

Vermont Weatherization Program Administrative Manual

Updated May 2026

Table of Contents

Chapter 1	Introduction and General Management
Chapter 2	Eligibility
Chapter 3	Multifamily Housing and Rental Properties
Chapter 4	Procurement and Contracts
Chapter 5	Equipment and Materials
Chapter 6	Program Costs
Chapter 7	Documentation and Record Keeping
Chapter 8	Reporting Requirements
Chapter 9	Financial Standards
Chapter 10	OEO Monitoring Plan and details

Chapter 1 – Program Introduction

1.1 Introduction

The federal Weatherization Assistance Program (WAP) was created in 1976. It is administered by the United States Department of Energy, and assists families with low-income who lack resources to invest in energy efficiency. The 50 states, the District of Columbia, Native American tribal lands, and U.S. territories all manage a WAP program. Funds are used to improve the energy efficiency of qualified homes occupied by residents with low-income, using the most advanced technologies, testing, and energy modeling protocols available in the housing industry. Energy conservation, resulting from the efforts of state and local agencies, helps our country reduce its dependence on foreign oil, decreases the energy burden for families in need, and improves the health and safety of their homes.

Vermont's Weatherization Assistance Program is operated by the Office of Economic Opportunity (OEO). OEO is a part of the Department for Children and Families within the Vermont Agency of Human Services. Weatherization is federally funded by the U.S. Department of Energy (DOE) and also uses federal Low-income Home Energy Assistance Program (LIHEAP) funding. DOE and LIHEAP funding comes from annual appropriations from Congress and can serve households up to 200% of the Federal Poverty limit.

For more details on the Federal Regulations governing the DOE WAP Program go to [eCFR :: 10 CFR Part 440 -- Weatherization Assistance for Low-Income Persons](https://www.ecfr.gov/current/title-10/chapter-II/part-440)

1.2 Weatherization Program Resources

In addition to federal funding, the Vermont Weatherization Assistance Program is also supported by state funding through the Home Weatherization Assistance Program (HWAP), created by the legislature in 1990. This funding allows the state to serve households with incomes up to 80% of the Area Median Income.

1.3 Agency Responsibilities

An agency must make every reasonable effort to deliver excellent weatherization services to households with low-incomes in the most cost effective, efficient, and timely manner possible. In doing so, agencies will maximize the use of available current program funding and help the most people.

Agency responsibilities are to comply with all program requirements, including verifying income and property eligibility, procurement; quality workmanship, recordkeeping and reporting.

All requirements can be found in the *Core Competencies for the Weatherization Assistance Program* on the DOE website at: [Core Competencies \(energy.gov\)](https://energy.gov/core-competencies) and the Vermont Technical Policies and Procedures Manual at <https://dcf.vermont.gov/oeo/programs/wap/manual>

1.3.1 Lobbying

Agencies must comply with Title 31 U.S.C Section 1352 Standard Form LLL Disclosure of Lobbying Activities. This law limits organizations from using federal funds to influence federal contracts and requires organizations to disclose any lobbying they do that are paid for with non-federal funds. The disclosure form and instructions can be found at: [RBS-ABPSFLLL.PDF \(usda.gov\)](https://www.usda.gov/rbs/abpsflll/PDF)

1.3.2 Conflict of Interest Policy

Each agency must develop and maintain a plan for dealing with potential conflicts of interest. Conflicts of interest are situations where agency staff, board members or their relatives have an interest in a business that either provides services to the agency or receives Weatherization services. These policies need to cover both actual and perceived conflicts of interest.

When a known or perceived conflict of interest for agency exists, or if an agency would like to weatherize a property that it owns, the agency must follow this process:

1. The agency must review its Conflict of Interest Policy as it applies to the potential project.
2. The agency must send an email to OEO detailing the known or perceived conflict of interest. The email must include copies of documentation regarding the details of the known or perceived conflict of interest to assist OEO with the review.
3. OEO will review the request and will either approve or deny the request. Agencies must not proceed without written approval from OEO.

OEO reserves the right to request additional information or documentation during any phase of the project.

1.3.3 Confidentiality

Agencies must not use confidential information for any purpose other than the limited purpose of their grant and must not disclose such confidential information to any

persons other than those who have a business-related need to have access to such information. Agencies must require all staff and subcontractors who have a business-related need to read and sign the state's Confidentiality Agreement (found here - <https://bgs.vermont.gov/purchasing-contracting/forms>). Agencies are responsible for the breach of any confidentiality.

The agency must establish and maintain reasonable security procedures to protect confidential information under its electronic or physical possession and control. Confidential information is defined as all tangible and intangible information and materials, including all proprietary and personally identifiable information (PII). PII does not include information publicly available from government records or widely distributed media.

1.3.4 Limited English Proficiency Customers

Agencies must ensure that persons with limited English proficiency (LEP) have meaningful and equal access to benefits and services. This assistance goes beyond providing brochures in other languages. As some individuals may not read English, or any other language, the agency must have a mechanism to communicate orally with people with limited English proficiency.

Chapter 2 – Determining Eligibility

The application eligibility process has three steps: determining if the household is eligible, verifying ownership of the property, and determining if the property is eligible.

2.1 Determining Household Eligibility

Agencies are to use Form 405 *WAP Client Application* to ensure that the household is eligible. All members of the household must be included in the application. When an application is received, the agency will create a client file consisting of the application as well as any backup documentation required to verify their eligibility. The following documents must be stored electronically and uploaded to the Hancock Energy Software: program application, eligibility and income verification documentation, proof of ownership, and the appropriate OEO forms for rental properties. If an applicant has roommates or boarders, a note should be made of this in Hancock. Other documents can be stored electronically or in hard copy.

Anyone legally residing in Vermont is eligible for weatherization services.

Form 405 consists of questions about the property, household members, demographics, income, public assistance, fuel and utility usage, and ownership of the home. It also includes an authorization from the applicant to release fuel and electrical usage information to the agency as well as other authorizations from the applicant on the last page.

There are two ways for an agency to determine applicant eligibility: categorically eligible and income eligible. Categorically eligible households receive certain types of public assistance. Income eligible households must provide income documentation which is verified by the agency to be below program income limits.

2.1.1 Categorically Eligible Determination

Applicants are categorically eligible if a household member is an active Seasonal Fuel Assistance, or Supplemental Security Income (SSI) recipient, or if an adult received Reach Up, Reach First, or Post-Secondary Education in the past 12 months. Note: SSI is different from SSDI (Social Security Disability Insurance) and SSDI does not make a household categorically eligible. Households where only a child receives Reach Up are not categorically eligible and their income must be below the maximum allowed by the program.

To verify that an applicant is categorically eligible, the agency must:

- Verify that the applicant actively receives public assistance in the state ACCESS database and

- Enter the income found in the ACCESS database into Hancock.
- SSI recipients are not listed in ACCESS and so the agency must review a copy of the applicant's Benefit Verification Letter and enter their income into Hancock.
- Confirm that the applicant lives in the home (section 2.2) and that the home meets the program's standards (section 2.3).

No additional income documentation is required..

Applicants that are categorically eligible can receive weatherization services from all funding sources, provided that their home meets the requirements of the funding source.

2.1.2 Income Eligible Determination

The agency must calculate the total gross income received by the household over the past 12 months to determine income eligibility for households that are not categorically eligible. If an applicant is self-employed, the agency must calculate their net income.

The agency will compare the household income and total household members to the income limits to determine if the applicant is eligible for the program. Funding sources may have different income limits. Each year OEO issues a Weatherization Program Notice (WPN) to define income limits and specify the updated incomes that are 50%, 60%, 80% and 100% of AML. The information in the WPN takes precedence over information in this chapter.

Calculating Household Income

The following sources will be included in the calculation of income:

- Money, wages, and salaries before any deductions;
- Net receipts from self-employment (profits from business after expenses)
- Regular payments from Social Security, unemployment compensation, strike benefits from union funds, worker's compensation, veteran's payments, training stipends, alimony, and military family allotments;
- Private pensions, government employee pensions (including military retirement pay), and regular insurance or annuity payments;
- Dividends and/or interest;
- Net rental income and net royalties;
- Periodic receipts from estates or trusts; and
- Net gambling or lottery winnings.

The following sources will not be included (excluded) in the calculation of income:

- Capital gains or losses;
- Adoption Subsidies

- Any assets drawn down as withdrawals from a bank;
- Money received from the sale of a property, house, or car;
- One-time payments from a welfare agency to a family or person who is in temporary financial difficulty;
- Tax refunds;
- Gifts, loans, or lump-sum inheritances;
- College scholarships;
- One-time insurance payments, or compensation for injury;
- Non-cash benefits, such as the employer-paid or union-paid portion of health insurance;
 - Employee fringe benefits, food or housing received in lieu of wages;
 - The value of food and fuel produced and consumed on farms;
 - The imputed value of rent from owner-occupied housing;
 - Depreciation of farm or business assets;
 - Federal non-cash benefit programs such as Medicare, Medicaid, Food Stamps, school lunches, and housing assistance;
 - Combat-zone pay to the military;
 - Child support
 - Reverse mortgages; and
 - Payments for care of foster children.

Documenting Income

Applicants must provide a copy of their most recent tax return and any additional documentation that may be required based on the source of income. Receiving recent tax documents allows agencies to identify all sources of the household's income during the past year.

Type of Income	Documentation Required
Wages and Salary	Employment Verification Form Pay Stubs
Self-Employment	Schedule C of Federal Tax Return; Year to Date Profit and Loss Statement
Social Security (SSI or SSDI)	Recent Social Security Benefit Statement
Unemployment Insurance	Unemployment Benefit Statement
All other types of income	A document that confirms income

Self-Certification

If an applicant cannot provide a tax return or other documentation of income, they must submit a notarized statement that self-certifies their income. The agency must document its various attempts to verify an applicant's income in their file.

Incomplete Applications

If an applicant does not provide all required documentation needed to verify their eligibility, the agency must take reasonable steps to request the missing information. If the applicant still does not provide the required documents, then their application must be marked as incomplete. The application can be reopened if the information is provided. Agency shall include notes in the Hancock system that capture this information.

