ Have you made positive efforts to utilize minority and small businesses?
- _____ Do you have a description of the type of procuring instruments used (purchase orders, contracts)?
- _____ Do you have a method of contract administration to ensure contractor conformance with terms and conditions of the contract and to ensure adequate and timely follow-up of all purchases.
- _____ Do you have methods established for the following types of procurement?
 - _____ Small Purchases (Purchases under \$25,000 in aggregate)
 - _____ Sealed Bids
 - _____ Competitive Proposals
 - _____ Non-competitive (Prior approval required for purchases over \$25,000)
 - _____ Other methods which provide free and open competition
- _____ Do you have protest procedures established and available for bidders/proposers?
- _____ Do you have a method of cost or price analysis which includes weighting of factors and is this included in the bid document?

memorandum

DATE: FEB 16 1990

REPLY TO ATTN OF: CE-232

SUBJECT: Policy Guidance on the Environmental Protection Agency (EPA) Regulations Dealing with the Purchase of Building Insulation Products

TO: Support Office Directors

Introduction

The purpose of this memorandum is to provide guidance to the support offices to enable them to convey to grantees the requirements of 40 CFR Part 248, "Guideline for Procurement of Building Insulation Products Containing Recovered Materials." These regulations, issued by EPA, are to implement Section 6002 of the Resource Conservation and Recovery Act (RCRA), whose purpose is to encourage the recycling of materials. EPA has previously issued guidelines under the RCRA to encourage the recycling of other materials, including cement and concrete, paper-andpaper products, lubricating oils containing re-refined oil', and retread tires. In addition to this policy guidance memo, the support offices will also be provided with copies of 40 CFR Part 248 and a synopsis of those regulations prepared by an EPA contractor.

Background

On February 17, 1989, EPA issued regulations that require users of Federal funds to commence, by February 17, 1990, good faith efforts to procure insulation products that contain recycled materials. The guidelines cover insulation products used in commercial, industrial and residential applications. The guidelines apply to insulation products used to improve the thermal effectiveness of building envelopes, but do not apply to insulation for air handling units, or insulation for acoustic purposes or cold storage insulation. Commercially available insulation products that can contain recycled materials include . cellulose, fiberglass, perlite composite board, plastic foams and boards and rock wool. As discussed below, there are EPA-recommended minimum recovered materials standards for all of these products except fiberglass.

The guidelines apply to an organization which actually provides for the purchase of the products, thus in the weatherization program it will be the subgrantee which directly purchases products from vendors or suppliers or utilizes contractors who make such purchases. Further, in order for the EPA regulations to apply, the organization must use Federal funds in the purchase of \$10,000 or more of insulation products in a fiscal year. The calculation of the \$10,000 amount and the requirement to begin compliance with the EPA regulations is based on: (1) the procuring agency buying at least

\$10,000 worth of insulation products in the previous fiscal year, or (2) if, during the course of the current fiscal year, the agency makes a single purchase in excess of 510,000 worth of a covered product. The requirement to comply with the EPA regulations then carries forward into the next fiscal year, and applies so long as the purchasing agency uses Federal funds to purchase all or part of the 510,000 worth of insulation products. Once the 510,000 level has been reached, the EPA regulations specify two major requirements with which the purchasing agency must comply. First, the agency must review its specifications for insulation products and revise them, if necessary, to allow the purchase of items containing recovered materials. Such revisions might be necessary, for example, if the agency had specifications that restricted the purchase of insulation products to those composed only of virgin materials. A purchasing agency can, however, restrict its use of insulation products containing recovered materials in certain circumstances. As noted in the FY 1990 WAP grant guidance, the EPA guideline provides this option by not specifically requiring an agency to shift from the use of one insulation product to another. In such instances, where an agency feels that a shift to a product with a higher percentage of recovered materials is not practicable, that should be documented. Such documentation should be based on: (1) the inability of the product to adequately perform in its intended application, or (2) unavailability of the product at a reasonable price, or (3) inability to obtain the product within a reasonable period of time, or (4) an inadequate number of vendors or suppliers to insure a satisfactory level of competition in the procurement of the product.

Second, in addition to reviewing and modifying its insulation procurement specifications, the purchasing agency must establish an affirmative procurement program to facilitate the procurement of insulation products containing recovered materials. The affirmative procurement must consist of four items: (1) a preference program, (2) a promotion program, (3) a method for obtaining and verifying estimates of recovered materials content, and (4) annual review and monitoring.

1. Preference Program: The EPA regulations provide three general approaches for a preference program: (a) minimum content standards where procurement specifications identify the minimum content of recovered materials that an insulation product must contain, or (b) case-by-case procurement, which means that insulation products made of new or virgin materials compete during each procurement with products containing recovered materials, or (c) an alternative approach that accomplishes the same objectives as the minimum content and case-by-case approaches. The EPA regulations pointedly recommend that the procuring agency use minimum content amounts for commercially available insulation products that can contain recovered materials. These include: cellulose, loose-fill and spray-on (75% postconsumer recovered paper by weight), perlite composite board (23% postconsumer recovered paper by weight) and rock wool (50% recovered materials).

2. Promotion Program: A procuring agency under the Weatherization Assistance Program (WAP) can generally satisfy the requirements of the promotion program by: (a) describing the intent of their preference program in any pre-solicitation announcements and in their bid solicitations for insulation products; (b) discussing the agency preference program at meetings with bidders, and (c) generally informing potential

bidders about the preference program in normal day-to-day contacts.

3. Method for Obtaining and Verifying Estimates and Certification of Recovered Materials Content: An agency using WAP funds can meet this requirement by: (a) requiring the vendor to provide an estimate of the total percentage of recovered material in the insulation product being purchased, and (b) if the agency has set a minimum recovered materials content, requiring that the vendor certify prior to delivery or installation that the insulation products meet or exceed the minimum content level supplied in the agency's bid solicitation.

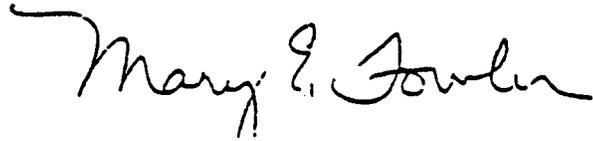
4. Annual Review and Monitoring: To meet this requirement of the EPA regulations, procuring agencies using WAP funds should do the following: (a) estimate, at the end of each program year, the total quantity of building insulation product purchased and how much of that product contained recovered materials, (b) make a general assessment of the effectiveness of the agency promotion program to purchase those products, (c) assess internal or external barriers to the purchase of these insulation products, including the unsuitability for various applications or unavailability from vendors, and (d) keep a general information record related to the purchase of insulation products during the course of the program year that can be used to support an annual report.

Implementation

In light of the general requirements of the EPA regulations outlined above, we wish you to understand that this policy is now in effect. We further request that you transmit the information contained in this memorandum to each grantee in your region to enable them to pass it on to the subgrantees in their jurisdictions. We also request that you transmit to each grantee copies of: (1) EPA regulations 40 CFR Part 248, 'Guidelines for Procurement of Building Insulation Products Containing Recovered Materials,' and (2) the regulations' synopsis prepared by the EPA contractor entitled: 'U.S. EPA Guideline for Purchasing Building Insulation Containing Recovered Materials.'

In closing I thank you for your assistance in this matter. Although the need to transmit this policy to the grantees and subgrantees by February 17, 1990, has prevented us from circulating this material in draft to the support offices, nonetheless, we welcome any comments or suggestions you may have. Further, as WAP implementers move forward to implement the EPA guidelines, I request that you keep me apprised of any areas where we need to provide assistance or further information to the grantees and subgrantees.

Mary E. Fowler, Chief
Weatherization Assistance
Programs Branch
Office of State and Local
Assistance Programs Conservation
and Renewable Energy

A handwritten signature in black ink that reads "Mary E. Fowler". The signature is written in a cursive style with a large, sweeping initial "M".

Attachments

_cc..Operations-Office Managers - -

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(ESP)**

POLICY NUMBER/SUBJECT:	205.1 - Procurement Procedures: Prior Approval Requirements
DATE:	April 1, 1993
SUPERSEDES:	205.1, 4/1/93

DISCUSSION: The Local Administering Agency (LAA) must submit a request for approval and receive approval prior to executing the following types of purchases:

- (1) Sole Source procurement: If any of the conditions set forth in 10 CFR 600.144(e) exist, then the LAA must submit a copy of the bid or proposal (including evaluation criteria). Information on the method of notification to the public of the competitive request, the response received and justification for any restrictive language in the request, if applicable.
- (2) Capital Equipment procurement: Any purchase of capital equipment where the value of specific items (or total composite, if items are to be used as a set) will exceed \$5,000 and with a useful life of more than one year. Request for such purchases must be made in writing to ESP, preferably as part of the funding proposal. The request submitted must include specifications for the capital equipment/vehicle, maximum dollar value, and justification of need, bid responses, and evaluation methods and results.
- (3) All vehicles.

All software development must have prior ESP approval. Requests must include:

- (1) Purpose of proposed software.
- (2) Cost-effectiveness justification.
- (3) Summary review and findings of existing software with critique of why it would not be as cost-effective.
- (4) Implementation costs if request is approved.

All subcontracts to be entered into by an LAA for the development of software must be submitted to ESP for the review and approval prior to execution.

SUPPORTING REFERENCES: 10 CFR 600.144(e) "Procurement Procedures" and .236 "Procurement", OMB Circulars A-87"Cost Principles for State, Local, and Indian Tribal Governments", A-110 "Uniform Administration Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations" and A-122 "Cost Principles for Non-Profit Organizations"

CROSS REFERENCE:

SUPPLEMENTARY RESOURCES:

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(ESP)**

POLICY NUMBER/SUBJECT:	205.2 - Procurement Procedures Bid Language
DATE:	January 1, 1999
SUPERSEDES:	205.2, 2/15/90

DISCUSSION: Automobile manufacturers and other vendors have special discounts or incentives for purchases using government funds. Some dealers or other suppliers may not be aware of such programs or aware that your Local Administering Agency (LAA) is eligible. Therefore, we recommend that language similar to the following be included in your bid request, both oral and written:

Please Note

(Name of your organization) is a nonprofit (governmental) organization with a tax exempt number of (insert tax exempt number). This vehicle (or other product) is being purchased with Federal (and/or local) government funds and will be used for activities paid for by Federal (and/or local) government funds. We believe we are eligible for fleet and other governmental discounts and incentives. We will provide additional information you need to determine our qualifications to receive such discounts and incentives.

SUPPORTING REFERENCES:

CROSS REFERENCES:

SUPPLEMENTARY RESOURCES:

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(E\$P)**

POLICY NUMBER/SUBJECT:	206 - Subcontracting
DATE:	July 1, 2004
SUPERSEDES:	206, 1/1/99

DISCUSSION: Local Administering Agencies (LAAs) are authorized to subcontract for the provision of weatherization materials and/or services. The estimation of work to be performed, final inspection of work performed, and heating system efficiency and safety assessment may not be subcontracted. Changes to the work order must be authorized and verified by qualified agency staff.

Subcontracts may not extend beyond the termination date of the weatherization contract through which funds are provided. No subcontract shall extend longer than twelve (12) months (subcontracting should coincide with the LAA's annual request for bids and/or proposals).

All bid documents will require that subcontractors agree to attend E\$P training in order to be an eligible bidder on weatherization work. This requirement will also be part of the signed contract between the agency and the subcontractor.

Use the attached list to check your contracts for required provisions. The items apply primarily to a contract involving subcontracted labor; however, some will apply to material purchases as well. The LAA must make that determination on the local level. For complete descriptions of required clauses, see state or federal references.

SUPPORTING REFERENCES: 10 CFR 600.144 "Procurement Procedures" and .236 "Procurement", and A-110 "Uniform Administration Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals".

CROSS REFERENCE:

SUPPLEMENTARY RESOURCES

E\$P "CONTRACT CHECKLIST" Federal Requirements

General Requirements:

- _____ 1. Effective date of the contract.
- _____ 2. Termination date of the contract.
- _____ 3. Names of the contracting parties.
- _____ 4. Total dollar amount.
- _____ 5. Minimum number of units and the dollar amount of materials, if applicable.
- _____ 6. Method of payment.
- _____ 7. Schedule of work.
- _____ 8. Reference to exhibits, standards, etc., if applicable.
- _____ 9. Contract subject to funding from the State, DOE and/or LEAP.
- _____ 10. Prices for goods and/or services rendered.
- _____ 11. Bid specs – incorporated or by reference.
- _____ 12. Signature lines and dates.

Requirements Per State Contract:

- _____ 1. Proof of general liability insurance, including pollution occurrence insurance.
- _____ 2. Proof of Workers' Compensation coverage (see Policy 208).
- _____ 3. Waiver of liens against units served.
- _____ 4. Clause that states that work must pass inspection by the Agency personnel before payment.
- _____ 5. Clause requiring that the billing must contain the address of the unit served and must have charges separated into labor and material costs.
- _____ 6. Clause which states that the contract in no way implies a contract between the State and the subcontractor.
- _____ 7. Proof of appropriate licenses.
- _____ 8. Compliance with the Privacy Act of 1974.
- _____ 9. Compliance with Paragraph 5 of the State Special Provisions (Discrimination and Affirmative Action).

CONTRACT CHECKLIST (Continued)

Federal Requirements (refer to reference for a detailed explanation and applicability):

- _____ 1. Subcontracts over \$10,000- Equal Employment Opportunity Clause (10 CFR 600, Appendix A, and Subpart B, Appendix A).

- _____ 2. Subcontracts over \$2,500-Compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act as noted in 40 USC 327-330[01/06/97 edition].

- _____ 3. Negotiated subcontracts (any contract resulting from a negotiated RFP) over \$10,000-Retention of records and provision that the subgrantee, state and federal government and their representatives have access to any books, documents, etc. during the period of the contract and for three years after final payment (10 CFR 600.136 and .234)

- _____ 4. Administrative, contractual or legal remedies for contract violations or breach of contract (10 CFR 600.161, .162, .173, .243, .244, .251 and .252) before payment.

- _____ 5. Termination for cause and convenience, including the manner by which it will be effected and the basis for settlement (10 CFR 600.160 and .244).

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(ESP)**

POLICY NUMBER/SUBJECT:	206.1-Subcontracting: Waiver of Lien
DATE:	January 1, 1999
SUPERSEDES:	206.1

DISCUSSION: It is the policy of ESP that all service provision subcontracts entered into by Local Administering Agencies (LAAs) for the performance of weatherization and related services contain a "lien waiver". Specifically, each subcontract must contain a provision whereby the subcontractor agrees to waive the right of placing a lien upon the unit served as recourse for non-payment or for any other reason. Any costs incurred under a subcontract resulting from not including this provision will be subject to disallowance by ESP.

(Lien waivers are required for any subcontracting work done in a client's home, whether or not there is a written contract.)

SUPPORTING REFERENCES:

CROSS REFERENCES:

SUPPLEMENTARY RESOURCES:

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(ESP)**

POLICY NUMBER/SUBJECT:	208-Workers' Compensation Coverage Requirements
DATE:	January 1, 1999
SUPERSEDES:	208, 4/1/88

DISCUSSION: The Local Administering Agency (LAA) is responsible for providing Workers' Compensation Coverage for all of its employees and for providing such coverage or requiring its subcontractors to provide such coverage for themselves, in accordance with current law. In no case is the State responsible for providing Workers' Compensation Coverage for any employees or subcontractors of the LAA pursuant to the contractual agreement between the State and the LAA.

ESP "Workers' Compensation Checklist"

The following procedure is recommended:

1. Require evidence of workers' compensation of all subcontractors.
2. If the subcontractor states that the election for no coverage has been made, require a letter from subcontractor signed by each individual who qualifies and has made such an election. The letter should say, in effect, that the individual is an individual employer, working partner or corporate officer as defined by the "Workers' Compensation Act of Colorado", September 1997 edition, and has elected not to obtain workers' compensation coverage for himself, does not desire to be covered by the policy (if offered by the agency) of the agency and therefore does not want to have any funds withheld for the purpose of workers' compensation insurance payment.
3. The letter should also state that the subcontractor has provided all necessary information to the agency in order for the agency to provide workers' compensation coverage for the subcontractor's employee.
4. The subcontractor is to send a copy of this letter to its workers' compensation insurance provider or, if it does not have one, to the agency's workers' compensation insurance provider. This recommendation is not to be considered legal advice and agencies are strongly encouraged to obtain legal or insurance advice appropriate to the specific circumstances at the agency.

SUPPORTING REFERENCE: Colorado Workers' Compensation Act, September 1997.

CROSS REFERENCES:

SUPPLEMENTARY RESOURCES:

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(E\$P)**

POLICY NUMBER/SUBJECT:	301.1-Outreach/Client Services: Allowable Expenditures
DATE:	January 1, 1999
SUPERSEDES:	301.1, 4/1/89

DISCUSSION: The following information serves to clarify the definition of "Outreach" and "Client Services" as they pertain to the Office of Energy Conservation's Weatherization grants.

Outreach: Activities directed at notifying the general public of the services available. Costs incurred as a result of these activities are allowable only as Administrative costs.

Client Services: Activities directed at assisting eligible clients to apply for weatherization services, including the compilation of necessary supporting documentation. These costs, related to the direct provision of services, are allowable as Operations Costs.

SUPPORTING REFERENCES:

CROSS REFERENCE: E\$P Policy 202: "Allowable Expenditures"

SUPPLEMENTARY RESOURCES:

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(E\$P)**

POLICY NUMBER/SUBJECT:	301.2 - Outreach/Client Services: Client Eligibility Criteria
DATE:	July 1, 2004
SUPERSEDES:	301.2, 1/1/03

(A) Policy Objective

This policy defines the client eligibility approval process.

(B) Approval Process

(1) Eligibility Determination. All clients receiving services under the E\$P grant must first have their eligibility verified by the Local Administrative Agency (LAA) and documented in the client file. Eligibility for receipt of E\$P services must be determined by one of the methods listed below:

a. The Colorado Department of Social Services has determined the applicant to be eligible for LEAP benefits.

Or

b. Gross family income for the 12 months preceding the date of eligibility determination is at or below 185 percent of the poverty level, in accordance with the Federal Poverty Income Guidelines published for the current year. These guidelines and calculation of the 185 percent levels are incorporated as parts of this section. Please note that gross income is used before deductions for taxes, insurance, etc. Therefore, when regular Social Security is included in income, the gross must be before Medicare deductions.

NOTE: In situations where the legal dissolution of a family has occurred for any cause during the last 12 months, an individual may use his/her income since the dissolution, annualized, to determine eligibility in accordance with the 185 percent of poverty guidelines.

Or

c. The household includes a member who has received cash assistance payments under Title IV or Title XVI of the Social Security Act, or in accordance with applicable State or local law, at anytime during the 12 month period preceding the determination of eligibility. Title IV pertains to such programs as Temporary Assistance of Needy Families (TANF) and the Work Incentive Program (WIN). (Check with your county social service offices for other programs under Title IV in your service area. Notify the E\$P State Office prior to using these programs for eligibility.) Title XVI pertains only to Supplemental Security Income (SSI). The applicable state programs which can be used for eligibility determination are Old Age Pension (OAP) and Aid to the Needy Disabled (AND).

Policy 301.2 (Continued)

Any household served during the current program year must be determined eligible using one of these three methods. Any household determined eligible using the current program year's eligibility criteria remains eligible throughout the program year.

All applicants for E\$P services must complete, sign and date the E\$P Weatherization Application. The applicant must sign and date the application prior to receiving services. (See attachment to Policy 301.2 for E\$P State approved Weatherization Application.) Each client file must contain the signature of the staff person determining the eligibility and the date when the eligibility was determined.

(2) Client Appeals Process-Included in the E\$P Weatherization Application is the right for client appeal regarding eligibility and timeliness of approval/denial. Following are the processes and timelines to be followed regarding client appeals.

a. The client has the right to have their application processed in a timely manner (within 30 days). If a client's application is not processed in a timely manner, they may follow the appeals procedure as below in paragraphs b and c.

b. If the client has a hearing and still disagrees with the denial of services, the client has 15 days after written notification from the Program Manager or Executive Director of the LAA to appeal to the E\$P Weatherization Program. Appeals should be in writing and addressed to:

E\$P Weatherization Program
Colorado Office of Energy Management and Conservation
State Program Program Manager
225 E. 16th Ave., Suite 650
Denver, CO 80203

NOTE: Agencies have the authority to deny service to clients due to perceived risks to worker health and safety (see Policy 311). This determination is to be noted in the client file along with guidance informing the client of this determination and actions the client must take before services can be provided.