2.1.3 Period of Eligibility

The applicant will remain income eligible for 12 months from the date of initial income eligibility and re-certification is not necessary within that period. If more than 12 months pass from the time the application is approved and the applicant is still on the waiting list, then the agency must re-evaluate the applicant's eligibility prior to an Efficiency Coach visit (i.e., becoming an active job). It is recommended that the agency wait to re-certify the applicant's eligibility until the household is closer to the time of service. For example, if a household has a 3 year wait then the agency should recertify the household at the end of the three years rather than at the end of years 1, 2, and 3.

2.1.4 Priority of Service / WAP Rank

After an agency receives an application and any required supplemental documentation, and determines that an applicant is eligible, the agency must next enter the applicant's information into the Hancock. It is important that the applicant's information is entered into the Hancock system because it assigns each client a WAP Rank based on the criteria included below. The criteria are used to identify and provide weatherization assistance based on priority level to eligible clients who are recorded in the Hancock system, and who are waiting for a visit from an Efficiency Coach:

- Applicants actively receiving VT fuel assistance
- Applicants with incomes less than 60 percent of Area Median Income or less than 30 percent.
- Applicants with homes with highest energy use
- Households with a member that is 60 years of age or older,
- Households with a member that is disabled
- Households that include a child aged five or younger, and
- Length of time on waiting list.

Once an Efficiency Coach has visited the client, the job is considered an active job. Active jobs are referred to as “open jobs” or “work in process jobs” (WIP).

2.2 Verification of Ownership

To be eligible, the property needs to have an income eligible or categorically eligible household living in it. In the case of a rental property, the owner of the property must approve the scope of work and agree to certain conditions.

If the applicant is the owner of the property, the agency must verify their ownership as part of the application process. Note: Rent to own is not considered homeownership. An applicant may submit any of the following documents to verify ownership:

- Copy of the deed. For mobile homes, an applicant may submit a copy of the bill of sale that has been filed with the Town Clerk in the town where the home is located;
- Copy of a mortgage bill with the address listed. For mobile homes, copy of a chattel mortgage bill;
- Real estate tax bill;
- School tax bill with the address listed; or
- Written statement from the local tax assessor’s office, county, or tribal clerk, or deeds commissioner verifying ownership.

If the applicant is a tenant of the property, the agency must collect a signed application and forms from the owner or authorized agent of the building (Forms 610, 613, 617, and 620) and save them in the applicant household file before the applicant can be deemed eligible.

2.3 Building Eligibility

2.3.1 Eligible Structures

Single family homes (including tiny homes), manufactured housing, multifamily homes, condos, apartments, mobile homes, and shelters or other group facilities are eligible structures for the weatherization program.

Campers and buses are not eligible structures.

Homes must be the household’s primary residence for it to be weatherized. A primary residence is defined as the place where a household lives for the majority of the year – specifically at least 6 months plus one day out of every year.

Group Homes. Agencies may weatherize eligible private, non-profit, or publicly-owned long-term group homes. Group homes are eligible when they meet the household and building eligibility criteria above. The agency must first establish the number of units in the building. If residents share one kitchen, the building may only be qualified as a single unit with all residents counted as one household for application purposes. If the group home is composed of more than one unit, determine eligibility for each unit.

Rental Properties with Commercial Space. Commercial property is not eligible for weatherization. If a building contains one or more eligible units and is also used for commercial purposes, only the part of the building that is residential may be weatherized. Agencies must obtain prior authorization from OEO to address residences that are adjoined to commercial space.

Owner-Occupied Multifamily Buildings – Condominiums. If each unit in a multi-unit building is separately owned, then each eligible unit must be recorded as a separate building in Hancock. The agency must ensure that work on common area measures is only performed when all the units in the building are occupied by eligible households.

2.3.2 Re-Weatherization

If an agency receives an application for a home that has been previously weatherized, it must verify that the completion date for the previous weatherization project was more than 15 years ago.

OEO may consider exceptions to weatherizing homes sooner than 15 years if weatherization opportunities were missed in the previous work, if new weatherization opportunities are available due to major building renovation, or the previous measures were installed in an ineffective or substandard manner. The agency must send OEO a waiver request using the WAP Re-Weatherization / Return Work Form detailing the reasons why the home should be weatherized again and OEO will review the request on a case-by-case basis.

2.3.3 Homes that are for sale, scheduled for demolition, or in foreclosure

Properties are ineligible for weatherization if:

- The home is for sale;
- The home is scheduled for demolition or has been condemned; or
- The home is in foreclosure.

Agencies do not need to proactively verify ineligibility for any of the above reasons. However, if the information comes to attention, the agency will then determine that the home is ineligible.

2.3.4 Probate

Properties in probate are not eligible for weatherization until the probate process is completed.

2.4 Deferrals

The decision to defer work in a residence is difficult, but necessary in some cases. This does not mean that assistance will never be available, but that work must be postponed until the problems can be resolved and/or alternative sources of help are identified. Note that agencies, including crews and contractors, are expected to pursue reasonable options on behalf of the client, including referrals, and to use good judgment in dealing with difficult situations.

DOE encourages the tracking of deferrals using consistent terminology for recording the *reasons* and *what solutions would be necessary* to proceed with weatherization. When repairs are necessary to install energy efficiency measures, but those repairs are beyond the allowable limits of incidental repairs and/or health and safety cost categories, deferral is often required.

Deferral conditions may include, but are not limited to:

- The client has health conditions that prohibit the installation of insulation and other weatherization materials.
- The building structure or its mechanical systems, including electrical and plumbing, are in such a state of disrepair that failure is imminent and the conditions cannot be resolved cost-effectively.
- The house has sewage or other sanitary problems that would further endanger the client and weatherization installers if weatherization work were performed.
- The house has been condemned or electrical, heating, plumbing, or other equipment has been "red tagged" by local or state building officials or utilities.
- Moisture problems are so severe they cannot be resolved under existing health and safety measures and with minor repairs.
- Dangerous conditions exist due to high carbon monoxide levels in combustion appliances and cannot be resolved under existing health and safety measures.
- The client, other household occupants or third-party representatives are uncooperative, abusive, or threatening to the crew, subcontractors, auditors, inspectors, or others who must work on or visit the house.
- The extent and condition of lead-based paint, asbestos, or vermiculite in the house would potentially create further health and safety hazards.
- If determined by the energy auditor, any condition exists, which may endanger the health and/or safety of the work crew or subcontractor, the work should not proceed until the condition is corrected.

When agencies have determined a home will be deferred the agency must:

- Inform the client in writing as to why the dwelling cannot be weatherized. If there are conditions that the client must correct before service is provided, those conditions must also be stated in writing.
- Refer the client to any alternate program which may help address the problem, if one is available in the area.
- Clearly indicate in the client file why the dwelling was given "deferral" status.

Each agency is to have a grievance process in place for clients with concerns or issues about WAP. The process must be given to the client in writing. This process will be verified during fiscal monitoring of the agencies. Upon deferral of weatherization program services, the applicant must be given a copy of the agency's grievance procedure.

2.5 Denial of Weatherization Services

Weatherization services must be denied when any of the following (but not limited to) are true:

- The client is not income eligible
- The residence is not eligible.

2.5.1 Notification of Eligibility/Ineligibility

Once a decision on the applicant's eligibility has been reached, the agency must send a letter to the applicant letting them know the decision.

If the applicant is eligible, the letter should outline the next steps in the process.

If the applicant is not eligible, the letter must include the reason the applicant was deemed ineligible and the procedures the applicant should follow if they wish to appeal the decision. A copy of the notification letter must be placed in the applicant's file and uploaded into Hancock Client Management Document screen section as a Miscellaneous Document Upload and named appropriately

2.5.2 Appeals of Ineligibility

Applicants who wish to appeal an ineligibility decision from the agency must do so in writing. The agency must determine if the appeal has merit and make a decision. The agency must notify the applicant of their decision in writing. If the applicant would like to further appeal, the agency must send copies of the application, backup documentation, and all correspondence to OEO. OEO will review the file and make a final determination based on the regulations found in this manual.

2.5.3 Appeals of OEO's Decisions

Applicants or clients who wish to appeal a decision from OEO have the right to appeal to the Human Resources Board to request a fair hearing. A fair hearing can be requested in any of the following ways.

1. Visit www.humanservices.vermont.gov/human-services-board
2. Call 802-828-2536
3. Write to Human Services Board, 6 Baldwin Street, Suite 305, Montpelier, VT 05633-4302.

Requesting a fair hearing requires that a client provide their name, address, phone number and statement of the basis for their appeal.

Chapter 3 Multifamily Dwellings

3.1 Introduction

The primary difference between the weatherization of single-family and multifamily buildings is that multifamily buildings require more upfront preparation, including coordination with the building owner/manager and examination of complex fuel consumption data. Additionally, a multifamily building owner who is not income-eligible, has specific responsibilities that are part of the weatherization process, such as implementing required health and safety measures.

Advantages of multifamily weatherization projects to the tenants include:

- Preservation of the property as affordable housing;
- Further protection against rent increases;
- Lowering of energy bills;
- Increases in tenant comfort;
- Enhancements to indoor air quality;
- Health and safety improvements improving the quality of life; and
- Establishment of shared savings programs.

Advantages of weatherization to the building owner include:

- Lower vacancy rates;
- Higher tenant satisfaction levels;
- Increased durability of the building;
- Lower energy costs; and
- Healthier cash flow.

For larger multifamily projects, the building owner is usually the primary contact for a multifamily project; their participation is vital to the success of the weatherization project. The owner applies for the WAP services, coordinates the WAP services delivered to the tenants, and can provide energy-use data and data for income qualification to the WAP agency.

For smaller multifamily projects, building residents play a role in the weatherization process. They might encourage or persuade the owner to apply for weatherization and/or participate in the application process. Weatherization is not intended to improve the building value of a non-eligible owner. The benefits of weatherization are intended to accrue to the income-eligible occupants of the building.

One-to-four unit buildings must use the Vermont single-family audit modeling tool (Hancock Energy Audit Tool). Buildings of five units and more must use the Vermont and DOE approved multifamily audit tool.

3.2 Weatherization Intake and Application

For multifamily dwellings, the building owner or a tenant living in a building may initiate the application process with the WAP agency. If a tenant requests weatherization services, the agency must provide the tenant with the application forms, unless the building is categorically eligible, and then contact the building owner to provide an overview and guide to the weatherization process. The agency must then provide the owner with the forms necessary to qualify the building(s) as appropriate to the situation. The building owner may also request weatherization services. Once the application process is initiated, the WAP agency must determine if the building is eligible for weatherization.

3.3 Building Eligibility Verification

Buildings are eligible for weatherization services if they have a minimum number of eligible client households. OEO issues specific eligibility guidelines annually. Buildings may also be categorically eligible if they are listed by the US Dept of Housing and Urban Development (HUD).

3.31 Weatherizing Units in Non-Eligible Multifamily Buildings

If the building is found not to be eligible for weatherization because there are not enough units occupied by eligible families, weatherization of individual units and the entire building must be denied.

There are two exceptions to this rule – if eligible households live in townhouse-type apartments that have their own entries and which are effectively separate from neighboring units. This separateness includes any attic and cellar/crawlspace areas. In these cases, the homes may be treated as individual units. Secondly, in the case of an eligible owner of a condominium unit that is part of a multifamily building, the WAP agency may weatherize the condominium as a single-family unit. Agencies must use the Hancock Energy Audit Tool to enter the condominium as if it were a single-family dwelling.

Other ownership structures, such as cooperative housing, should be dealt with on a case-by-case basis by the OEO.

3.32 Eligibility with DOE funding

Multifamily buildings are eligible if:

1. The building is verified by HUD lists as meeting tenant-income eligibility requirements; or
2. 50 percent of the dwelling units are eligible (2-4 Units Buildings) or
3. 66 percent of the dwelling units are eligible (5+ Units Buildings)

If any unoccupied units are required to meet thresholds, the WAP agency must obtain the owner's written commitment to rent those units to eligible households within 180 days of completion.

If any of the above conditions are met, the entire building, including common areas within the building but not including separate unattached common areas or commercial spaces, if any, may be weatherized. All units in a building are considered to be WAP-eligible once the overall building has been deemed income eligible for WAP services.

3.33 Eligibility with HWAP funding

Multifamily buildings are eligible if:

1. The building is verified by HUD lists as meeting tenant-income eligibility requirements; or
2. 25 percent or more of the tenants are income eligible
3. Buildings may be qualified verifying rent levels as long as at least one household is verified as eligible and 50 percent of the units in the building have qualifying rent levels. Qualifying rent levels are currently 30 percent of 80 percent of State or area median income, depending on the size of the dwelling unit, as published annually by OEO. Owner must document current rent levels.

If any unoccupied units are required to meet thresholds, the WAP agency must obtain the owner's written commitment to rent those units to eligible households within 180 days of completion.

If any of the above conditions are met, the entire building, including common areas within the building but not including separate unattached common areas or commercial spaces, if any, may be weatherized. All units in a building are considered to be WAP-eligible once the overall building has been deemed income eligible for WAP services (once completed, all units in building are credited as completed units).

3.4 Buildings containing commercial spaces

If a building contains one or more dwelling units and is also used for commercial purposes, only the residential part(s) of the building may be weatherized. The eligibility of buildings having commercial space and residential units will be determined based on multifamily eligibility requirements described in the previous parts of this Section. WAP agencies may not weatherize space used for commercial functions.

Rooms or other areas used for commercial purposes cannot be counted as a unit when determining the number of units in the building. Rooms or other areas used only for

commercial/business purposes are not considered eligible space for weatherization services.

Where a measure will need to be installed on both the eligible dwelling unit and commercial area to be effective (for example, insulating sidewalls), the WAP agency must charge the portion associated with the eligible unit to the program and charge the portion associated with the commercial area to the property owner. If the property owner declines the measure or declines to pay for the portion associated with the commercial area, the project must be denied or stopped.

3.5 Weatherization of Shelters

A shelter is any dwelling where individuals, who may or may not be related to one another, live together on a short-term basis. Examples of shelters are transitional emergency housing for people experiencing homelessness, and domestic abuse shelters. This type of housing is eligible for weatherization. Housing such as nursing homes, prisons, residential businesses, or similar institutional care facilities are not eligible temporary shelters. Agencies may weatherize shelters without an income eligibility test. However, only properties owned by non-profit entities or units of government and their subsidiaries, such as housing authorities, are eligible. For the purpose of determining how many dwelling units exist in a shelter, a agency must count each 800 square feet of the shelter living area as a dwelling unit.

3.6 Prioritization of Multifamily Jobs

The priority criteria listed below must be used as a guide when evaluating which multiple multifamily weatherization projects to serve first if funding is limited.

Priority Criteria for Multifamily Jobs

- 1) Buildings with LIHEAP Eligible Tenants
- 2) Buildings where Tenants pay the heat
- 3) Buildings that have households with elderly, disabled, or juvenile members
- 4) Buildings with the highest energy usage
- 5) Buildings where the owner agrees to longer rent stabilization period
- 6) Buildings with lower average tenant incomes
- 7) Larger buildings with larger scopes of work
- 8) Projects that are publicly rather than privately owned

3.7 Re-weatherization of Buildings

Buildings weatherized within the past 15 years are not eligible for re-weatherization. The only exception is if it is determined that either 1) significant weatherization opportunities were missed during a weatherization project completed after this date, or 2) weatherization opportunities have since become available because of major building rehabilitation, or 3) if measures were installed in an ineffective or substandard manner.

In all cases, re-weatherization is subject to prior approval by OEO, and may require approval by DOE depending on funding source.

3.8 Building Owner Requirements

The requirements of the building owner are dependent on several items, including building characteristics, ownership structure, and eligible units.

3.8.1 Proof of ownership

Verification of ownership must be obtained for all buildings, regardless of whether they are owner-occupied or rental properties. Any of the following documents is acceptable proof of ownership:

1. Copy of deed;
2. Copy of mortgage or mortgage payment book;
3. Real estate tax bill/receipt for address being weatherized;
4. School tax bill/receipt for address being weatherized;
5. Written statement from local tax assessor's office, county clerk, or deeds commissioner;
6. Copy of an executed land contract, life tenancy agreement, or life lease. The address on the proof of ownership must be the same as the address at which the unit to be weatherized is located.

3.8.2 Life Lease Agreements, Land Contracts, Life Tenancy

When an applicant for WAP services has an executed land contract, life tenancy, or life lease agreement that grants them use of the property that is being considered for weatherization for an extended period, such documentation may be accepted confirmation of "ownership" if the requirements of this section are met. A copy of the agreement(s) must be presented to confirm proof of ownership and meet the following conditions.

1. Income eligible applicants presenting documents meeting all the terms and conditions listed below may be considered “property owners” that are eligible for assistance, and will not be required to provide a contribution for WAP services.
2. The Agreement must meet the following conditions:
 - a. The entire agreement must be in writing.
 - b. It must identify the parties to the agreement (e.g., seller/purchaser; grantor/grantee).
 - c. It must describe the property sufficiently to be able to identify it.

3.8.3 Building owner responsibilities

The owner must be responsible for:

1. Compliance with all applicable local and state codes, such as life safety, electrical, and plumbing;
2. Repair of structural issues, including those required by efficiency improvements, for additional snow loads, etc.;
3. Documentation showing that space and domestic water heating equipment has been serviced by a qualified technician within 10 months prior to WAP's energy audit for oil or biomass equipment, and within 22 months for gas equipment.
4. Energy retrofit “buy downs,” or cost sharing for threshold-screening (refer to Section 6.14 Measure Buy-Downs);
5. Health and safety including, but not limited to, lead-safe costs, knob-and-tube removal, and ventilation and indoor air quality, combustion appliance safety, smoke detectors, asbestos, and HVAC work; and
6. All other requirements listed in the Rental or Multifamily Housing Weatherization Agreement, as appropriate.

All health and safety work is the responsibility of the building owner and must be implemented in a manner that does not negatively impact the flow of the weatherization work by the WAP agency. Weatherization work must not commence until all health and safety issues have been addressed by the building owner or their representative.

In some cases, a measure can be both energy-saving and a health-and-safety item, for example, a heat/energy recovery ventilation unit. In this case, the WAP agency may pay for the incremental cost of the heat/energy recovery unit (above the cost of a non-heat/energy recovery unit) and the building owner must pay the remainder (the health and safety portion).

Applicants in a rental building who request services due to a no-heat or unsafe heating situation must be refused and told to contact the building owner for assistance (unless the owner qualifies for weatherization services). When the heating problem has been corrected, the applicant may then be considered eligible for services under the WAP. In all rental buildings, provision of a heating system in good working order is the responsibility of the building owner.

3.8.4 Ownership transfer

For DOE funds, no weatherization services are permitted if transfer of ownership is pending.

For Vermont Home Weatherization Assistance Program (HWAP) funds, no weatherization services are permitted if transfer of ownership is pending, however OEO may grant a waiver based in part on documents demonstrating that the:

1. Final owner of the building demonstrates site control prior to receiving weatherization services, and
2. Final owner provides documentation demonstrating adequate assurance of intent to rent to weatherization-eligible tenants.

3.8.5 Rent stabilization

The Rental or Multifamily Housing Weatherization Agreement, as appropriate, places restrictions on buildings in which weatherized rental units are located because of the increased value of the weatherized units. The benefits of weatherization to rental units are intended for and expected to accrue to the eligible tenants with low-income.

Rent stabilization should be based on rent levels at the time of application and the term of stabilization must begin upon the completion of the WAP agency weatherization. Buildings appearing on a current HUD "List 1" are long-term rent-stabilized and do not require further restriction.