(C) Documentation

(1) Via LEAP Eligibility:

a. Via QLEAP Database: An applicant's name and address are on the QLEAP Database for the current LEAP program year. A copy of the client's Top Sheet Form from the Database is the preferred documentation of the eligibility and must be retained in the client file. All LEAP recipients that are eligible for weatherization shall not be required to fill out an additional application.

Policy 301.2 (Continued)

b. Via LEAP lists: An applicant's name and address are on the currently active LEAP list. Either a copy of this list must be retained in the client file, or the LEAP household number and income/% of poverty must be noted in the file, and the most recent cumulative list retained in the agency office. This form of LEAP eligibility documentation is acceptable when the LEAP recipient's information has not yet been translated to the QLEAP database.

c. Via LEAP award letters: A copy of the client's LEAP award letter is acceptable eligibility documentation and must be retained in the file. This form of LEAP eligibility documentation is acceptable when the LEAP recipient's information has not yet been transferred to the QLEAP database.

NOTE: If a LEAP recipient moves within the same county, they are still eligible for weatherization services until December 31st of the following LEAP program year. If a LEAP recipient moves to a new county, they remain on the original county's LEAP list. These households can be served at their new address by the LAA serving the new county. The LAA is to use the LEAP information from the original county as the basis for documenting eligibility. A staff person must note the change of address on the QLEAP Top Sheet Form.

(2) Via Income Determination:

a. Total income for the most recent three months immediately preceding eligibility determination, annualized, must be documented in the file. Annualized income is determined by multiplying the three months' gross income by four (4). For example, \$1,200 for three months times 4=\$4,800 annualized income.

b. Collect 12 months of documentation by the following methods:

(i) Copies of income check stubs (check stubs must contain pay period dates).

(ii) Copy of a signed income tax return form, or all IRS W-2s (withholding) forms for the year.

(iii) Letter or other verification of income from income sources.

(iv) When using tax forms documenting annual (calendar year) income, you can divide this amount by 12 to determine an average monthly income. Use this average for the months preceding the eligibility determination. If this approach yields a "not eligible" determination, it may be due to the averaging. It is allowable to use another of these six options to avoid denying services.

(v) A client-signed affidavit as documentation of income is allowable when no other form of eligibility determination applies.

(vi) Most recent Federal tax return.

NOTE: All income eligibility determinations must be accompanied in the client file by a date signifying when eligibility was determined, and the signature of the agency staff person certifying eligibility.

(3) Via Title IV and Title XVI of the Social Security Act:

a. a copy of the award notification , written verification via the corresponding government agency, or a copy of a payment check stub which states the type of payment and contains a date are all acceptable forms of eligibility documentation, providing that they are dated within the last 12 months. A copy of the document must be retained in the file.

b. Obtain Medicaid eligibility verification through the ESP State office. Agencies will need to provide the State office with the client's name and either their social security number or the State ID on their Colorado Access card. The ESP State office will fax eligibility verification to the requesting agency and that documentation must be retained in the client file.

(D) Duration of Eligibility

At the end of the program year, agencies may have a backlog of eligible clients who have not received service. Client eligibility is transferable to the subsequent program year based on the following:

- (1) If the client eligibility is based upon being a LEAP recipient, the client name and address must appear on the current year's Quantum LEAP Database, or on the most current LEAP list available at the time of eligibility determination. The last published LEAP list is valid until **December 31st of the year it was issued.**
Ex: The April 1998 LEAP list may be used until December 31, 1998.
- (2) If the client eligibility is income-based, eligibility and documentation are valid for 12 months from the date of eligibility determination.
- (3) If eligibility was based upon the client's receipt of OAP, SSI, TANF or some other entitlement under Title IV or Title XVI of the Social Security Act, the client is eligible for 12 months following the date on the document (printout of State eligibility document) which verifies that the client has received entitlement.

SUPPORTING REFERENCES: 10 CFR 440.22 "Eligible dwelling units", Federal Poverty Income Guidelines.

CROSS REFERENCES:

SUPPLEMENTARY RESOURCES

Insert Weatherization Program Notice for Updated Poverty Income Guidelines page 1

Insert Weatherization Program Notice for Updated Poverty Income Guidelines page 2

Insert Weatherization Program Notice for Updated Poverty Income Guidelines page 3

Insert Excel Spreadsheet with current poverty guidelines

Insert E\$P State approved Weatherization Application page 1

Insert E\$P State approved Weatherization Application page 2

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(E\$P)**

POLICY NUMBER/SUBJECT:	301.3-Outreach/Client Services: Confidentiality
DATE:	January 1, 1999
SUPERSEDES:	301.3, 4/1/87

DISCUSSION: It is the policy of E\$P that any and all information regarding clients be handled with the utmost confidentiality. All information required during the application and determination of eligibility is to be protected against indiscriminate access by Local Administering Agency (LAA) staff, and is not to be made available for public review. This information is to be placed in a secured storage area during its use and during the required record retention period. Accessibility to LEAP client lists is to be limited to pertinent LAA staff, the LAA's financial and compliance auditor, and State E\$P staff or their authorized representatives. It is a breach of confidentiality for the LAA to provide the local utility companies more information than necessary to secure the release of fuel consumption data. For this reason, LAAs must separate the utility release form from the client application to prevent having to submit the full application to the utility.

Subcontractors are to be provided only the minimum amount of information required, regarding the client, which is necessary for provision of the contracted service. Also, the utmost discretion is to be used when photographing a client's home, including the LAA securing written authorization prior to the photographing when the client's home will be recognizable by the photograph (broad views of home versus detailed photos of windows, doors, etc.).

LAA(s), contractor(s) and/or subcontractor(s) will maintain no information about any individual in a manner that would violate the provision of the Privacy Act of 1974, as amended.

Breach of confidentiality by the LAA may be grounds for suspension and/or termination of funding.

SUPPORTING REFERENCE: The Privacy Act of 1974 (PL 93-579).

CROSS REFERENCES:

SUPPLEMENTARY RESOURCES:

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(E\$P)**

POLICY NUMBER/SUBJECT:	301.4 - Outreach/Client Services: Service Priorities
DATE:	July 1, 2000
SUPERSEDES:	301.4, 1/1/99

DISCUSSION: DOE and LEAP require that service provisions priorities be given to all of the following: the Elderly, Persons with Disabilities and Most in Need. Within these parameters, Local Administering Agencies (LAAs) are encouraged to give highest priority, in terms of selecting houses for service, to (1) those with health/safety emergency situations within the scope of the program and (2) those which have the greatest potential for reducing consumption (not as a percentage but in terms of units of energy). Recognizing that it is difficult to determine the energy savings potential of a structure without incurring significant overhead costs, agencies are free to use their own discretion in implementing this objective. The intent that should direct agency decisions and actions is to achieve the greatest possible return on the funds available for investment in energy conservation.

Elderly: Aged 60 or over.

Persons with Disabilities: Persons who receive vocational rehabilitation assistance, Social Security Disability, Supplemental Security Income, Old Age Pension (A or B), Aid to the Blind (both the SSI-supplement and State only groups), Aid to the Needy Disabled (both the SSI-supplement and State-only groups), veterans with 100% disability payments, or those who provide a physician's statement which indicates incapacity to engage in gainful employment.

Most in need: This is generally defined as those households with the lowest income, highest energy costs in relation to the number in the household, and other factors determined by the LAA to be reflective of need (such as condition of the home, children as defined by 10 CFR 440.3, single parent households, etc.). LAAs will be evaluated on their provision of services to high priority groups, as approved in the LAA's plan.

NOTE: Outreach must be conducted to the degree that the LAA has a pool of applicants from which to choose, or at least there is outreach which concentrates on the highest priority households (such as via the consumption data on the LEAP lists provided). A "first-come, first-served" approach to service provision is not acceptable.

SUPPORTING REFERENCE: 10 CFR 440.3 "Definitions".

CROSS REFERENCE: E\$P Policy 102: "Local Agency Standing Determination".

SUPPLEMENTARY RESOURCES:

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(E\$P)**

POLICY NUMBER/SUBJECT:	301.5 - Outreach/Client Services Restriction on Reweathering
DATE:	January 1, 2003
SUPERSEDES:	301.5, 7/1/01

(A) Policy Objective

This policy clarifies when a unit can be reweatherized.

(B) Approval Process

(1) If a unit was weatherized between September 30, 1975 and September 30, 1993 and prior approval has been obtained from the State (see (4) below), E\$P funds may be used to reweatherize the unit. Also, if a unit has been weatherized since September 30, 1993, it may be reweatherized if it has been damaged by fire, flood, or act of God and the repair of the weatherization materials is not covered by insurance (10 CFR 440.18(e)(2)).

(2) Units that received only heating system efficiency work and/or low-cost/no-cost services may be weatherized in E\$P and counted toward production if approved by the E\$P State Office.

(3) Each agency may propose a reweatherization production goal as part of the annual proposal. The proposed goals will be approved if the total of all proposed units is at or below the DOE-approved reweatherization total in the current State Plan.

(4) Dwelling units partially weatherized under this program or under other federal programs during the period of September 30, 1975 through September 30, 1993 may receive further financial assistance for weatherization under this program provided that:

- a. A plan for completing the units has been approved by the State; and
- b. The occupant reapplies for assistance under the program and is certified to be eligible; and
- c. The local agency prioritizes the application with all others adhering to program priorities; and
- d. A new energy audit is performed.

(C) Reporting Criteria

(1) The reweatherized units are not counted as completed units against your minimum production goal, unless the unit meets the requirements stated in (B)(2). The units will count when calculating the Local Administering Agency's (LAA's) per unit average.

(2) Reweatherized units that fall under the above guidelines and under Xcel guidelines will be eligible for Xcel reimbursement.

(Policy 301.5 continued)

(D) Energy Crisis Relief

The following changes to this policy will go into effect when the State has determined that an energy emergency has been declared:

- (1) Subgrantees will be allowed to re-weatherize units completed prior to September 30, 1993 and count these towards production.
- (2) This provision may only be used if there is a major measure such as attic, side wall and perimeter/sub floor insulation or furnace replacements to be installed in the house.
- (3) All other provisions of Policy 301.5 will remain unchanged.

SUPPORTING REFERENCE: 10 CFR 440.18(e)(2) “Allowable expenditures”. Weatherization Program Notice 01-7

CROSS REFERENCES: ESP Policy 108.1: “Records Retention (and Reweatherization Prevention)” and 310: “Callbacks on Units Completed During a Prior Grant Period”.

SUPPLEMENTARY RESOURCES:

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(E\$P)**

POLICY NUMBER/SUBJECT:	303 - Training and Technical Assistance/Client Education
DATE:	January 1, 1999
SUPERSEDES:	303, 4/1/89

DISCUSSION: The allowable uses of Training and Technical Assistance (T&TA) funds are listed in Policy 202, "Allowable Expenditures".

Since T&TA funds have several potential uses, the State is establishing the following policy regarding priorities for use of these funds. This is done to assure that available T&TA funds are used to adequately address the highest priorities first with remaining funds, if any, applied to lower priorities. The priorities are as follows:

1. Staff training - Budgeting adequate funds to maintain staff with the basic skills necessary to perform their functions. Budgeting should take into account available state-provided training and staff turnover.
2. Client education – See Policy 303.1.
3. Necessary equipment to improve efficiency - Office and field equipment, with prior State approval as necessary.
4. Staff involved in training or improving efficiency - That portion of staff or board member costs associated with the time involved in conducting training, improving operating efficiency or evaluating program effectiveness.

SUPPORTING REFERENCE: 10 CFR 440.23 "Oversight, training, and technical assistance".

CROSS REFERENCES: E\$P Policy 202: "Allowable Expenditures" and 303.1: "Client Education".

SUPPLEMENTARY RESOURCES:

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(ESP)**

POLICY NUMBER/SUBJECT:	303.1 - Client Education
DATE:	January 1, 1999
SUPERSEDES:	303.1, 4/1/99

DISCUSSION: Client education is an integral component of the energy conservation services provided to our clients. Effective client education can increase the energy savings of the weatherization measures installed on clients' homes. Therefore, with the intention of strengthening the client education portion of the ESP Program, the following policies have been adopted:

1. Clients are to be informed of the measures installed in their home and how they can interact with their home to increase the potential energy savings.
2. A mixture of verbal and written communication is to be used including, but not limited to, the distribution and explanation of the client education booklet developed by the State and the Local Agencies.
3. The above information should be presented with the following concepts in mind:
 - a. Quality education can empower the client to have some degree of control over the energy consumed by the household. Clients will generally respond positively to the sense of empowerment and control over their home.
 - b. The educator must be perceived to be trustworthy and well-informed.
 - c. Information should be presented clearly and concisely.
 - d. Limit the number of ideas conveyed - emphasize the important messages.
 - e. The key points should be consistently reinforced through all stages of work - from intake through inspection.
 - f. Assume that you will succeed in conveying useful information to every client - do not prejudge the client on the basis of race, color, gender or any other criteria.
 - g. Recognize that, despite your best efforts, there will be some failures due to apathy, distractions or other causes.

SUPPORTING REFERENCES:

CROSS REFERENCES: ESP Field Guide, page 12 and 34, "Client/Owner Education".

SUPPLEMENTARY RESOURCES:

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(ESP)**

POLICY NUMBER/SUBJECT:	304 - Fuel Consumption Data
DATE:	July 1, 2000
SUPERSEDES:	304, 1/1/99

DISCUSSION: Local Administering Agencies (LAAs) are responsible for obtaining access to fuel consumption data on all units served. This data is to include approximately twelve months preceding weatherization of the unit.

The state office or Xcel Energy will retrieve post-weatherization consumption data on randomly selected units in order to perform energy savings evaluations.

LAAs are encouraged to collect pre-weatherization utility consumption data and evaluate prior to weatherization. This data can assist in targeting services to where they can have the greatest impact (return on investment).

NOTE: For units that are served because of LEAP eligibility, LEAP has obtained access to fuel consumption data for LAAs; therefore, LAAs are authorized to collect utility consumption data for LEAP eligible weatherization clients without having an additional utility release signed by the client.

SUPPORTING REFERENCES:

CROSS REFERENCES:

SUPPLEMENTARY RESOURCES: 10 CFR 440.21 "Standards and techniques for weatherization".

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(ESP)**

POLICY NUMBER/SUBJECT:	306.1-Rental Housing: Equality in Service Provision
DATE:	January 1, 1999
SUPERSEDES:	306.1, 4/1/89

DISCUSSION: The Local Administering Agency (LAA) shall conduct outreach and provide services in a manner which treats clients in individually metered rental living situations equally with clients who are homeowners .Any LAA failing to treat rental and home owning clients equally is in violation of regulations. Such violation may affect agency's standing.

SUPPORTING REFERENCES: 10 CFR 440.22 "Eligible dwelling units"

CROSS REFERENCES: ESP Policy 102: "Local Agency Standing Determination" and 306.2: "Rental Housing: Landlord Agreements".

SUPPLEMENTARY RESOURCES:

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(ESP)**

POLICY NUMBER/SUBJECT:	306.2 - Rental Housing: Landlord Agreements
DATE:	July 1, 2005
SUPERSEDES:	306.2, 1/1/03

DISCUSSION: It is the responsibility of the Local Administering Agency (LAA) to establish a procedure for assuring that "rents shall not be raised because of the increased value of the dwelling units due solely to weatherization assistance provided". It is the policy of ESP that the State office shall prepare a landlord agreement document addressing this concern. The document is to be signed by the landlord or an authorized agent and retained in the file of each client in a rental living situation. This agreement must be completed before approving the client's application. (See ESP State-approved landlord agreement.)

The landlord agreement states that there may be no rent increase on the unit for a "reasonable period of time" after the weatherization work, unless the increase is due to factors other than the weatherization work. Local agencies are expected to receive tenant complaints regarding rent increases and refer them to organizations (legal aid, tenant-landlord mediation organizations, etc.) which can assist a tenant to resolve a complaint regarding the rent being raised.

Landlord Financial Participation: In the case of rental units, a minimum of 50% of the total cost for heating system and/or refrigerator replacements must be contributed by the owner. This requirement is waived if the owner is also eligible for ESP services and eligibility is verified and documented as stated in Policy 301.2. It is preferred that landlords fully cover the cost of replacing forced-air furnaces.

Candidates for heating system replacement include: 1) heating systems with cracked heat exchangers, verified visually, 2) open combustion mobile home furnaces with combustion safety problems, and 3) heating systems where repair costs exceed 40% of replacement costs. Awards to heating contractors by Local Administering Agencies (LAAs) for new heating system installations must follow ESP procedures for bidding and awarding work. Condensing forced-air furnaces are not allowable furnace replacement equipment.

Candidates for refrigerator replacement include: Refrigerators that meet the energy usage guidelines specified in the ESP Field Guide, page 75 Refrigerator Assessment. Also, 10 CFR 440.22(d) allows agencies to require financial participation from the building owners in order to perform weatherization services on multi-family buildings. Such financial participation is not considered as program income. Agencies will also be allowed to protect the federal investment in rental property by placement of liens or other contractual restrictions.

SUPPORTING REFERENCE: 10 CFR 440.22(d) "Eligible dwelling units".

CROSS REFERENCES: ESP Policy 301.2: "Outreach/Client Services: Client Eligibility Criteria", and ESP Field Guide, page 75, "Refrigerator Assessment"

SUPPLEMENTARY RESOURCES: ESP Field Guide page 75 "Refrigerator Assessment"

Insert E\$P State approved Landlord/Owner Permission Form

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(E\$P)**

POLICY NUMBER/SUBJECT:	307 - Multi-Family Unit Housing: Eligibility Determination
DATE:	July 1, 2005
SUPERSEDES:	307, 7/1/01

(A) Policy Objective

- (1) This policy defines the approval process for the weatherization of multi-family structures.
- (2) This policy defines the Database reporting requirements for multi-family structures.

(B) General Procedure

(1) Type 1 - Town House, Row House, Garden Apartments

Characteristics: Heating fuel and electricity are individually metered and paid for directly by client. Usually have two or three exterior walls. The ceiling and foundation are exposed to the exterior. Each unit has a furnace and water heater.

Procedure: Energy Audit requirements, Generic Priority Lists and the E\$P Field Standards apply. Count each unit as one full unit. It is not necessary to assess the entire building shell. Blower door tests are not required. Each unit must have a qualified client occupying the home.

(2) Type 2 - Low and Mid Rise Apartment Buildings

Characteristics: Heating fuel and electricity are individually metered and paid for directly by client. Each apartment has two or three exterior walls. There are upper and lower apartments. Each qualified unit has either a ceiling or a foundation exposed to the exterior. Each unit has a furnace and water heater.

Procedure: Only units that have at least one surface insulated or receive some other major measure will count as full unit. Each unit may be qualified individually, or two thirds of the entire building occupant capacity must qualify. It is not necessary to assess the entire building shell, unless all units in the building will be counted. Energy Audit requirements, Generic Priority Lists, and the E\$P Field Standards apply. Blower door tests are not required.

(3) Type 3 - Low, Mid, and High Rise Apartment Buildings

Characteristics: There is a central heating system. The building owner is responsible for heating fuel costs. Clients may or may not pay for electricity individually. The entire building must be assessed and a proposal must be submitted to the State E\$P Energy Services staff for approval.

Procedure: The E\$P Multi-Family Proposal Protocols must be followed. The number of units counted will be based on investment and savings. Generally the number of units to be counted will be determined by dividing the agency's investment in the project by the agency's average Operations investment .

Example: The agency contributes \$30,000 in materials and on-site labor.

The agency average operations cost is \$1200. The number of units to be counted in a multi-family building project will be $\$30000 / \1200 , or 25 units. Using this formula the total number of units credited towards production may not exceed the total number of units present in the building.

Policy 307 (cont.)

For agencies wishing to submit units for Xcel Energy reimbursement, prior approval will need to be negotiated with the Xcel E\$P Program Manager.

(4) Type 4 - Group living homes, Temporary Shelters

Characteristics: These units have sleeping quarters, but no individual kitchen facilities. The entire building shell must be assessed and addressed.

Procedure: If the building floor area is less than 4000 square feet, the agency may count one unit of production for each 800 sq. ft. of floor area. If the building is over 4000 square feet, The number of units counted will be based on investment and savings. Generally the number of units to be counted will determined by dividing the agency's investment in the project by the agency's average Operations investment . Energy Audit requirements, Generic Priority Lists and the E\$P Field Standards apply. If more than four units of production will be counted, Multi-family Proposal Protocols must be followed.