In return for weatherization services, the owner agrees to limit rent increases, on the units used to determine WAP eligibility, to 3% percent per year for 5 years.

3.8.6 Weatherizing vacant units

If the building's eligibility is dependent on vacant units, the building owner must agree to rent these vacant units to households with low-income and abide by the rent stabilization requirements. If they do, then these vacant units may be weatherized and counted toward meeting the qualifying minimum percentage. In such cases, the vacant units must be occupied within 180 days. The term of this requirement begins when the job has been signed off by the WAP agency as completed.

This requirement only applies when the multifamily project has not met the minimum eligibility threshold percentages for DOE or Vermont Home Weatherization Assistance Program funds.

3.8.7 Owner refusal to install health & safety measures

If the owner refuses to install the health and safety measures required by DOE or the State of Vermont, the owner should be served the deferral of service form.

3.8.8 Maintenance and repair of combustion appliances

Unless a landlord/owner can demonstrate that they are low-income the responsibility for the maintenance, repair or replacement of the combustion appliance in the rental unit is the responsibility of the building owner.

3.8.9 Violation of Rental or Multifamily Housing Weatherization Agreement

If the owner violates the Rental or Multifamily Housing Weatherization Agreement, then he/she may be billed for the cost of the WAP work.

3.9 Collecting Energy Information

Collecting the energy-use data can be complicated depending on who pays the energy bills; the tenant, the building owner, or both; and how the energy use is measured, either individually or by master metering. Another factor to consider is that common areas are often metered differently than rental units.

3.9.1 Tenants pay energy bills

If the tenants pay the energy bills, then the benefits of the WAP improvements automatically go directly to them. In this case, the WAP agency must obtain copies of energy bills or have each head of household sign a waiver allowing the agency to obtain copies of bills from the energy provider. This energy data may be limited to the energy paid for directly by the tenants; for master-metered energy sources, common areas, security lighting, etc., the agency must obtain data from the building owner. In some cases, it will be difficult to obtain more than 50 percent of the tenants' energy data. In such cases, a representative sampling might provide a good estimate with as few as 10 to 25 percent of the tenants' energy bills. It is always best to obtain as many energy bills as possible in order to increase the accuracy of a representative sample.

3.9.2 Building owner pays energy bills

If the building owner pays the energy bills, they must agree in writing that the tenants will benefit from the weatherization. This requirement is satisfied by their signature on the Rental or Multifamily Housing Weatherization Agreement, as appropriate. If any of the energy sources are master metered, the WAP agency must obtain energy data from the building owner.

3.10 Permission to Enter Building

The WAP agency representative must not enter the building(s) to conduct the energy audit or to collect information before having written permission from the owner.

3.11 Energy Audit

The Vermont multifamily audit tool will be used by the Vermont WAP agencies for analysis of multifamily buildings of 5 or more units. Rental properties with 1 to 4 units will be audited with the Hancock Energy Audit Tool.

When scheduling the audit site visit, the WAP energy auditor must advise the owner of requirements and expectations to complete the audit.

Three years prior fuel usage history of the building is required prior to the audit, or the agency must state why it could not be obtained. The more history obtained the better, since vacancies and differences in individual household use patterns become less significant over longer periods;

WAP agencies are required to supervise the day-to-day work on their projects, are responsible for documenting inspections, and taking any other steps necessary to ensure that the building analysis is done properly and will result in a scope of work that meets the goals of the program. WAP agencies must perform a variety of tasks that cannot easily be assigned or left to consultants. It is OEO's expectation that WAP agencies remain involved in every applicable phase of the project and take any actions necessary to improve the overall performance of the work, to ensure proper quality control and energy savings on each project.

3.12 Screening of Measures

Qualifying measures must be determined by the corresponding savings-to-investment ratio (**SIR**); the SIR must be based on funding source requirements. Priority must be given to measures with the highest SIR.

Repair costs required by any measure with WAP investment must be included in the overall SIR calculation of the project's complete package of measures.

Health and safety costs are excluded from SIR calculations.

3.12.1 Allowable measures

Measures with high savings-to-investment ratios will be given priority, as budgets allow. Allowable measures include air sealing and insulation on all qualified properties regardless of type of tenancy. On properties with rent-restricted tenancy of ten or more years (e.g., nonprofit trusts with housing covenants and project-based Section 8 units), heating system upgrades and heat/energy-recovery ventilators will be allowable contingent on other available funding and WAP agency budget.

All measures must be installed in accordance with the most recent version of the *Vermont Technical Policies and Procedures Manual*.

3.12.2 Measure Buy-Downs

WAP agencies will use their standard SIR calculation and minimum threshold; however, they have the discretion to use Owner's or other funding to *buy-down* any allowable measures. Buy-downs reduce the investment portion of a measure's SIR calculation. Allowable measures are restricted to levels required by the Vermont energy code (for example, if R-60 attic insulation is specified, but code requires R-49, WAP agency investment for the measure is limited to a SIR threshold of R-49).

An energy-saving measure with a SIR of less than 1.0, but implemented with the use of buy-downs, cannot be completed until all higher SIR measures have been completed unless documentation outlining the reasons for the exception has been submitted and approved by OEO.

In all cases, the overall project SIR must be 1.0 or greater. Project SIR must include all savings and investment costs for all measures supported as a whole or in part by WAP funds.

WAP agencies will invest as much as possible in each project, taking into consideration such factors as building owner capacity; length of rent stabilization; the WAP agency overall budget; and other qualifying factors of tenants.

In income-eligible, owner-occupied units, energy-related measures that have an SIR of less than the allowable value may not be completed by the WAP agency unless it has received non-WAP funding to pay the un-screenable portion.

3.13 Scope of Work

WAP agencies must complete all allowable measures that meet or exceed SIR screening requirements, including threshold screening, in order of SIR priority as budgets allow.

When the owner's work is subject to the Lead Poisoning Prevention Act, copies of test results must be provided to the WAP agency.

For projects in buildings with 5 units or more, a summary of the draft scope of work must be included in the energy audit submitted to OEO as part of the agency's submission to OEO for approval.

3.13.1 Full rehabilitation of building

Where energy use reduction cannot be safely achieved through WAP due to the need for extensive rehabilitation of the building or dwelling unit, the energy auditor must report this finding to his/her WAP agency supervisor. If the building or dwelling unit is to be rehabilitated under another program, the weatherization work may be coordinated with the overall rehabilitation project. Upon presentation as completed to OEO, all WAP agency work must be complete and of acceptable quality.

In coordinated energy/rehabilitation projects, documentation to show that a public procurement process was followed in the selection of contractors must be available for review upon request. Documentation of a production schedule must also be available for review upon request. Documentation of all rehabilitation work proposed and completed must be in the file explaining the nature and scope of the rehabilitation provided, and the WAP services provided documenting what each program paid for. Documentation should be available with pictures and relevant supporting data.

All work, including gut rehabilitation, must be evaluated and screened based on the existing condition of the building. For example, for a wall renovation, the *existing* wall insulating value, the final wall insulating value, and the cost of the rehabilitation of the wall, must be considered when determining the savings-to-investment ratio of the wall renovation.

All projects involving full rehab must be approved by OEO. WAP agencies must submit the appropriate approval form with the energy audit showing weatherization measures, SIR value for each, and estimated WAP-funding for each measure.

The project may not commence until this form is signed by the appropriate OEO representative.

3.13.2 Letter of commitment

After receiving project approval from OEO, the WAP agency may issue a Letter of Commitment for a specific scope of work and dollar value, if requested by the owner.

Typically, this will occur when construction is well in the future, and/or Owner is still securing final funding and financing. This letter will indicate that WAP agency is committing to provide certain services and funding contingent on the availability for funding.

3.14 Ventilation fans in multifamily buildings

WAP agencies are not required to install ventilation fans in rental and multifamily buildings, unless the owner qualifies for weatherization. It is the building owner's responsibility to provide ventilation systems for adequate indoor air quality and to apply for the Efficiency Vermont rebate. The WAP agency must inspect and assess ventilation systems and may provide technical expertise and design services.

Exception: The WAP agency may provide labor to install the ductwork and related items for exhaust-only ventilation fans if such installation by the building owner will impose a significant negative impact on the weatherization job workflow. For example, the agency may provide labor to install ventilation ductwork and termination devices in an attic in an effort to expedite the installation of insulation in the attic. This decision will be made by the weatherization director. Ductwork for heat- and energy-recovery ventilation systems should be installed by the firm installing the HRV or ERV equipment.

3.15 Agreements and Contracts

All projects with rental units must have a signed *Rental Housing Weatherization Agreement* or *Multifamily Housing Weatherization Agreement*, as appropriate, before work can begin. The appropriate Agreement must be in force with the owner of record regardless of whether the owner resides in one of the units to be weatherized or whether the owner's household is itself WAP-eligible.

The appropriate agreement must be signed by both parties and always include the agreed upon WAP Scope of Work for all work paid for with OEO funds, as well as the complete list of owner responsibilities that must be completed prior to any WAP installation of measures.

3.15.1 Owner agreement, 1-to-4 units project

Rental and/or multifamily projects of four or fewer units must use the OEO *Rental Housing Weatherization Agreement*, for all projects of this size. These properties will be audited with the Hancock Energy Audit Tool.

3.15.2 Owner agreement, 5-or-more units project

Multifamily projects of five or more units must use the OEO *Multifamily Housing Weatherization Agreement*. This includes projects involving buildings with fewer than 5 units if the total in all buildings in the project is 5 or more units. Individual buildings with 5 or more units will be audited with the Vermont multifamily audit tool. The scope of work for the project must be included with this agreement.

3.16 Execution

The Rental or Multifamily Housing Weatherization Agreement, as appropriate, must be signed before the work begins. The execution of rental unit/multifamily weatherization work – installation of measures – should be implemented according to the most recent edition of Vermont Weatherization Program's *Technical Policies & Procedures Manual*. OEO will monitor work in process with the appropriate audit tool and may request justification for any work in process exceeding six months.