For agencies wishing to submit units for Xcel Energy reimbursement, prior approval will need to be negotiated with the Xcel E\$P Program Manager.

(C) Multi-Family Proposal Protocols

1. Complete multi-family proposal must be submitted in writing to the state E\$P Energy Services staff prior to April 15th of the program year in which they will be completed.
2. Whole buildings, containing five or more dwelling units, that are being considered for weatherization must be submitted to the State E\$P Staff for approval prior to initiating work.
3. The submission or proposal must include the following:
 - a. Client intake and qualification documentation for the appropriate number of clients.
 - b. A thorough assessment of the entire building shell.
 - c. An efficiency assessment of the space and water heating systems.
 - d. An assessment of the electric base load and potential base load measures.
 - e. An assessment of the cooling load and potential cooling load measures.
4. An Engineers evaluation may be used to determine heating, and cooling loads, and to make recommendation for improved energy savings; with prior approval from State Staff.
5. Documentation of utility usage.
6. A prioritized list of measures based on an appropriate computerized energy audit or other approved approach.
7. The total number of units to be considered.
8. An estimate of material and on-site labor costs for the project , and an estimate of the agencies material and on-site labor average (average labor hours x average labor rate) cost for their site-built production.
9. A break down of the agency and owner financial participation in the cost of the proposed project.
10. Significant financial participation by the building owner is required for capital intensive measures. This is defined as 50% of the total cost for replacement windows, heating system replacements, and/or refrigerator replacements. A lower amount may be negotiated, based on the financial

Policy 307 (cont.)

hardship of the owner and the total energy savings of the project. The minimum participation level shall not be lower than 33% of the total cost for these measures.

11. In order to qualify a building under the 50% eligibility rule, the agency must also:
12. Demonstrate that significant energy savings will be achieved as a result of the work.
13. Obtain leveraged funds for sharing in the cost of projects where there will be major expenditures for measures, other than insulation measures.
14. Training for maintenance staff should be provided if major work is to be done on the heating or cooling system, and/or there are a significant amount of repairs that are necessary.
15. Multi-family projects should include plans for tracking post utility consumption for analysis.
16. Blower Door readings are not required for multi-family buildings. Air leakage work should be performed if a visual assessment of the building shell indicates that there is significant heat loss due to air leakage.

(D) Approval Process

(1) Multi-family Structures With Four (4) or Less Dwelling Units

(a) The weatherization of multi-family structures that contain four (4) housing units or less is allowed provided an E\$P-approved energy audit is conducted (using an audit applicable to the structure).

(b) Listed below are the options for weatherizing multi-family structures with four (4) or less dwelling units;

(i) Duplex: In a duplex, the eligible dwelling unit alone may be weatherized or the entire duplex may be weatherized.

(ii) Triplex and Fourplex: In a triplex or fourplex, a single eligible dwelling unit alone may be weatherized. If there are two (2) eligible units in the building, the eligible units alone may be weatherized or the entire structure may be weatherized.

(2) Multi-family Structures Containing Five (5) or More Dwelling Units

Individual units may be weatherized if they meet the eligibility guidelines referenced in Policy 301.2, or the whole building may be weatherized if at least 50% of the units are eligible and the following criteria are met:

(a) The Energy Services Staff, in consultation with Xcel Energy staff when applicable, must approve the weatherization of all multi-family structures with five (5) or more dwelling units prior to receiving weatherization services.

Policy 307 (cont.)

(b) Significant financial participation from the building owner and on-site training of the building maintenance staff is required if major heating system improvements are installed and/or necessary repairs.

(c) The criteria used by the Energy Services Staff to determine the approval of a multi-family structure with five (5) or more units are listed below:

- (i) Significant energy savings and leveraged resources must be documented.
- (ii) The number of units counted towards the agency production goal will be determined by the audit and in consultation with the E\$P staff. The unit count will be based upon the number of major measures completed and the number of units receiving direct benefit from the measures installed.

(d) If (c) (i) cannot be met then the whole building may be weatherized if 66% of the units are eligible. E\$P State staff will determine the number of units that can be counted towards production.

(E) Reporting Criteria

(1) For job reporting in the Database, the “Number of Units” field shall reflect the total number of dwelling units in the structure.

(2) For multi-family structures, with four (4) or less dwelling units the number of jobs to be entered in the Database for reimbursement is the units in the structure which received weatherization services.

(3) For multi-family structures, with five (5) or more dwelling units, the number of jobs to be entered in the Database for reimbursement will be determined through the approval process described in (B) above.

SUPPORTING REFERENCE: 10 CFR 440.22(b) “Eligible dwelling units”, Weatherization Program Notice 01-1 (5.2).

CROSS REFERENCE: Policy 204.1 “Waiver Provisions”

SUPPLEMENTARY RESOURCES: E\$P Field Guide, pages 51-55, Multi-Family Building Policy and Protocols.

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(E\$P)**

POLICY NUMBER/SUBJECT:	308 - Non-Conventional Housing Situations Guidelines for Service Provision
DATE:	July 1, 2005
SUPERSEDES:	308, 4/1/93

DISCUSSION: Under the DOE rules, Group Homes and Shelters are eligible for weatherization services. Income documentation on individual residents is not required. Rather, document the eligibility criteria of the facility. For the purpose of determining how many dwelling units exist, an agency may count each 800 square feet or each floor of the facility as a dwelling unit.

As per the attached memoranda, church-owned property and new construction are not eligible for weatherization assistance. The attached memoranda are applicable to both DOE and LEAP programs.

308.1 -Eligibility of Group Home residences for Weatherization Assistance - See attached DOE Memo.

308.2 -Eligibility of Church-Owned Property for Weatherization Assistance - See attached DOE Memo.

308.4 -Weatherizing New Construction - prohibited. See attached DOE and E\$P memos.

Non-conventional Dwelling Types

Structures not built for permanent habitation, or not fit for permanent habitation, may not be receive services with E\$P funds. These types of structures include motor homes, buses, tents, recreational vehicles, barns, stables, chicken coops, sheds, temporary fabrications, cardboard boxes, and dumpsters. Waivers may be granted for unusual circumstances, through the State E\$P Office.

SUPPORTING REFERENCES: 10 CFR 440.22 “Eligible dwelling units”, Memos attached as subsections (see above).

CROSS REFERENCES:

SUPPLEMENTARY RESOURCES: E\$P Field Guide page 53 “Type 4- Group living homes, Temporary Shelters”

**Department of Energy
Washington.. D.C. 20585**

June 3, 1980

TO: Sandy Monje
Program management Division
Weatherization Assistance Program

FROM: Catherine Edgerton
Office of General Counsel

SUBJECT: Eligibility of Group Residences for Weatherization Assistance

With regard. to the memorandum to Joe LaGrone from Region I, dated February 6, 1980, (copy attached) concerning the eligibility of group residences (i.e., non-profit halfway houses, homes for retarded adults, etc.), for weatherization assistance funds, I have the following comments:

A. Eligibility as a "Dwelling Unit"

Section 440.20 of the regulations (Interim Final Rule, 45 FR 13028, February 27, 1980) describes eligible dwelling units as follows:

"No dwelling unit shall be eligible for weatherization assistance under this part unless it will be occupied in accordance with the provisions of 440.15(b) (2) (ii) or is occupied by a family unit -

- (a) Whose income is at or below 125% of the poverty level determined in accordance with criteria established by [OMB]; ... or
- (b) Which contains a member who has received cash assistance payments under Title IV or XVI of the Social Security Act or applicable State or local law during the 12-month period preceding the determination of eligibility for weatherization assistance."

To further clarify -

440.3 of the regulations (Interim Final Rule) defines "Family Unit" as "all persons living together in a dwelling unit." And, "dwelling unit" is defined as a "house, including a stationary mobile home, an apartment, a group of rooms, or a single room occupied as separate living quarters."

One could argue that the halfway house, as described in the attached memorandum could qualify as a "dwelling unit" based on this analysis: (1) the halfway house is a "dwelling unit" under 440.3 of the regulations; (2) if the

residents of the halfway house live there on a permanent basis (i.e., this home is their primary place of residence), they could be defined as a “family unit” under 440.3 of the regulations; (3) finally, if the aggregate family unit meets the requirements of 440.20 (a) with regard to income level or a member of the family unit has received cash assistance payments in accordance with 440.20(b) of the regulations, the halfway house could be eligible for weatherization funds.

B. Eligibility as a “Rental Dwelling Unit”

In the alternative, one might be able to argue that a halfway-house is a “rental dwelling unit” if rent is charged to the residents or the State pays rent subsidies to the halfway house on behalf of its residents.

Section 440.3 defines “rental dwelling unit” as “a dwelling unit occupied by a person who pay rents for the use of the dwelling unit.”

Additionally, under 440.15 (b) of the regulations (Interim Final Rule), as a building containing rental dwelling units, the halfway house would be eligible for weatherization assistance where -

- (1) The sub-grantee has obtained the written permission of the owner or his agent;
- (2) Not less than 66 percent of the dwelling units in the building –
 - (i) are eligible dwelling units [see 440.20] or
 - (ii) will become eligible dwelling units [sic] 180 days, under a Federal program for rehabilitating the building or making similar improvements to the building; and
- (3) The grantee has established procedures approved by the Regional Representative to insure that –
 - (i) Rents shall not be raised because of the increased value of the dwelling units due solely to weatherization assistance provided under this part; and
 - (ii) No undue or excessive enhancement shall occur to the value of the dwelling units.”

Therefore, as one could argue that if the halfway house could be defined as a “rental dwelling unit” under 440.3 and the unit also meets the conditions of 440.15 (b) and 440.20 of the regulations, as described above, the halfway house would be eligible for weatherization assistance.

In conclusion, the regulations do not appear to specifically exclude halfway houses from coverage. However, one would have to examine each such unit on a case-by-case basis to determine eligibility for weatherization assistance.

cc: Susan Caplan

**Department of Energy
Washington, D.C. 20585**

December 9, 1980

TO: Sandy Monje

FROM: Cathy Edgerton
Office of General Counsel

SUBJECT: Eligibility of Church-Owned Property for
Weatherization Assistance

I have spoken to David Kleinberg, telephone 395-4920, who works in OMB's Income Maintenance Division. His office is responsible for publication of the Poverty Income Guidelines, which, as you know, are used to determine eligibility for funding under the weatherization program.

Mr. Kleinberg said that he was very familiar with WAP, and agrees with OGC's position that members of religious groups, living in church-owned dwellings are not eligible for weatherization assistance. He said that these groups certainly do not fall within the OMB poverty income guidelines. In the case of nuns, they may even be paying social security. Mr. Kleinberg said that the OMB poverty guidelines are intended to cover only the "civilian non-institutionalized population."

cc: Susan Caplan

STATE OF COLORADO

DIVISION OF HOUSING

Tom Hart, Director

Department of Local Affairs



Roy Romer Governor
Larry Kallenberger Executive Director

TO: RECAP/ESP WEATHERIZATION AGENCIES

FROM: LINDA GUSS AND URSULA MELNIC

DATE: AUGUST 22, 1995

SUBJ: INELIGIBLE UNITS: ALL NEW CONSTRUCTION UNITS, INCLUDING HABITAT FOR HUMANITY

We have just received official word from DOE, via Marian Downs, that we are not to weatherize ANY units that are classified as new construction. Marian also verified this with Greg Reamy at DOE Headquarters. According to Marian, any DOE expenditures used to weatherize new construction, including Habitat for Humanity, will be disallowed. If you have done or are doing any new construction, please contact one of us immediately so we can resolve it quickly.

The references given to substantiate this interpretation are as follows:

1. 10 CFR 440.1 Purpose and Scope. This part contains the regulations adopted by the Department of Energy to carry out a program of weatherization assistance for low-income persons established by the Energy Conservation in Existing Buildings Act of 1976 ... It is the purpose of this part to implement a weatherization assistance program to increase the energy efficiency of dwellings owned or occupied by low-income persons...
2. 10 CFR 440.3 Definitions.
"Act" means the Energy Conservation in Existing Buildings Act of 1976...
3. 10 CFR 440.14 (b) (9)(xi) State Plans.
Procedures for determining the most cost-effective measures in a dwelling unit or a statement that Project Retro-Tech or another DOE-approved audit will be used;
4. 10 CFR 440.22 (a) Eligible dwelling units.
A dwelling unit shall be eligible for weatherization assistance under this part if it is occupied by a family unit...

1313 Sherman Street, Room 323, Denver, Colorado 80203 (303) 866-2033 FAX(303)866-4485 TDD (303) 866-5300

RECAP/ESP WEATHERIZATION
AGENCIES Page 2
August 22, 1995

5. Additional reasons given by Headquarters include:
 - a) Any new construction, especially government assisted units, should be built to meet minimum standards which include substantial weatherization. Although this may not meet the standards of our program, if an audit was done on the completed unit, there would more than likely not be any major measures showing up on the priority list.
 - b) According to DOE estimates, the program has achieved a 250 penetration level, which means that there are too many EXISTING units to weatherize to be working on new construction. There is such a backlog of existing units to be weatherized that it does not make sense to put these ahead of existing units.

This memo supercedes the section in RECAP Policy #202 which authorizes the weatherization of some new construction units, with Habitat for Humanity being specifically mentioned. This policy will be revised for the next program year.

If you have any questions, you may contact your Administrative Program Specialist, Linda Guss at (303) 620-4292 or Ursula Melnic at (303) 866-2146.

cc: KSue Anderson
Marian Downs

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(ESP)**

POLICY NUMBER/SUBJECT:	310 – Callbacks and Go-Backs
DATE:	July 1, 2005
SUPERSEDES:	310, 1/1/99

DEFINITION: A callback is a unit which requires corrective work after the grant period during which the work was originally performed has closed. If the additional work is in the same grant year that provided the original work, then this is not a callback.

DISCUSSION: It is the policy of ESP that every unit turned in as completed meets all applicable requirements of the ESP Field Guide, and that the work performed continues to function as intended for at least one year, excluding abuse, lack of normal maintenance, fire or other unusual circumstances of accident or weather. Some problems that may arise are covered by 10 CFR 440.18e (2) while other situations may be less clear. The following criteria and procedures are offered to provide a better understanding of the local agency's responsibilities and authority.

I. Client requests for a callback as a result of damage by fire, flood or act of God and repair for the damage to weatherization materials is not paid for by insurance:

(A) The Local Administering Agency (LAA) must request a waiver from the ESP Field Services staff to correct the damage to weatherization materials using currently available ESP funding at the local level.

(B) Unit will not count as a new and will not count toward agency unit minimums. Cost will be included in per unit averages and material percentage calculations, and charged to the appropriate budget categories of the current grant.

II. Client requests for a callback as a result of failure of a weatherization measure, repair, or furnace work to perform as expected within the normal warranty period not to exceed one year after completion of the unit.

(A) If the agency determines that the failure is a result of substandard workmanship or materials, the following options for paying for the correction of the problem are to be explored prior to contacting the State for a waiver:

1. If a subcontractor was involved and the agency determines that responsibility for the callback lies with the subcontractor, the agency should pursue the resolution of the callback with the subcontractor.

2. Will the agency's liability insurance cover the problem and, if so, to what extent will it pay for the corrections?

(B)The unit will not count as a new unit and will not count toward agency unit minimums. Costs will be included in per unit averages and material percentage calculations, and charged to the appropriate budget categories of the current grant.

Policy 310 (continued)

III. If the client requests a callback more than one year after completion and if the agency determines that the problems are a result of substandard workmanship, materials or failure to meet E\$P Standards and Guidelines, currently available grant funds can be used to correct the problems. "Correction" includes redressing measures reported on the original BWR, or measures unjustifiably omitted from the original work but were allowable according to the Field Guide in effect at the time. The unit will not be counted as a completion. Contact the E\$P office for specific instruction and approvals.

IV. Reporting Callbacks to the E\$P Office

(A) Building Weatherization Report

If the additional work is in the same grant year that provided the original work, then this is not a callback, but does require a BWR revision. (See policy 403 for guidance, regarding BWR revisions.) If the work is occurring under a different grant than the original work, then this is a callback. In these situations, no revised BWR is required; however, information regarding the work performed on the callback is to be put in the client's file.

(B) Program-End Callback Reporting

At the end of a grant in which funds were used to perform callbacks on previous years' grant work, a summary report of the callback activity is required as part of grant closeout. (See Policy 108 for closeout guidance.) This summary report must contain the following:

- (1) original job number of each call back unit
- (2) grant and program year of original work
- (3) total material expenditures
- (4) total contract labor expenditures
- (5) total number of callbacks
- (6) total material and contract labor expenditures on all callbacks

GO-BACKS: Work not meeting quality expectations, or measures that were improperly omitted may result in the agency being required to return to a completed unit to make corrections or to perform additional work. Current program year funds will be used. Go-Backs required for work performed by a subcontractor of an agency must be performed under the subcontractor's warranty, and at no cost to the E\$P program.

SUPPORTING REFERENCES: 10 CFR 440.18(e) (2) "Allowable expenditures".

CROSS REFERENCES: E\$P Policy 108: "Closeout Procedures"

SUPPLEMENTARY RESOURCES:

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(E\$P)**

POLICY NUMBER/SUBJECT:	311 - Conditions For Not Providing Services (“Walk-Away”)
DATE:	January 1, 1999
SUPERSEDES:	311, 4/1/94

DISCUSSIONS: The following guidelines were developed to assist Local Administering Agency (LAA) field staff to determine which situations are “beyond the scope” of weatherization and thus represent a home which should not be served under E\$P until the conditions change. Generally, situations which will put the agency staffs’ health at risk should be avoided, at the discretion of the agency. These are only guidelines; the agency is in the best position to develop local operating policies. Whatever local policy is developed, thorough file documentation (notes in the file and photographic evidence) is critical to support any decisions made regarding not serving a home.

I. HAZARDS

(A) Excessive Moisture that the program (or client) can not mitigate. This includes standing water in the crawl space or any other source that is beyond the scope of the program to resolve.

(B) Friable Asbestos in the home or significant enough in various locations that it precludes performing a majority of the most cost effective energy conservation work.

(C) Sewer gas, plumbing leaks or raw sewage/feces that are of a magnitude that puts workers at a health risk.

(D) Volatile organic compounds (VOC’s) and other chemicals on the premises and poorly stored which represent a health risk (via breathing or skin contact) to the workers.

(E) Client behavior which puts the workers at risk (verbally abusive, threatening, etc.) or who, based upon the judgment of the senior staff person in the field, makes the working conditions intolerable for workers.

II. IMPROPER HEATING SYSTEM INSTALLATIONS

Combustion appliance situations that threaten client safety are of great concern to the weatherization program. Attempts should be made to remedy the situation, rather than walking-away. Contact the state Energy Services staff for guidance on specific situations. The following conditions may constitute a “Walk-Away”, only after attempts have been made to correct the problem.

(A) Open combustion heating systems situated in a bedroom, bathroom or closet that cannot be replaced under the E\$P guidelines. This includes all rooms that are used or designed to be used as a bedroom or any enclosed space that has access only through such a room.

(B) Furnaces that have no cold air return and no easy place to put one.

(C) Furnaces that have no service access. Examples include attic furnaces with access doors which crew can not enter through, furnace where client has finished the room around the unit but did not allow enough room to get to the controls and vents. *Such situations should be discussed with supervisory staff.*

Policy 311 (Continued)

(D) Mobile homes with non-mobile home type furnaces. This includes all furnaces that are added to the unit.

(E) Furnaces with no cold air return or hot air delivery system (ductwork). Typically this type of installation is in the middle of a room with limited ductwork. It is particularly important if it has a delivery or return but not both.

(F) Any unvented heater. This includes all types of unvented heaters: portable kerosene space heaters or freestanding gas and propane heaters. Work should only be done at the home if the portable heater can be permanently disabled or vented (with client/owner permission).

(G) Any furnace that is installed in a dangerous manner or can not be brought to code at a reasonable cost (under \$400 cost to the program). Examples: units installed in an area where it could easily be broken.

III. STRUCTURAL

(A) If the house is structurally in a condition that is unsafe or beyond repair (the home needs significant rehabilitation work from another funding source).

(B) A foundation that is not sound and will not support one or more of the walls.