3.17 Quality Assurance

The WAP agency must conduct a final inspection of each completed dwelling unit before reported as completed to OEO. The following tests and inspections must be performed by a qualified inspector during final inspection and documented as indicated.

1. Review of the audit and work scope to determine that the work authorized was completed. Any changes to the work scope must be documented in the file and be justified with pictures and/or with a reasonable explanation;
2. Quality and quantity of materials installed;
3. Installation standards/work quality;
4. Blower door test to verify final air flow numbers, as allowed by Vermont's *Technical Policies & Procedures Manual*
5. Health and safety tests that were performed, along with test results;
6. Steady-state efficiency test when necessary for compliance;
7. Building Owner signature verifying completion of work;
8. All applicable in-progress inspection reports must be included as part of the building information included in the job file; and
9. Any information including but not limited to pictures, written explanations, etc. that helps to explain and justify the condition of the dwelling unit when post inspected. WAP agencies should generally maintain digital photographs of all work completed in each weatherized unit.

Once a weatherized project is reported as complete, the required final inspection indicates that all applicable work performed has been done in a professional manner, including all work that may have been contracted out, such as furnace work, etc. After the weatherization work is complete, coordinate with partner programs for the final inspection and sign-off.

Performing activities such as routine maintenance, repairs, or warranty-type work after a job is closed and reported is not permitted with DOE funds. WAP agencies may use other funds to pay for the costs associated with these activities after receiving OEO approval. The only method to address “call-backs” or “re-works” where DOE funds are used to pay for the additional work, is to have these previously completed units taken out of the DOE reporting system and subtracting the associated costs from the DOE funds category. WAP agencies faced with this situation should discuss this matter with OEO before proceeding. Refer to Section 2.21 for more information.

Chapter 4 – Procurement and Contract Management

4.1 Procurement Requirements

Agencies must:

- Maintain records that show the history of procurement and retain documentation to demonstrate compliance with requirements. These records must include the following: a rationale for the method of procurement, selection of contract type, contractor selection or rejections, and the basis for the contract price.
- Demonstrate effort to utilize small businesses, minority-owned businesses, women-owned businesses, and disabled veteran-owned businesses
- Follow open records requirements after a bid process is complete and contracts are executed with selected vendors.
- A bid log or file must be kept documenting all procurement activities. The Federal Procurement checklist can be utilized to document procurement information. Sufficient records must be maintained to detail the history of procurement. This extent of these records will vary depending on which methodology is used. Records may include, but are not necessarily limited to the following:
 - Rationale of contract pricing arrangement.
 - Bids and proposals received.
 - Reason for accepting or rejecting the bids or offers.
 - Basis for the contract price.
 - A copy of the contract documents awarded or issued.
 - Basis for contract modifications.
- Be responsive to inquiries or requests for information from bidders following a contract award.
- Award contracts to the lowest bidder in accordance with the best interests of the agency.
- Award contracts only to responsible contractors who possess the ability to perform the requirements of the procurement.
- Prequalified lists of persons, firms, or products can be used in acquiring goods and services if they are current and include enough qualified sources to ensure maximum open and free competition. Potential bidders, who are not on the pre-qualified list, are still eligible to submit a bid.
- Agencies must clearly provide their subcontractors with a clear and accurate description of the technical requirements for the materials, product, or service they are requesting for each quote / bid.
- Any subcontractor must provide a quote before being given the authorization to complete any work.

- All subcontractor bids and invoices of completed work must be uploaded into Hancock along with Agencies bid specifications.
- In general, all agency staff should aim to spend Weatherization funds as they would their own hard-earned money.

OEO will not approve any Approval request that does not have these requirements met. OEO performs desktop monitoring each month of each WAP subcontractor awards and looking for this documentation as well.

For more specific details of OEO procurement requirements, see OEO Memorandum 2025-02 Procurement and Oversight of Subcontractors required in WAP

4.2 Code of Conduct

An agency must maintain a code of conduct that will govern the performance of its officers, employees, and agents engaged in the awarding and operation of contracts.

No employee, officer, or agent of the agency may participate in the selection, award, or administration of a contract supported by federal or state funds if a real or apparent conflict of interest exists. Accepting gratuities, favors, anything of monetary value from contractors, or having a financial interest in a firm selected for award, would cause a real or apparent conflict of interest to exist.

4.3 Contract Management and Contractor Performance Management

Agencies must institute a system to administer contracts that ensure that the contractor abides by all of the terms, conditions, and specifications of the contract. Agencies must evaluate contractor performance and document, as appropriate, whether contractors have met the terms, conditions and specifications of the contract.

If a contractor/vendor does not deliver on all of the terms of the contract, they must be provided with the opportunity to make it right and fix their mistakes, unless the contractor/vendor:

- Fails to perform any material obligation required under the Contract such as filing for bankruptcy, becoming insolvent, or otherwise dissolving as a legal entity.
- Incurs a delinquent VT WAP tax liability.
- Becomes debarred from state or federal contracts.
- Is excluded from federal procurement and non-procurement contracts.
- Fails to maintain and keep in force all required insurance, permits, and licenses as provided in the contract.

- Fails to maintain the confidentiality of personal, health, income, or likewise confidential information.
- Threatens the health or safety of an agency employee or customer.

In the above cases, the agency must have the right to cancel the contract immediately.

4.4 Warranty Requirements

Agencies and all contractors must provide warranties on workmanship and products for at least one year on all items, in addition to the manufacturer's standard warranties. This two-year warranty must commence on the date of the final inspection. Subcontracted work procured through a bid process requires the same workmanship warranty, which commences on the date of satisfactory completion of work. This warranty period is separate from the warranty required by sub-grantee on all work, commencing on the date of final inspection.

4.5 Payments to Contractors

Agencies must inform any contractor of the following:

- The contractor agrees that their only recourse for payment is through the weatherization agency. By agreeing to perform weatherization work the contractor agrees to the following terms, and agrees to pass along the following requirements to their suppliers and any subcontractors:
 - The contractor agrees they will not, under any circumstances, seek payment from the homeowner or occupant of the premise(s) improved.
 - The contractor must not file, suffer, or permit any lien or other encumbrance of record, as a claim against any site of a weatherization project in recognition that the only recourse for payment is from the weatherization agency.
 - Any lien notice action by a contractor, and/or any of its subcontractors and/or material suppliers, against a property owner must be considered non-performance by the terms and conditions of their contract, and such a contractor must be removed from the statewide weatherization agency bidder's list for a period of 2-5 years, as must any subcontractors and/or suppliers that take such action.
- By engaging in a contract with the weatherization agency, the contractor agrees that if they do not pay for materials and labor completed through their weatherization contract, the weatherization agency has the option to use payments owed to the contractor to pay such subcontractors and suppliers.
- Contractors must provide invoices that break out the labor and materials for the work they have completed. Their invoices must report the breakdown of materials and labor to the same specificity as they did in their quote (quotes require this same breakdown of material and labor).

4.6 Vendor Payments

Agencies must make timely payments to vendors as follows:

- The agency must make every possible effort to pay properly submitted vendor invoices **within thirty (30) days of receipt**, provided that goods and/or services have been delivered, installed (if required), and accepted as specified. This guidance must flow down to all sub-contractors, vendors, etc.
- A good faith dispute or an improper invoice creates an exception to prompt payment only when the vendor is notified in writing of the reason for the dispute or improper invoice. After a dispute is settled, or improper invoice is resolved, the agency must have 30 days to pay the invoice.

4.7 Competition

Agencies must conduct procurement through open and free competition. Agencies must be aware of organizational conflicts of interest and non-competitive practices among contractors that may restrict or eliminate competition. To ensure objective contractor performance, and eliminate unfair competitive advantage, any contractors that develop or draft specifications, requirements, statements of work, invitations for bids, or requests for proposals must be excluded from competing for such procurements.

4.8 Establishing Procurement Amounts

Procurement requirements vary based on the estimated contract cost with the following factors:

- The period of time for a procurement can range depending on what is being procured, from a one-time delivery to procurement over a season or year. For example, one product may be delivered on a specified day and another product is delivered over a long period of time. When determining the length of time that is appropriate for a transaction period, Agencies must consider how long that price may still be reasonable and when it would be prudent to obtain new rate quotations or proposals.
- Estimated contract cost must be based on whether products and services could reasonably be acquired from a single procurement. When an agency chooses to purchase like items in separate purchases, the rationale for this decision must be documented as part of the cost analysis

- Serial contracting is the practice of issuing a series of smaller purchase orders to one or more vendors for the same commodity or service in order to avoid a bid process. Serial contracting is prohibited.
- Products or services that can logically be grouped together must be procured using a method based on the total estimated amount.
- Potential contract extensions must be taken into account when calculating the aggregate.

4.9 Procurement Method by Contract Cost

The appropriate methodology should be used for each procurement based on the cost.

1) Procurement of goods and services under \$10,000 (Micro-Purchases):

- Micro-purchases are the acquisition of supplies or services, whose aggregate dollar amount is below \$10,000.
- Micro-purchases may be awarded without soliciting competitive prices or rate quotations if the agency considers the price to be reasonable. A cost is reasonable if it is less than a prudent person would spend. Reasonableness is based on research, experience, and purchase history. The agency shall compare the price to past purchases and other current available prices. Agencies shall document price reasonableness.
- The agency should make every effort to distribute micro-purchases equitably among qualified suppliers.

2) Procurement of goods and services between \$10,000 and \$250,000 (Simplified Acquisitions)

- The agency will obtain multiple bids for purchases of materials and/or services over \$10,000.
- When the agency creates a request for bids, it must provide prospective vendors / contractors with a clear description of the requirements of the goods or service.
- The agency will document the reasoning for the bid award to a particular vendor and maintain a file on bids and bid awards.
- The agency will secure at least 2 quotes from qualified sources.
- The agency must consider the price to be reasonable.
- Prices shall be obtained in writing.

3) Procurement of goods and services over \$250,000 (Proposals):

- Agencies must use formal procurement methods when procuring goods or services with values over \$250,000.

- Formal procurement methods are competitive and require public notice.
- Agencies must publicize Requests for proposals and identify all evaluation factors..
- Agencies must solicit proposals from at least 3 qualified suppliers.
- Agencies must consider any response to publicized requests for proposals.
- Agencies must create a written method for conducting evaluations of the proposals received and for making selections.
- Contracts must be awarded to the responsible offeror whose proposal is most advantageous to the program.

Chapter 5 – Equipment, Materials, and Insurance

5.1 Agency IT Requirements

Agencies are required to have the hardware, software, and internet access needed to operate their Weatherization Program. Agencies must have all IT hardware (equipment that allows a user to create, store, or transmit data), software (computer application/program or data) and service subscriptions, including email hosting and desktop support, necessary to meet OEO requirements for program management and financial reporting. Software and service subscriptions must be kept up to date. Agencies must have a policy for handling sensitive data as part of their weatherization program policies and procedures. Agencies must follow State confidentiality laws, policies and procedures on personal information.

Personal information includes an individual's first and last name and at least one "specified data element," such as a Social Security number, driver's license number; taxpayer ID; medical or mental-health information; or biometric data. Personal information also includes an individual's user name or email address, in combination with a password or security question and answer, that allows access to an online account. Personal information does not include information publicly available from government records or widely distributed media.

Agencies must ensure subcontractors do not have access to the Hancock database to safeguard the integrity and security of data.

5.1.1 Hancock Database

Weatherization crews must electronically document building test results and site conditions in the Hancock Database. Information in this database must not be shared outside of the Weatherization Program without written client consent.

5.2 Assets and Equipment (property)

WAP Memo 2024-04 outlines OEO's policy on the purchase of all property. Property includes equipment, tools, and vehicles, and also consumable materials and inventory. Property purchased with OEO Weatherization funds can revert back to OEO if rules and regulations are not followed or if the Agency Weatherization Program ceases to operate.

Agencies must request OEO approval for all purchases with an original purchase value of \$10,000 or more per unit. Note that “original purchase value” includes the purchase price plus any trade-in value received.

5.2.1 Controls and Safeguards

- Agencies must ensure that safeguards are in place to prevent loss, damage, or theft of its equipment, vehicles, and inventory.
- Any loss, damage, or theft must be documented.
- Adequate maintenance procedures must be followed and documented to keep equipment, vehicles, and inventory in good condition.

5.2.2 Purchasing Vehicles

Purchase or lease-purchase agreements for vehicles must be pre-approved by OEO.

When looking to purchase a vehicle, the agency must send OEO a letter with the following information:

- List of all of current vehicles by model and make
- Mileage of each vehicle
- General shape of each vehicle and its current use
- Brief explanation of why the agency is looking to purchase a new vehicle
- Any other info the agency thinks would be helpful

The agency's' procurement process must ensure that:

- There is a clear and accurate description of the technical requirements of the vehicle
- The vehicle is purchased through an arms-length transaction
- At least 3 bids for the vehicles are solicited

Agencies must maintain accurate records for all vehicles purchased with OEO funds that include all the following information:

- Vehicle description (make, model, year, color, condition)
- Vehicle identification number (VIN)
- Funding source(s) for purchase of the vehicle, purchase date and amount
- Loan or lease agreement terms and lienholder information, when applicable
- Date of sale, transfer, trade-in or other disposition of vehicle

5.3 Property Record Keeping

5.3.1 Vehicles, Equipment and Tools Records

Agencies must place an asset tag / permanent label on all vehicles and tools with a value over \$10,000. Agencies must take a physical count of vehicles, equipment and tools annually. Agencies are required to keep the following records for vehicles, equipment and tools with an original purchase value of \$10,000 or more:

- Description including model, year, serial or vehicle identification number
- Date of purchase;
- Original purchase value, including any trade-in applied;
- Source of funds used for purchase;
- Location, use and condition of property;
- Individual to whom property is assigned (if applicable);
- Records of maintenance completed; and
- Disposition date, method, and amount received.

5.3.2 Physical Counts of Inventory

A physical count of inventory shall be performed on a monthly basis by someone who does not have responsibility for ordering or approving purchases of such items. When it is not possible to separate duties, a review of the inventory count should be performed by an individual who is not involved in purchasing or the count.

At the conclusion of the physical count, a reconciliation to the general ledger balance should be performed to reflect the total inventory on hand as determined by the physical count.

Agencies must send OEO copies of their inventory every year. Agencies must send OEO with the property record cards with the above information of any vehicle or tool purchase over \$10,000 within 30 days of purchase. OEO will maintain a tracking database of this information.

5.3.3 Inventory Closeout

Agencies will own all of the supplies when purchased. Agencies are required to submit a program year-end close-out report that includes information on inventory on hand which will be carried over to the next program year.

5.4 Disposition of Property

Any funds received from the sale of property must be reinvested back into the program. Disposition of property must be in accordance with the rules of the funding source. The agency must keep a record of disposal or transaction.

5.4.1 Vehicle, Equipment and Tool Disposal

Vehicles, tools and equipment must be disposed of in a way that ensures free and open competition. Proceeds must be used to purchase other weatherization materials or equipment.

The agency must request permission from OEO to dispose of vehicles, tools and equipment with current fair market value of \$5,000 or more. Once an agency has disposed on a vehicle, equipment, or tool, their property record card shall be updated.

Written disposal requests must include the following:

- Explanation of why the equipment can no longer be used in the Weatherization Program;
- Description of the equipment including model, year, serial or identification number, mileage, etc.;
- Date of purchase;
- Purchase price, including any trade-in applied;
- Source of funds used for purchase
- Estimated current fair market value;
- Condition and age of equipment. If equipment is defective, in unsafe operating condition, or inoperable, supply an estimate of repair costs required to return the equipment to operating condition.
- Provide supporting documentation showing how the sales price was determined as well as the steps to be taken to ensure arm's-length transaction and best value obtained
- The agency may use the vehicle to be replaced as a trade-in or sell it and use the proceeds to offset the cost of the replacement vehicle.
- If an agency were to sell a vehicle without purchasing a new one, *regardless of the sales price*, then the cash proceeds from the sale are to be treated as program income

5.5 Insurance

Agencies must maintain adequate insurance against general liability, as well as coverage for buildings, contents, computers, equipment, machinery, and other items of

value. See Attachment C of any OEO funding grant for more information about insurance requirements.

5.5.1 Coverage Guidelines

Agencies should maintain a detailed listing of all insurance policies in effect. This listing shall include the following information, at a minimum:

- Description (type of insurance)
- Agent and insurance company, including all contact information
- Coverage and deductibles
- Premium amounts and frequency of payment
- Policy effective dates

5.5.2 Vehicle Insurance

In addition to comprehensive insurance, agencies must obtain liability insurance of at least \$1,000,000 per incident.

Chapter 6 – Program Costs

6.1 General

Agencies may spend on the weatherization program within the following rules:

- DOE regulations (<https://www.ecfr.gov/current/title-10/chapter-II/subchapter-D/part-440#440.18>) require that Administrative costs cannot exceed 15% of the grant amount. OEO regulations require that Administrative costs cannot not exceed the approved budgeted amount.
- T&TA budget must not be exceeded.
- Funds cannot be transferred between funding sources.

Except as stated above, positive balances in a line item may be shifted to cover cost overruns in other line items with OEO pre approval when exceeding 10% over budget amount.

- All costs expended to a grant must be incurred during the grant period.
- Expenses incurred on a completed home must be reimbursed under the month and year the unit is reported as complete. Costs for the installation of allowable measures must be accrued prior to the program year in which a completed unit will be reported and reimbursed when the unit is reported as completed - provided there is funding in the following year to cover those costs.
- An agency must ensure that all measures are active and allowable under the subsequent grant. OEO will disallow the reimbursement if costs are not allowable.

6.2 Allowable Costs

The following are examples of allowable costs.

6.2.1 Administration

The following administrative expenses are allowable:

- Office space
- Supplies (paper, pencils, etc.)
- Furniture
- Operational equipment
- Computer systems and supplies
- Telephone

- Postage
- Copying
- Utilities (Weatherization Program share)
- Professional dues and subscriptions to trade magazines
- Indirect costs, pursuant to a federally approved indirect cost rate or the allowable de minimis if there is not a federally approved indirect rate, but only up to the amount allowable in a Sub-grantee's administration budget lines.

6.2.2 Delivery Costs

The cost of having a third-party transport weatherization materials to the program warehouse or directly from the supplier to the job site is allowable.

6.2.3 Subcontractor Costs

The reasonable cost of the installation of weatherization measures by a private contractor is allowable when properly procured.

6.2.4 Weatherization Readiness Funds (WRF)

WRF are to be used to address structural and health and safety issues of homes that are at risk of deferral. The purpose of this funding is to perform repairs on the home, that would normally be a barrier to weatherization.

Allowable measures may include but are not limited to the following:

- Roof repair
- Wall, ceiling, and floor repair
- Foundation or subspace repair
- Exterior drainage repairs (e.g., landscaping or gutters)
- Plumbing repairs
- Electrical repairs
- Clean-up or remediation beyond typical scope of weatherization

Other items may be allowable on a case-by-case basis depending on the severity of the hazard or issue and must be approved by OEO.

6.2.5 Transportation

The costs of the transportation of weatherization materials, tools, equipment, work crews, supervisory personnel, efficiency coaches, and energy auditors are allowable. Vehicle usage expenses may include mileage reimbursement for non-agency owned vehicles and expenses for agency-owned used for weatherization, such as:

- Gas and oil
- License and taxes
- Tires, vehicle repairs and preventative maintenance.
- Vehicle insurance (collision and liability)

Agencies must maintain accurate detailed logs of mileage and vehicle expenses logs. Mileage will be reimbursed only for those miles tracked between the agency offices and allowable sites for weatherization activities including but not limited to the job site, weatherization training, meetings, or technical assistance visits. Reimbursement for commute mileage between an employee's personal residence and the agency offices is not allowed and must be deducted.

Full Coverage Insurance on vehicles must be purchased to fully replace any loss or damage of the property and its accessories, equipment, etc., minus any applicable insurance deductible.

6.2.6 Tools and Equipment

The purchase and/or lease of tools and equipment necessary to install weatherization materials is an allowed cost. Tools and equipment must include non-consumable items such as tape measures, insulation blowers, ladders and consumable equipment (e.g., saber saw blades, replacement filters for dust masks, blades for utility knives, etc.).

Repair, maintenance and calibration costs for tools and equipment are also allowable costs.

6.2.7 Health and Safety

Expenses to address Health and Safety issues that meet VT Weatherization Technical Policies and Procedures Manual are allowable.

6.2.8 Other Allowable Costs

Other allowable costs include:

- Liability Insurance
- Training and Technical Assistance
- Wages, taxes and fringe for intake, efficiency coaches, energy auditors, production supervisors, and program administrators (off-site staff)
- Wages, taxes and fringe for crew staff (on-site staff)
- Travel expenses
- Office Expenses

6.3 Training & Technical Assistance (T&TA)

Training and Technical Assistance (T&TA) activities are intended to maintain or increase the efficiency, quality and effectiveness of the Weatherization Program. Such activities must be designed to maximize energy savings, minimize production costs, improve program management, crew and contractor quality of work, and reduce the potential for waste, fraud, abuse and mismanagement.

A subgrantee must use T&TA Funds for:

- The cost of training programs and training materials;
- Travel costs and registration fees for training weatherization staff;
- The cost of subscriptions to weatherization program-related periodicals;
- Program evaluation costs;
- The cost of training certifications

A subgrantee may use T&TA Funds for:

- Salary and Fringe and travel for personnel to attend training.

6.4.1 Out-of-State Travel

Out-of-state travel for conferences or other training must be approved on a case-by-case basis. Requests for out-of-state travel must include:

- The name and position of the people attending the event.
- The costs associated with their attendance at the event; and
- A justification for attendance.

6.4 Disallowed Costs

Disallowed costs are expenses that OEO determines are not reimbursable using grant funds. If OEO cannot determine if the expenditure is allowable, because of inadequate records or documentation, the questioned cost will be disallowed. Subgrantees must reimburse OEO for the full amount of any disallowed costs. Interest expenses are a disallowed cost.

6.5 Average Cost Per Unit (ACPU)

Each year, OEO will list the maximum average cost per unit in the agency's grant agreement. Agencies must manage job costs so that it does not exceed this limit. Average Unit Cost does not include the costs of auditing and intake staff, health and safety measures, administrative costs, Weatherization Readiness Funds or T&TA expenditures.

If an agency exceeds the maximum ACPU, it will reimburse OEO for that overage.

Chapter 7 – Documentation and Record Keeping

7.1 Client Records

An agency must maintain a permanent list of weatherized units. The list must include the complete address and the date of completion of the weatherization. Agencies must comply with all applicable federal and state laws, and OEO WAP regulations concerning the confidentiality of client records.

Agencies must retain all records, either paper or digital, associated with weatherization jobs for three years after the final Federal Financial Report (FFR) has been submitted by the state.

Agency records must be available to OEO on request for inspection, examination, or financial audit.

7.2 Client Files

OEO WAP has provided a Client File Checklist that sub-grantees must use, the provided form and keep it in the client file. The form is also available from the OEO SharePoint site.

The information listed in the bullet points below is required to be uploaded to Hancock when applicable. Information may include forms, written notes, and documents. Information must be uploaded to the jobs with the corresponding funding source except for Client Information Section Document uploads and Client Communication.

Audit Section WAP Document (Hancock) uploads.

- Client File Checklist form.
- Client Rights and Expectations and WX Process Flow form
- Cover sheet of the informational Lead Pamphlet for each dwelling unit.
- DOE Mold and Moisture form.
- Radon Consent form.
- 2014 Weatherization Residential Audit form.
- Energy Audit Project Photos (Consolidated as single .pdf document).
- Signed by the client a Complete Weatherization Work Scope.
- Hazard Assessment Notification / Disclosure form; Includes client sign-off that information, notifications and release were given to them regarding health and safety related hazards.

State of Vermont, Department for Children and Families, Office of Economic Opportunity
Vermont Weatherization Program Administrative Manual

- All Red Calcs Tool Calculations.
- All Worst-Case Draft Test Forms, completed for both pre and post WX test information (on separate forms).
- Client Signed Programmatic Waiver forms.
 - Ventless Heaters.
 - Basements & Crawlspace with Earthen Floors “Moisture Barrier”.
- Efficiency Coach Forms, VT One-Touch, and Add-On Program Documents.
- All subcontractor invoices for work performed on the job, itemized by material and labor. (Major appliances must include Make, Model and Serial Number).
- Signed subcontractor agreement. Must include Equipment/Specification Details.
- Any bids required for subcontractor work performed (work > \$10,000, only winning bidder, all others captured in bid log).
- Transmittal for high-cost jobs.
- Atypical Project approval form.
- Weatherization work scope (provided to and signed by the client prior to start of crew work, that includes all work proposed not just crew work).
- VHR and WRF approval forms.
- Crew Photos - During and After Project (Consolidated as single .pdf document).
- Final Test Out Documentation.
- Quality Control Inspection Photos (Consolidated as single .pdf document).
- Final Quality Control Inspection Form signed by client, Weatherization Quality Control Inspector, and the Weatherization Program Director.
- Deferral Letter.

Client Information Section Document uploads and Client Communication.

- Basic Program Application Packet.
- Client Eligibility - Verification of Eligibility - Original Docs.
- Proof of Ownership.
- Rental Agreements (required for all rentals regardless of number of dwelling units).
 - Landlord/Tenant Agreement
 - Landlord Agreement (rentals) that includes the details of both WAP and owners’ requirements / scope of work.
- Client Eligibility - Reverification Documents (If needed before coach visit based on time on waitlist).
- Small Multi-Family Project: Household Disclosure form.
- Small Multi-Family Projects w/2-4 Dwelling Units - Household Characteristics form.
- Atypical Administrative Approval form.
- HUD (or comp.) Auto-Eligibility List.
- Client Complaints and Documented Resolution.
- Deferral Information.
- State Historic Preservation Documentation.

7.3 Open Records/Public Records

All agencies must have a policy on public information requests and follow that policy.

7.4 Scope of Work

A Scope of Work must be signed by the owner/agent of an eligible dwelling unit prior to the commencement of weatherization work.

The agreement must detail the type and amount of weatherization work to be done on the building and other conditions both parties agree to as well as permission for the work crew to enter the premises.

The owner must also sign off on the completed work. After all work is complete and a final inspection is conducted, a signature is required to verify the proposed work in the work agreement was completed and was acceptable. This must be signed before the job can be reported to OEO as complete.

7.5 Historic Preservation

Agencies must comply with federal rules governing historic preservation. These rules are Section 106 of the National Historic Preservation Act (NHPA) and DOE's 7.1.2020 Memorandum 063. Section 106 applies to historic properties that are listed in or eligible for listing in the National Register of Historic Places.

To fulfill the requirements of Section 106, OEO and the State Historic Preservation Officer ("SHPO") have developed a Statewide Programmatic Agreement ("PA"). The PA outlines a list of weatherization activities that comply with historic preservation regulations. Work performed by agencies from this list of activities will be considered in conformance with Section 106 Review. Additional work performed beyond that which is identified in the executed PA will require further Section 106 Review.

For more information, see VT WPN 2023-04.

The Statewide Programmatic Agreement is available at: [Housing and Urban Development \(HUD\) Consolidated Plan | Agency of Commerce and Community Development](#) or [Review and Compliance | Agency of Commerce and Community Development](#). Additional information is also available at the U.S. Department of Energy website: <https://www.energy.gov/eere/weatherization-and-intergovernmental-programs-office-wip-and-national-historic-preservation>

Chapter 8 – Reporting Requirements

8.1 General

Agencies must submit monthly reports, which cover the projects completed in the last 30 days, to OEO by the 15th of each month using the designated OEO form. In addition, the agency must submit a Request for Payment (RFP) form in order for OEO to reimburse it for the previous month's expenses. This form must be the one provided by OEO in the applicable Weatherization grant.

If an agency needs additional time to report, it must contact OEO and request a reporting extension, by no later than the 15th, end of day.

If the 15th of the month falls on a weekend or holiday, the agency shall report to OEO the first weekday after.

All reports and RFPs must be reviewed and approved by an authorized agency representative. OEO reserves the right to reject reports that are incomplete or inaccurate.

When an agency completes a project it must enter it into the Hancock database. Jobs must be completed and have a passing Quality Control Inspection before it is entered into Hancock. Completed jobs must be submitted by the 15th of each month for the previous month's completions (e.g., jobs completed by September 30th must be submitted by October 15th). OEO will conduct desktop monitoring on a percentage of submitted projects to ensure compliance and identify necessary corrections.

8.2 Monthly Requests for Payment

Monthly RFPs and the required support documentation must be submitted for the expenditures related to the completed jobs for the previous month. Agencies must not submit an RFP for jobs that have not yet been submitted to the Hancock database.

Monthly RFPs are subject to a four-stage approval process by OEO before reimbursement:

1. **Hancock Accuracy Review:** A percentage of completed projects will be verified to ensure data accuracy in Hancock, ensuring logical consistency with initial assessments and reasonable charges meeting SIRs.
2. **OEO Energy Services Officer Review:** Verification of the Monthly Expenditure Report (MER) Submittal Form against database entries and supporting documentation.

3. **OEO WAP Director Approval:** Final review and approval by the OEO WAP Program Director.
4. **Accounting Division Approval:** Final approval by an OEO WAP Business Office Division representative.

RFPs must accurately reflect allowable costs incurred for the month. Separate Weatherization RFPs must be submitted monthly for each grant funding source.

8.3 Final Close-Out Invoice

Agencies must submit a final invoice for each fund at the end of each funding cycle. Agencies will have 30 days from the end of a grant to submit final invoices.

Chapter 9 – Financial Standards

9.1 General

Agencies must establish fiscal controls and accounting procedures as set forth in federal regulation 2 CFR 200 (<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200>). These procedures must be in writing and must include procedures for determining the reasonableness and allowability of costs in accordance with Federal rules and the conditions of the grant award. Agencies must maintain account books on a double entry and full accrual basis.

Agencies must maintain separate accounting for each grant. For grants funded through multiple sources, the agency must maintain records that separately track and account for those funds. There must be a system for allocating common expenses between funding sources.

If work is performed by the agency's staff, the agency must use the actual cost basis for reimbursement.

Agencies are required to notify OEO of any potential financial conditions that could adversely impact program operations. Examples of these conditions include: pending legal activity by a vendor, client or employee; organizational cash flow shortages; or allegations and investigations of fraud or embezzlement.

9.2 Expenditure Documentation

Agencies must maintain the following documentation:

- Written prior authorization where required (ex. Truck or equipment over \$10,000);
- Budget approval, if applicable;
- Budget amendment approval, if applicable;
- Vendor contracts;
- Internal prior authorization,
- Purchase order,
- Travel authorization,
- Employee contract or time records signed by employee and supervisor,
- Proof that goods or services were received,
- Contractor, Vendor and/or Supply Order Invoices,
- Proof of payment using check stubs or copies of checks/vouchers including:
- Source of funds,

- Date paid,
 - Amount paid,
 - Authorization of payment, and
 - Identification of application in disbursement ledger.

9.3 Cash

Agencies must make intact deposits (no cash back). OEO does not allow cash payments.

It is not necessary to keep funds from separate grants in separate bank accounts; however, agencies must maintain separate financial records for each grant.

Agencies must perform monthly bank reconciliation.

Grant funds may only be used for allowable weatherization program expenses. Any use of weatherization program funds for expenditures other than those allowed by the weatherization program, even on a temporary basis, is not allowed.

9.4 Record Retention

Agencies must retain all records associated with a grant for three years after the final Federal Financial Report (FFR) has been submitted by the state. This means that agencies must potentially retain records for longer than three years.

- Agencies must retain all financial records, supporting documentation, statistical records (including procurement records).
- Agencies must store their agency cost files and label each file according to the time period involved.
- All records maintained in accordance with the operation of the weatherization program must be available to OEO.
- Agencies must maintain a permanent record of all units weatherized which, at a minimum must include; street number, street name, unique unit identifier, city, zip code, county and date of completion.

9.5 Financial Audits

Agencies must ensure that financial audits are:

- Conducted in accordance with federal laws and regulations, 2 CFR 200 Subpart F (formerly OMB Circular A-133)
- Conducted annually;

- Conducted by an independent auditor;
- Timely; and
- Submitted to OEO as soon as available. Agencies must submit one copy of the audit including any supplementary letters of findings.

§ 200.501 Audit requirements.

(a) **Audit required.** *A non-Federal entity that expends \$1,000,000 or more during the non-Federal entity's fiscal year in **Federal awards** must have a single or program-specific audit conducted for that year in accordance with the provisions of this part.*

(b) **Single audit.** *A non-Federal entity that expends \$1,000,000 or more during the non-Federal entity's fiscal year in **Federal awards** must have a single audit conducted in accordance with § 200.514 except when it elects to have a program-specific audit conducted in accordance with paragraph (c) of this section.*

(c) **Program-specific audit election.** *When an auditee expends Federal awards under only one Federal program (excluding R&D) and the Federal program's statutes, regulations, or the terms and conditions of the Federal award do not require a financial statement audit of the auditee, the auditee may elect to have a program-specific audit conducted in accordance with § 200.507. A program-specific audit may not be elected for R&D unless all of the Federal awards expended were received from the same Federal agency, or the same Federal agency and the same pass-through entity, and that Federal agency, or pass-through entity in the case of a subrecipient, approves in advance a program-specific audit.*

(d) **Exemption when Federal awards expended are less than \$1,000,000.** *A non-Federal entity that expends less than \$1,000,000 during the non-Federal entity's fiscal year in Federal awards is exempt from Federal audit requirements for that year, except as noted in § 200.503, but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and Government Accountability Office (GAO).*

9.5.1 Audit Package

The audit reporting package must include the following.

- Audited financial statements of the overall agency
- Schedule of expenditures for Federal & State Award
- Additional Supplemental Schedule(s) required by the granting agency
- Schedule of Prior Audit Findings, if applicable
- Corrective Action Plan, if applicable

- Opinion on General-Purpose Financial Statements and Supplementary Schedule of Expenditures of Federal and State Awards
- Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
- Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with 2 CFR 200 Subpart F (formerly OMB Circular A-133)
- Schedule of Findings and Questioned Costs
- Management letter

9.5.2 Compliance Requirements & Audit Procedures

The agency's audit must:

- Determine the effectiveness of management controls and the fiscal integrity of the financial system.
- Determine whether the agency is in compliance with the terms and program requirements as set forth in the grant agreement
- Determine whether reports issued to OEO are accurate and complete, including financial and production data.
- Determine whether expenditures are properly classified and are allowable costs in accordance with the grant agreement.
- Determine that general administration expenses were limited to the appropriate percentage.
- Determine whether inventories are properly maintained and safeguarded.
- Determine whether materials inventory and materials installed were properly valued.
- Be in accordance with audit requirements and procedures published in OMB's Compliance Supplement for Audits of State and Local Governments or OMB's Compliance Supplement for Audits of Institutions of Higher Learning and other Non-Profit Institutions.

The selection of the audit firm must comply with procurement requirements.

If OEO does not receive the plan of action (Corrective Action Plan) within the required timeframe or the deficiency is not corrected, the agency may no longer be allowed to facilitate the weatherization program for their service area.

Chapter 10 – OEO Monitoring Plan and Details

OEO is dedicated to providing a high quality, efficient and cost-effective Weatherization Assistance Program. Programmatic monitoring is used to verify subgrantee compliance, communicate state policies to subgrantees, and influence subgrantee's performance. The monitoring staff consists of the Weatherization Program Director, Energy Services Program Officers and Senior Energy Service Officers.

To ensure the highest quality at all program levels, OEO verifies the contractual obligations of the subgrantees through the monitoring process. This process has allowed for program improvement in a variety of areas. Vermont's WAP monitoring is comprised of:

1. Administrative and Financial Monitoring
2. Programmatic Monitoring
3. Monthly Report Monitoring (desktop).

A discussion of these monitoring activities follows.

10.1 Administrative & Financial Monitoring

OEO performs an administrative monitoring of the six subgrantees each year. These reviews are conducted by the DCF Audit Director and the Weatherization Program Director. The primary purpose of these reviews is to ensure regulatory and contractual compliance. OEO evaluates staffing patterns, internal controls, inventory management, procurement, property management, and financial management systems.

10.2 Programmatic Monitoring

The Hancock Energy Software Program (HES) allows the OEO Energy Services Program Officer (ESPO) to access all specific information concerning any weatherization project (both completed and in process jobs) via this web-based program. With this information the ESPO can ascertain all materials installed on a given job, the costs of and the type of measures installed, fuel consumption, and results of all diagnostic and health & safety tests prior to conducting any field work. The ESPO will also check the production level against contractual expectations, reviews expenditure levels, and identifies specific jobs for on-site inspections during the field portion of the monitoring visit.

10.2.1 Steps of Programmatic Monitoring:

- **Client File Review:**

The programmatic monitoring process begins with a client file review (minimum of 15% of the files for the total produced units for year). Since the client file is a historical record of the entire weatherization process, the ESPO reviews all the information contained in the file. This review establishes that appropriate procedures have been followed concerning: the application and income verification process, the energy audit/diagnostic testing, the selection of measures, the development of the scope of work, the documentation of costs applied to the job, accurate completion of required forms, and that a successful quality control post inspection has been performed on each job. This review helps to ensure that all applicable rules, policies, and procedures have been followed in carrying out weatherization activities.

- **Site visits to completed and in-progress units:**

The next step to the programmatic monitoring process involves site visits of both completed and in-progress units. This ensures high quality and the highest possible energy savings in each weatherized home. OEO aims to inspect 10% of units on-site. A percentage of the on-site inspections will include work-in-progress jobs. This will allow for crew and Monitor/Technician information exchange and provide T&TA opportunities.

The Monitor/Technician utilizes a full range of diagnostic equipment when inspecting actual dwelling units. The Monitor/Technician inspects all aspects of each job verifying material installations and overall quality. Interviews with clients provide insights into the customer service provided by the subgrantee.

- **Exit Interview:**

Following the on-site inspections, an exit interview will be conducted with the program director, when feasible. The goal of this meeting is to discuss results of the monitoring, ask questions if needed to confirm details before codifying in a report, and providing the WAP Director with an initial overview of the results of the monitoring.

- **Written Report:**

A report summarizing the findings will be sent to the subgrantee within fifteen days. The report will detail both positive aspects of the program and areas of concern or improvement. Details of deficiencies and proposed corrective actions will be included in the letter. A subgrantee response detailing the corrective action taken or Corrective Action Plan is required within 30 days, and selected jobs are rechecked to ensure that the quality of the work has been corrected.

10.3 Monthly Desktop Monitoring

Hancock Energy Software allows OEO to effectively monitor subgrantee performance from a contractual perspective each month. The system is designed to facilitate ad hoc reporting capabilities and allow thorough analysis of current operations, outcomes and trends.

10.4 Integrated Monitoring Approach

Administrative Monitoring, Programmatic Monitoring and Monthly Report Monitoring (and data analysis) are integrated as OEO's monitoring program. The underlying intent is to utilize all three efforts to promote a high-quality program that delivers cost effective services, meets the needs of Vermont's low-income population, and ensures compliance with Federal and State requirements.

The need for a Corrective Action Plan or Performance Improvement Plan to include enhanced monitoring and oversight is identified by successive poor monitoring and client complaints to OEO.