(C) A unit that is under renovation or where original construction is incomplete and completion will require more than one sheet of drywall material. There is the possibility of coordinating weatherization with renovation/rehabilitation work underway; this is a judgment call of the agency's, considering all relevant factors, (timetable for work being done and likelihood of it occurring; option of waiting until work is done thane weatherizing, etc).

(D) Structurally unsound walls where a substantial part of a wall is unstable and that wall is involved in one or more of the desired energy conservation measures for the home; Consult an approved computer audit or priority list, a supervisor, or State Staff.

(E) Major electrical problems where a major portion of the total electrical system appears to be questionable (consult an "expert"); also consult an approved computer audit or priority list.

SUPPORTING REFERENCES:

CROSS REFERENCES: E\$P Field Guide Chapter pages 17, 26, and 42.

SUPPLEMENTARY RESOURCES:

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(E\$P)**

POLICY NUMBER/SUBJECT:	401 – Fiscal Reporting
DATE:	July 1, 2005
SUPERSEDES:	401, 1/1/99

DISCUSSION: The Local Administering Agencies (LAAs) shall prepare and submit a fiscal report monthly to E\$P by the twentieth day of the month. Fiscal reports are to be compiled at the Local Agency using the E\$P Database System prior to submission to the State. The report is to be submitted via modem and a signed copy is required, which may be faxed to the State office. Fiscal reports must be an accurate representation of the LAA's official fiscal records and must be signed by an authorized representative of the LAA verifying the accuracy of the report. The LAA is to fill out the report completely with data that reconciles with the LAA's expenditure and obligation records.

Late or inaccurate reports constitute a contract violation and will be addressed accordingly.

Guidance on the fiscal report is attached as part of this section.

NOTE: If an agency anticipates a significant expenditure to occur in the next month, then it is the agency's responsibility to communicate this via the comments section on the fiscal report. Then this amount can be included in the reimbursement. Otherwise, the reimbursement will only reflect the expenditures reported.

SUPPORTING REFERENCE: 10 CFR 600.122 "Payment".

CROSS REFERENCES:

SUPPLEMENTARY RESOURCES:

**COMPLETION OF THE FISCAL REPORT
(POLICY 401-7/1/05)**

The following are guidelines for entering your fiscal information. The numbers you enter on your fiscal each month will fill to the Fiscal Report once the fiscal has been accepted.

- (1) “Project”: Select your Region # from the drop-down menu.
- (2) “Month”: Automatically fills to the month after the last fiscal entered.
- (3) “Type”: Select Interim or Final. All reports are Interim reports up to the last report. The final report (month 12 or 13) can not report any “unpaid obligations” or expenditures over the amounts allowed.
- (4) “Monthly Expenditures” tab: List in this column the expenditures incurred during the report period, as documented in the agency’s fiscal records. Note that the budget numbers from the last accepted budget will appear to the right of this column for reference.
- (5) “Invoiced Obligations” tab: Enter here any unpaid obligations.
- (6) “Comments”: Enter comments as needed.
- (7) “Save”: Click this button if you only want to Save the fiscal for possible editing before you transfer your data to the State. You will then need to close out “Add Fiscals” and go to “Edit Fiscals” to edit your fiscal. **The fiscal must be accepted before transfer to the State.**
- (9) “Accept Fiscal”: Click this button once you have your numbers in correctly for the month to be reported. You will not be able to edit the fiscal once you click on “Accept Fiscal”.

To print your fiscal report, go to “Fiscal Reports Switchboard”, click on the month you would like to print, enter the name of the person preparing the report and the date, and as long as you have **accepted** your fiscal, you will see your numbers appear in this report.

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(ESP)**

POLICY NUMBER/SUBJECT:	403 – Building Weatherization Report
DATE:	July 1, 2005
SUPERSEDES:	403, 7/1/04

DISCUSSION: The Local Administering Agency (LAA) shall complete and submit a Building Weatherization Report (BWR) for each unit served. The BWR, once completely filled out, serves as formal documentation of the LAA's completion of the unit. Only BWR's input to the ESP database will be accepted by the ESP as documentation of the completed unit. BWR's are to be submitted monthly to ESP along with the other required fields for each unit in the 'Jobs' menu.

The following criteria are to be used by the LAA in reporting job information to the State.

Attic Insulation: 1) Field personnel will indicate to the data entry person when the measure will be counted. 2) The criteria that they will use will be that at least 100 sq. ft. of area in that unit has received attic insulation

Wall Insulation: 1) Field personnel will indicate to the data entry person when the measure will be counted. 2) The criteria that they will use will be that at least 100 sq. ft. of area in that unit has received wall installation.

Floor Insulation: 1) Field personnel will indicate to the data entry person when the measure will be counted. 2) The criteria that they will use will be that at least 100 sq. ft. of area in that unit has received floor insulation.

Duct Insulation: 1) Field personnel will indicate to the data entry person when the measure will be counted. 2) The criteria that they will use will be that at least 25 linear feet of furnace ducts have been insulated.

Perimeter Insulation, (includes Mobile Home Perimeter or Skirting Insulation): 1) Field personnel will indicate to the data entry person when the measure will be counted. 2) The criteria that they will use will be that at least 25 linear feet in that unit has received perimeter insulation.

Rim Joist Insulation: 1) Field personnel will indicate to the data entry person when the measure will be counted. 2) The criteria that they will use will be that the unit has received at least 50 linear feet of rim joist insulation.

Refrigerator: 1.) If the refrigerator is replaced as a result of the ESP program, the measure may be reported only after the new refrigerator has been ordered. 2.) The criteria for replacement must meet the ESP Field Guide (page 75) Refrigerator Assessment and Replacement.

Storm Windows: At least one storm window was installed at that unit

Health and Safety: 1) This measure will be counted when a repair as defined in the ESP Field Guide, page 41 Allowable Health and Safety Repairs. has been performed at that unit 2) The measure will be counted regardless of whether materials dollars are expended for that measure or that amount 3) The measure of will not be conducted if it is counted in another category, i.e., Furnace Replacement.

Furnace Replacement for Efficiency: Furnace is replaced as a cost effective energy conservation measure. Per ESP Policy 204.1, only Waiver issued and Pilot approved replacements for efficiency may be counted.

Furnace Replacement for Health and Safety: If the furnace is replaced as a result of the ESP program, regardless of who pays for it, count the measure.

Policy 403 (continued)

Water Heater Replacement: If the water heater is replaced as a result of the ESP program, regardless of who pays for it, count the measure.

Labor Hours: Labor hours will begin at the time of arrival at the clients home and will end at the time of departure from the home. Lunch time will not be included. On-site labor hours will be tracked for in-house auditing, inspecting, installation of measures, furnace work and client education.

Health and Safety Labor Hours: All on-site labor hours spent performing work to address health and safety issues at the client's home. Approved health and safety work on combustion appliances includes furnace replacement, carbon monoxide mitigation, heat exchanger replacement, burner replacement, installation of combustion-air duct, repairing gas/propane leaks, installing propane sniffer for below grade use, chimney cleaning/lining, and installation of carbon monoxide and smoke detectors. Approved moisture mitigation work includes, water heater tank replacements (not fuel conversions), installation of mechanical ventilation systems, installation of ground moisture barrier, and installation of clothes dryer venting. NOTE: Tracking health and safety labor hours is optional. If the LAA chooses to not track health and safety hours in-house, the State will assume an average labor cost per job based on previous performance.

SUPPORTING REFERENCES:

CROSS REFERENCES: ESP Field Guide page 9, 11, and 75.

SUPPLEMENTARY RESOURCES:

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(E\$P)**

POLICY NUMBER/SUBJECT:	405 - Plan Revisions
DATE:	January 1, 2005
SUPERSEDES:	405, 1/1/99

DISCUSSION: It is the policy of the E\$P that a Local Administering Agency (LAA) may not deviate from the budget and production totals set forth in the funding contract or award letter without first requesting and receiving prior written authorization from E\$P. Prior approval requests must be submitted to E\$P along with a revised Budget Support Sheet IV (Budget) or Budget Support Sheet V (Production). Copies of each are attached as part of this section. The last date for submitting a plan/budget amendment is April 20.

The budget line item amounts set forth in the funding contract or award letter may be revised through the use of a plan revision. The original allocation of Administration, Leveraging, and T&TA funds cannot be increased. The movement of budget amounts to do more units is allowable and does not require prior approval budget revision.

The total allocation of Federal funds, Administration, Leveraging, and Training and Technical Assistance funds can only be increased via an amended award letter. At program year end, small adjustments in the other budget categories are allowable. However, the cumulative amount of these adjustments may not exceed ten percent (10%) of the last approved budget.

Expenditures which deviate from the amounts set forth in the contract, without prior written approval from E\$P, may be classified as questioned costs and will be addressed as such. A brief narrative with an explanation for the proposed changes must be submitted with any proposed revisions.

Requests by E\$P agencies to reduce production totals will be reviewed/approved in consultation with the Xcel –E\$P program managers.

REVISION PROCEDURE: When proposing a revised budget and/or production plan, prepare the revision on forms BSS-IV or V. The request should be signed by the authorized agency representative and submitted for approval to the E\$P office. Once approved by the E\$P office, the budget and/or production schedule should be changed in the E\$P database. This is accomplished using the ‘Edit Budget’ on the Budget page of the database. The comments section under the ‘Misc’ tab should be used to indicate that an approved budget revision has been entered into the database.

SUPPORTING REFERENCES: 10 CFR 600.125 (as general guidance regarding budget adjustments)

CROSS REFERENCES:

SUPPLEMENTARY RESOURCES: Request for Proposals (RFP) document (Current).

Budget support sheet document

Budget support sheet document

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(E\$P)**

POLICY NUMBER/SUBJECT:	406 – Required Notification of State
DATE:	January 1, 2005
SUPERSEDES:	406, 1/1/99

DISCUSSION: As changes occur in any of the items listed below, the Local Administering Agency (LAA) must inform the E\$P office of such changes in a timely manner, in writing, as noted in each item listed below.

- Legal status of the organization (by-laws, articles of incorporation) - inform the E\$P office before a change occurs and submit the change within two weeks of occurrence.
- Board members and officers-within two weeks of occurrence.
- Signature authority for fiscal reports-within two weeks of occurrence.
- Staffing changes in “key” positions (positions which interact with the E\$P Office) - inform the E\$P office by phone of pending changes and as they occur; notify E\$P office within 30 days of any changes to approved plan and budget resulting from change.

The E\$P office needs to be kept informed of such items, since they can affect program operations.

Regarding LAA-client interactions, the E\$P office is to be informed as soon as one or more of the following are at issue: the E\$P work performed has caused the client to make a health/safety complaint with the LAA; the client complaint could potentially yield media attention; the client (or a representative of the client) has threatened to take legal action. LAAs are asked to use their best judgment in assessing when a potentially serious client issue could emerge and informing the E\$P office. If uncertain, it is best to hedge on the side of over-communicating with the E\$P office.

SUPPORTING REFERENCES:

CROSS REFERENCES:

SUPPLEMENTARY RESOURCES: Requests for Proposals (RFP) document

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(E\$P)**

POLICY NUMBER/SUBJECT:	501 – Client Files
DATE:	July 1, 2005
SUPERSEDES:	501, 7/1/00

DISCUSSION: It is policy of E\$P that each Local Administering Agency (LAA) performing weatherization services shall maintain a client file for each household receiving E\$P services. A client file must contain, at a minimum, the following:

(1) Top Sheet forms, printed from the QLEAP Database, shall serve as an application and documentation of eligibility. Intake technicians should sign or initial the date of approval for LEAP eligible clients' Top Sheets to ensure that properties are not being re-weatherized.

Or

(2) A completed application, designating status of eligibility, and a statement signed by the client that the information is true, to the best of his/her knowledge. The intake person is to sign or initial the date of the application approval. The approval process is to include a review of past records, including the date and initials of the staff person determining eligibility, to prevent re-weatherization.

(3) Documentation of eligibility (NOTE: The LAA approving the application for eligibility has the responsibility and liability for costs incurred in serving ineligible units.).

(4) Written permission from the client to enter the premises, perform work and allow inspection by local, state, and federal officials.

(5) A release form signed by the owner of rental property to allow the installation of weatherization materials and performance of energy conservation services. This must be in the file prior to the unit receiving weatherization services.

(6) For rental property, a signed agreement with the landlord regarding not raising the rent as a result of the services provided (see Section 306.2). This must be on file prior to application approval.

(7) Copies of State waivers granted, as required by E\$P Policy 204.2.

(8) Documentation of judgments/decisions and technical waivers made by the LAA regarding services provided or not provided.

(9) For rental property receiving substantial enhancements (such as furnace replacements, new refrigerators, or major repairs), documentation of the landlord's contribution to the cost of the enhancements. (A notation in the file is adequate.)

(10) When serving a multi-family unit, documentation of eligibility, per E\$P Policy 307.

(11) Authorization of the release of fuel or utility consumption records to the LAA, as required by Policy 304. (NOTE: In the case of LEAP eligible clients, authorization of release of fuel or utility consumption records has been obtained by LEAP.)

Policy 501 (continued)

- (12) A copy of the Building Weatherization Report submitted to E\$P.
- (13) A unit inspection form, with all required signatures and identification of all required measures to be reported to the E\$P Database. See E\$P Field Guide, page 11 Unit File Documentation and page 35 Final Inspection.
- (14) Documentation of all material and contract labor costs associated with weatherizing this unit, and a completed job audit/estimate form. (NOTE: The job audit/estimate form must be approved by the E\$P Office prior to its use.)
- (15) Completed E\$P Combustion Appliance Summary Sheet, or appropriate documentation of pre and post condition of all combustion appliance work.
- (16) Heating System Replacement for Efficiency requires State approval.
- (17) Refrigerator Replacement documentation – For those jobs that receive a new refrigerator, the client file must include forms that document the delivery of the refrigerator (and notation of landlord contribution, if applicable).
- (18) Crisis Intervention Program (CIP) documentation – For those jobs that receive financial participation through the CIP program, invoice to LEAP and supporting documentation for CIP charges must be included in the client file.
- (19) Notation of Generic Priority List used or documentation of results of E\$P approved audit.

SUPPORTING REFERENCES: 10 CFR 440.22(a) “Eligible dwelling units”.

CROSS REFERENCES: E\$P Policy 204.1: “Waiver Provisions”, 204.2: “Pilot Projects”, 304: “Fuel Consumption Data”, 306.2: Rental Housing, Landlord Agreements”, and 307.: “Multi-Family Unit Housing” Eligibility Data”.

SUPPLEMENTARY RESOURCES: E\$P Field Guide page 6, “General Policy”, page 9 “Unit File Documentation”, page 17 “E\$P Field Guide Waivers”, page 22 “Heating System Replacements”, page 75 “Refrigerator Assessment and Replacement”.

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(E\$P)**

POLICY NUMBER/SUBJECT:	504- Audit Requirements
DATE:	July 1, 2005
SUPERSEDES:	504, 1/1/99

DISCUSSION: The Local Administering Agency (LAA) shall be responsible for arranging an independent audit that complies with the federal General Accounting Office Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Audits shall be conducted annually by all LAAs, unless the exceptions of A-133 apply. Audits are to be either single audit or program specific in scope. E\$P program will not accept any audit not complying with any aspect of the federal regulations and the cost of that audit will be disallowed. Two copies of the audit and one copy of an audit reconciliation are to be sent to E\$P within 180 days of the end of the agency's fiscal year.

SUPPORTING RESOURCES: 10 CFR 600.25 "Access to records", and .126 and .226 both – "Non-Federal audit", and Subpart E "Audits of State and Local Governments"

COLORADO
(E\$P)
AUDIT RECONCILIATION

Purpose:

This information will be used to reduce misunderstandings regarding the comparison of audit contents with reports to E\$P. This reconciliation is to be transmitted to E\$P with the required copies of the audit. We believe this will reduce the need for later correspondence and additional work by your organization and the auditors.

A. Agency Name _____

Contract Number _____

Audit Period _____

B. INSTRUCTIONS:

(1) The grant year is the year in which the grant starts July 1, 20XX. If your fiscal year is on a calendar year, you will have 2 grant years occurring in one audit period. The State contract number is contained in the contract and on the Fiscal Reports. It starts with a "C900XXX" (such as C900971).

(2) The CFDA No. is the "Catalogue of Federal Domestic Assistance" number. It is on recent award letters: for DOE it is 81.042 and for LEAP it is 93.568.

(3) For section D, "Total Expenditures for Both Audit Periods" and the Total Revenues for Both Audit Periods" should equal. Please make sure the E\$P Fiscal Report and the audit figures are for comparable periods.

C. AUDIT QUESTIONS:

(1) For D and E, if audit figures and E\$P figures are not the same, please explain the differences. Attach the explanation form.

(2) Were there any findings? _____ If yes, please describe actions to resolve these finding

(3) Were there any recommendations relating to the E\$P grant? _____ If yes, please provide responses to the recommendations.

(4) Were there any questioned costs relating to the E\$P grant? _____ If yes, please provide responses to the questioned costs.

D. GRANTS STARTING DURING A PRIOR AUDIT PERIOD

Please specify audit period: _____ Agency Name: _____

DOE	E\$P FISCAL REPORTS	AUDIT
State Contract No.	C900_____	C900_____
CFDA No.	81.042	81.042
Prior Audit Period Expenditures	\$	
This Audit Period Expenditures	\$	
TOTAL EXP FOR BOTH AUDIT PERIODS	\$	
Prior Audit Period Revenue	N/A	
This Audit Period Revenue	N/A	
TOTAL REV FOR BOTH AUDIT PERIODS	\$	
LEAP - 93.568		
State Contract No.	C900_____	C900_____
CFDA No.	93.568	93.568
Prior Audit Period Expenditures	\$	
This Audit Period Expenditures	\$	
TOTAL EXP FOR BOTH AUDIT PERIODS	\$	
Prior Audit Period Revenue	N/A	
This Audit Period Revenue	N/A	
TOTAL REV FOR BOTH AUDIT PERIODS	\$	

E. GRANTS STARTING IN THE CURRENT AUDIT PERIOD:

Please specify audit period: _____ Agency Name: _____

DOE	E\$P FISCAL REPORTS	AUDIT
State Contract No.	C900_____	C900_____
CFDA No.	81.042	81.042
Expenditures Amounts	\$	\$
REVENUE AMOUNTS	N/A	\$
LEAP	\$	
Contract No.	C900_____	C900_____
CFDA No.	81.042	93.568
Expenditures Amounts	\$	\$
REVENUE AMOUNTS	N/A	\$
TOTAL		

**STATE OF COLORADO
ENERGY SAVINGS PARTNERS PROGRAM
(E\$P)**

POLICY NUMBER/SUBJECT:	505 – Monitoring and Inspection of Local Administering Agencies
DATE:	January 1, 1999
PROGRAM:	E\$P
SUPERSEDES:	10/1/88

DISCUSSION: Local Administering Agencies (LAAs) are required to cooperate fully with monitoring and inspection activities conducted by E\$P staff and other authorized individuals. The purposes of monitoring and inspecting are to: assess the current level of performance and compliance, determine training and technical assistance (T&TA) needs, and to provide T&TA.

LAAs will be given adequate advance notice of site visits. This notice will also include a brief description of the purpose of the visit (compliance monitoring, T&TA, unit inspections, follow-up to previous findings, etc.). E\$P staff will also notify the LAA in advance of which units are to be inspected, so that clients can be contacted by the LAA to schedule the inspections. The intent of this advance notice is not to provide the agency with an opportunity to prepare the unit for the E\$P inspection. This preparation defeats the purpose of inspecting a random sample of the agency's work, and conflicts with the definition of a completed unit (see the E\$P Field Guide, page 13 State Visits, Findings, and Discipline.). If the agency is performing a follow-up inspection or follow-up work to a unit after it has been selected for inspection by E\$P, then the BWR for this unit should not have been submitted because work was not complete according to the standards.

Return visits by staff to pre-inspect units selected for E\$P inspection are not allowed. In order to prevent this from occurring, E\$P reserves the option to withhold the information regarding some or all of the units selected until the E\$P staff's arrival at the agency, at which time the units will be scheduled for inspection. This will definitely lengthen inspections visits and is not the desired course of action for the E\$P Office; yet, it will be implemented if necessary to maintain a representative sample of the agency's work.

SUPPORTING REFERENCES: 10 CFR 600.21 and .240

CROSS REFERENCES: E\$P Field Guide, page 13 "1.4 State Visits, Findings, and Discipline"

SUPPLEMENTARY RESOURCES: