

STANDARD AGREEMENT  
STD. 213 A (Rev. 6/03)

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CONTRACT SERVICES UNIT  
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AGREEMENT NUMBER <b>16C-6007</b>	AMENDMENT NUMBER <b>2</b>
REGISTRATION NUMBER	

- This Agreement is entered into between the State Agency and the Contractor named below  
 STATE AGENCY'S NAME  
**Department of Community Services and Development**  
 CONTRACTOR'S NAME  
**El Dorado County Health and Human Services Agency**
- The term of this Agreement is : **July 1, 2016 through September 30, 2017**
- The maximum amount of this Agreement is: **Total \$64,892.00**
- The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

The term of this Agreement is changed from July 1, 2016 through June 30, 2017 to July 1, 2016 through September 30, 2017.

All other terms and conditions shall remain unchanged.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR		CALIFORNIA Department of General Services Use Only
CONTRACTOR'S NAME (If other than an individual, state whether a corporation, partnership, etc.) <b>El Dorado County Health and Human Services Agency</b>		"I hereby certify that all conditions for exemption have been complied with, and this document is exempt from the Department of General Services approval."  
BY (Authorized Signature) 	DATE SIGNED (Do not type) <b>6-8-17</b>	
PRINTED NAME AND TITLE OF PERSON SIGNING <b>Patricia Charles-Heathers Ph.D., Director, Health and Human Services Agency</b>		
ADDRESS <b>3057 Briw Rd #A, Placerville, CA 95667</b>		
STATE OF CALIFORNIA		
AGENCY NAME <b>Department of Community Services and Development</b>		<input type="checkbox"/> Exempt per _____
BY (Authorized Signature) 	DATE SIGNED (Do not type) <b>6/20/17</b>	
PRINTED NAME AND TITLE OF PERSON SIGNING <b>Cindy Halverstadt, Deputy Director, Administrative Services</b>		
ADDRESS <b>2389 Gateway Oaks Drive, Suite 100, Sacramento, California 95833</b>		

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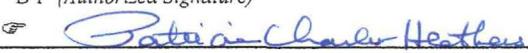
AGREEMENT NUMBER <b>16C-6007</b>	AMENDMENT NUMBER <b>1</b>
REGISTRATION NUMBER	

1. This Agreement is entered into between the State Agency and the Contractor named below  
 STATE AGENCY'S NAME  
**Department of Community Services and Development**  
 CONTRACTOR'S NAME  
**El Dorado County Health and Human Services Agency**
2. The term of this Agreement is : **July 1, 2016 through June 30, 2017**
3. The maximum amount of this Agreement is: **Total \$64,892.00**
4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

The term of this Agreement is changed from July 1, 2016 through January 31, 2017 to July 1, 2016 through June 30, 2017.

All other terms and conditions shall remain unchanged.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR	CALIFORNIA Department of General Services Use Only
CONTRACTOR'S NAME <i>(If other than an individual, state whether a corporation, partnership, etc.)</i> <b>El Dorado County Health and Human Services Agency</b>	
BY <i>(Authorized Signature)</i> 	DATE SIGNED <i>(Do not type)</i> <b>2/2/17</b>
PRINTED NAME AND TITLE OF PERSON SIGNING <b>Patricia Charles-Heathers, Ph.D., Director, Health and Human Services Agency</b>	
ADDRESS <b>3057 Briw Rd #A, Placerville, CA 95667</b>	
STATE OF CALIFORNIA	
AGENCY NAME <b>Department of Community Services and Development</b>	
BY <i>(Authorized Signature)</i> 	DATE SIGNED <i>(Do not type)</i> <b>2/10/17</b>
PRINTED NAME AND TITLE OF PERSON SIGNING <b>Cindy Halverstadt, Deputy Director, Administrative Services</b>	
ADDRESS <b>2389 Gateway Oaks Drive, Suite 100, Sacramento, California 95833</b>	
<input type="checkbox"/> Exempt per _____	

"I hereby certify that all conditions for exemption have been complied with, and this document is exempt from the Department of General Services approval."



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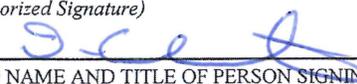
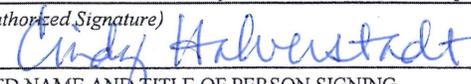
AGREEMENT NUMBER 16C-6007	AMENDMENT NUMBER 0
REGISTRATION NUMBER	

- This Agreement is entered into between the State Agency and the Contractor named below  
 STATE AGENCY'S NAME  
**Department of Community Services and Development**  
 CONTRACTOR'S NAME  
**El Dorado County Health and Human Services Agency**
- The term of this Agreement is: July 1, 2016 through January 31, 2017
- The maximum amount of this Agreement is: Total \$64,892.00

- The parties agree to comply with the terms and conditions of the following exhibits that are by this reference made a part of the Agreement:  
 Part I  
 Preamble  
 Article 1 - Scope of Work  
 Article 2 - Contract Construction, Administration, Procedure  
 Part II\*  
 Subpart A - Administrative Requirements\*  
 Subpart B - Financial Requirements\*  
 Subpart C - Programmatic Requirements\*  
 Subpart D - Compliance Requirements\*  
 Subpart E - Certifications and Assurances\*  
 Subpart F - State Contracting Requirements GTC 610\*  
 Subpart G - Definitions\*  
 Subpart H - Table of Forms\*

Items shown with an Asterisk (\*) are hereby incorporated by reference and made a part of this agreement as if attached hereto. These documents can be accessed at <https://providers.csd.ca.gov/>.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

<b>CONTRACTOR</b>		<b>CALIFORNIA Department of General Services Use Only</b>
CONTRACTOR'S NAME (If other than an individual, state whether a corporation, partnership, etc.) <b>El Dorado County Health and Human Services Agency</b>		<p>"I hereby certify that all conditions for exemption have been complied with, and this document is exempt from the Department of General Services approval."</p> 
BY (Authorized Signature) 	DATE SIGNED (Do not type) 6/14/2016	
PRINTED NAME AND TITLE OF PERSON SIGNING Don Ashton, MPA, Director, Health and Human Services Agency		
ADDRESS 3057 Briw Rd #A, Placerville, CA 95667		
<b>STATE OF CALIFORNIA</b>		
AGENCY NAME <b>Department of Community Services and Development</b>		<input type="checkbox"/> Exempt per _____
BY (Authorized Signature) 	DATE SIGNED (Do not type) 6/29/16	
PRINTED NAME AND TITLE OF PERSON SIGNING <b>Cindy Halverstadt, Deputy Director, Administrative Services</b>		
ADDRESS 2389 Gateway Oaks Drive, Suite 100, Sacramento, California 95833		

**STANDARD AGREEMENT  
PARTS I & II - ENTIRE CONTRACT**

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**PART I**

**PREAMBLE**

This subvention agreement, for the implementation of the Department of Energy Weatherization Assistance Program (DOE WAP) in program year 2016 (“Agreement”), is entered into between the Department of Community Services and Development (“CSD” or “Department”) and the contractor named on Form STD. 213, the face sheet of this document (“Contractor”), and shall be enforceable on the date last signed.

NOW THEREFORE, in consideration of the promises and of the mutual agreements and covenants hereinafter set forth, the CSD and Contractor hereby agree as follows:

**ARTICLE 1 – SCOPE OF WORK**

**1.1 General**

- A. Contractor agrees to provide Weatherization (WX) assistance to eligible participants residing in the service area described in Section 1.3, pursuant to Title 42 of the United States Code (U.S.C.) Section 6861 et seq., as amended and 10 Code of Federal Regulations (CFR), Part 440, as amended, the Department of Energy Weatherization Assistance Program (DOE WAP) for low-income persons. Contractor shall ensure that the highest level of assistance will be furnished to those households which have the lowest income and highest energy costs or needs in relation to income.
- B. The DOE WAP Catalog of Federal Domestic Assistance number is 84.042. Award is made available through the United States Department of Energy.

**1.2 Term and Amount of Agreement**

- A. The term of this Agreement shall be for the period represented on the face sheet (Form STD 213).
- B. The Maximum Amount of this Agreement shall be as specified on the face sheet.
- C. The amount allocated under this Agreement as specified in Paragraph B is expressly contingent upon Contractor’s compliance with DOE WAP Performance requirements specified in Article 10, Section 10.5, “Expenditure and Production Performance Requirements,” of this Agreement.

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**1.3 Service Area**

- A. The services shall be performed in the Service Territory comprised of the following service area(s) :

See Part II, Subpart H. The 2016 DOE WAP Numbers, Contractors, and Service Territories listing may be accessed at <http://providers.csd.ca.gov>.

- B. Contractors that provide services in Los Angeles and San Diego counties shall refer to the ZIP Codes listing located at <http://providers.csd.ca.gov> to determine the zip codes for their respective area.

**1.4 Service Area Expenditure Requirements**

Contractor shall be subject to special expenditure requirements as provided in Article 5, Section 5:5 of Part II, if any of the following pertain:

- A. This Agreement involves funding for DOE WAP services provided by Contractor in multiple counties or service areas; or
- B. Contractor has additional agreements with CSD for the provision of DOE WAP or Low-Income Home Energy Assistance Program (LIHEAP) services in counties or service areas other than the county or service area to which this Agreement applies.

**1.5 Program Authorities – Requirements, Standards and Guidance**

- A. All services and activities are to be provided in accordance with applicable federal, state, and local laws and regulations, and as those laws and regulations may be amended from time to time, including but not limited to, the following:
1. The Energy Conservation in Existing Buildings Act of 1976, 42 U.S. C. §§ 6851 et seq., and 10 Code of Federal Regulation (CFR) Part 440;
  2. The Federal Procurement requirements for Energy Contracts, 10 CFR 600.236;
  3. The Single Audit Act, 31 U.S.C. §§ 7301 et seq., and Office of Management and Budget (OMB) Subpart F-Audit Requirements Circular 2 CFR 200 its appendices and supplements.
  4. Applicable Intellectual Property Provisions for federal financial assistance awards specified in 10 CFR 600.136 and at <http://www.gc.gov/financial>

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assistance awards.htm.

- B. *Conflict of Laws.* Contractor shall comply with all of the requirements, standards, and guidelines contained in the authorities listed below, as they may be amended from time to time, with respect to procurement, administrative, and other costs claimed under this Agreement, including those costs incurred pursuant to subcontracts executed by Contractor, notwithstanding any language contained in the following authorities that might otherwise exempt Contractor from their applicability. To the extent that the requirements, standards, or guidelines directly conflict with any State law or regulation at Government Code §6851 et seq. or 22 CCR §100800 et seq., or any provision of this Agreement, then that law or regulation or provision shall apply, unless, under specified circumstances, a provision of federal law applicable to grants, such as 10 CFR 440, allows for the application of state law.

- 
1. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200);
  2. Contractor further agrees to abide by all requirements in California Contractor Certification Clauses 307 (CCC-307)
- 

- C. CSD shall provide Contractor with specific program guidance which shall be binding on the Contractor as a condition of the Contractor's participation in the DOE WAP program, and as a condition of receipt of funds under the program, PROVIDED:

1. That such guidance shall be issued by CSD in writing in the form of "CSD Program Notice (CPN) No. XX-XX" posted at <https://providers.csd.ca.gov>.
2. That such guidance shall be issued by CSD in the most timely and expeditious manner practicable;
3. That such guidance shall be reasonably necessary to realize the purposes of DOE WAP;
4. That major and material changes in the program and/or requirements which substantially affect the Contractor's and/or CSD's ability to fulfill their obligations or otherwise serve to create a substantial hardship on either the Contractor or CSD shall be subject to an amendment to this Agreement;

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5. Contractor shall notify CSD within 10 working days of issuance of a CPN, if contractor is unable to fulfill its obligations under the new guidance;
  6. That the parties' failure to execute a mutually acceptable amendment or CPN, as contemplated in subparagraph C 4 and C 5, in a reasonable period of time, shall result in this Agreement being without force and effect subject only to such provisions contained herein as are intended to survive the Agreement in accordance with the express and implied provisions of applicable federal and state law; and
  7. That upon CSD's good faith determination, delivered to the Contractor by written notice that Agreement between the parties to any necessary amendment or CPN as contemplated in subparagraph C 4 and C 5 cannot be achieved, then this contract shall be "closed out" and the funds disposed in accordance with established CSD procedure and policy and as required under federal and state law.
- D. The federal and state laws, regulations and other authorities referenced in this Section are hereby incorporated by reference into this Agreement. Copies may be accessed for reference at [www.csd.ca.gov](http://www.csd.ca.gov).
- E. Contract Elements Integral to Agreement
1. Contractor's Priority Plan Narrative and forms listed below are integral to this Agreement:
    - a. DOE Weatherization Priority Plan Narrative (CSD 793)  
(referenced in Part II, Article 5.1)
    - b. DOE Weatherization Budget (CSD 570) (referenced in Part II, Article 5.1)
    - c. Out-of-State Travel Form (CSD 536)
    - d. Certification Regarding Lobbying/Disclosure of Lobbying Activities
    - e. Executive Director and Board Roster (CSD 188)
    - f. Federal Funding Accountability and Transparency Act Report (CSD 279)

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2. The forms must be completed by Contractor before CSD will execute the Agreement and Contractor is authorized to commence work. CSD will not forbear from executing this Agreement pending its own review and final approval of Contractor's submission, provided Contractor acts in good faith to rectify any outstanding issues associated with the forms. The approved forms shall become part of this Agreement.
  
- F. Contractor's signature affixed hereon shall constitute a certification that to the best of Contractor's ability and knowledge it will, unless exempted, comply with the provisions set forth in Part II, Article 11, Section 11.1, "Certifications" of this Agreement.

**1.6 Special Contract Contingency – Quality Control Inspector Certification**

In addition to the Quality Control Inspectors (QCI) Certification requirement specified in Section 9.2 and the reimbursement restrictions and inspection requirements provided in Section 5.6 D.1.a., this Agreement is subject to, and expressly contingent upon, the following provisions:

- A. This Agreement shall have no force and effect until fully executed by CSD and notice of CSD's execution of the Agreement has been communicated to Contractor. CSD will not execute this Agreement until Contractor has provided CSD with documentation reasonably acceptable to CSD that shows Contractor has employed or contracted with a certified quality control inspector who has met the certification requirements of Section 9.2.
  
- B. If at any time during the term of this Agreement Contractor is unable to meet the requirements of Section 5.6 D.1.a. because Contractor loses access to a Certified QCI, Contractor shall immediately notify CSD of the loss and may not report any weatherized dwelling or request reimbursement for weatherization work and associated expenditures until such time as Contractor has employed or contracted with a certified quality control inspector who has met the certification requirements of Section 9.2.
  
- C. If CSD reasonably determines that Contractor is unable to fully expend Contractor's allocation and to provided services as required herein because of a lack of access to a Certified QCI, CSD may, at its sole option, terminate this Agreement and/or transfer Contractor's allocation, in whole or in part, to another contractor for expenditure, after giving Contractor written notice of its intended action.

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**ARTICLE 2 – CONTRACT CONSTRUCTION, ADMINISTRATION,  
PROCEDURE**

**2.1 Base Contract and Whole Agreement**

- A. This Agreement consists of two parts, which together constitute the whole agreement between CSD and Contractor.
- B. Part I is the “Base Contract” which consists of the following:
  - 1. The face sheet (Form STD 213) which specifies:
    - a. the parties to the Agreement;
    - b. the term of the Agreement;
    - c. the maximum dollar amount of the Agreement; and
    - d. the authorized signatures and dates of execution.
  - 2. The Preamble, Article 1 and Article 2
  - 3. Zip Code Cross-Reference, if Contractor’s Service Area is defined in whole or in part by ZIP Codes.
- C. Part II consists of the “Administrative and Programmatic Provisions” which are comprised of Subparts A through H, including specified requirements, obligations, provisions, procedures, guidance, forms and technical materials, necessary for program implementation.
- D. Agreed upon Contract Execution Provisions and Procedures
  - 1. Only Part I, the Base Contract, will be exchanged by the parties for execution with original signatures, fully executed copies being retained by each party.
  - 2. Part II, Administrative and Programmatic Provisions is hereby incorporated by reference into this Agreement, is an essential part of the whole Agreement, and is fully binding on the parties.
  - 3. CSD shall maintain a certified date-stamped “hard copy” of Part II for inspection by Contractor during normal business hours, as well as a date-stamped, edit restricted, version of Part II on CSD’s “Provider Website,” which may be accessed by Contractor, “down-loaded” and printed at Contractor’s option.

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4. Neither Part I nor Part II of this Agreement may be changed or altered by any party, except by a formal written, fully executed amendment, or as provided in paragraph C 4 of Section 1.4 with respect to program guidance, or as provided Section 3.2 of Part II, Subpart A, Article 3, with respect to minor modifications. Upon such amendment of any provision of Part II, the amended version shall be date-stamped and locked-down until such time as a subsequent Agreement or amendment is executed by the parties.

**2.2 State Contracting Requirements – “General Terms and Conditions, GTC 610”**

In accordance with State contracting requirements, specified contracting terms and conditions are made a part of this agreement. The provisions in their entirety are found in Subpart F of this Agreement and are fully binding on the parties in accordance with state law.

**2.3 Contractor’s Option of Termination**

- A. Notwithstanding the provisions of paragraph C of Section 1.4, Contractor may, at Contractor’s sole option, elect to terminate this contract in lieu of adherence to the procedures set out in paragraph C of section 1.4, should Contractor determine that any subsequent program guidance or proposed amendment to the contract is unjustifiably onerous or otherwise inimical to Contractor’s legitimate business interests and ability to implement the contract in an effective and reasonable manner, PROVIDED:
  1. Such notice of termination is in writing and will be effective thirty (30) days after receipt by CSD, delivered by U.S. Certified Mail, Return Receipt Requested.
  2. Notice contains a statement of the reasons for termination with reference to the specific provision(s) in the program guidance or proposed amendment in question.
- B. Contractor shall be entitled to reimbursement for all allowable costs incurred prior to termination of the contract. Such reimbursement shall be in accordance with the program guidance and contract provisions in effect at the time the cost was incurred.
- C. Contractor shall, within sixty (60) days of termination, closeout the contract in accordance with contractual closeout procedures.

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- D. CSD may at its option procure a temporary replacement provider, and may at its option, designate a permanent replacement provider for Contractor's service area in accordance with federal and state law.

**2.4 Budget Contingencies**

A. State Budget Contingency

1. It is mutually agreed that if funds are not appropriated for implementation of DOE WAP through the State budget process or otherwise, whether in the current year and/or any subsequent year covered by this Agreement, this Agreement shall be of no further force and effect. Upon written notice to Contractor by CSD that no funds are available for contract implementation, the Agreement shall be terminated and the State shall have no obligation to pay Contractor or to furnish other consideration under this Agreement and Contractor shall not be obligated for performance.
2. If program funding for any fiscal year is reduced to such degree that CSD reasonably determines that the program cannot be implemented effectively, the State shall at its sole discretion have the option either to terminate this Agreement upon written notice to Contractor or, in the alternative, to offer and negotiate an amendment addressing the reduced funding. If the parties fail to reach agreement on such amendment, CSD may at its option give written notice of termination without further obligation by either party except for contract closeout obligations and final settlement.

B. Federal Budget Contingency

1. The parties agree that because of uncertainty in the federal budget process, this Agreement may be executed before the availability and amounts of federal funding can be ascertained, in order to minimize delays in the provision of services and the distribution of funds. The parties further agree that the obligations of the parties under this Agreement are expressly contingent on adequate funding being made available to the State by the United States Government.
2. If federal funding for any fiscal year is reduced to such degree that CSD reasonably determines that the program cannot be implemented effectively, the State shall at its sole discretion have the option either to terminate this Agreement upon written notice to Contractor or, in the alternative, to offer and negotiate an amendment addressing the reduced

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funding. If the parties fail to reach agreement on such amendment, CSD may at its option give written notice of termination without further obligation by either party except for contract closeout obligations and final settlement.

3. If federal funding authorities condition funding on any obligations, restrictions, limitations, or conditions not existent when this Agreement was executed, this Agreement shall be amended by mutual agreement for compliance with such obligations, restrictions, limitations or conditions. Failure of the parties to reach agreement on such amendment shall render this Agreement without force and effect.
4. Subject to the provisions of subparagraph B 2, CSD shall authorize expenditures of funds under this Agreement based on any Continuing Resolution appropriations that are adequate for the purpose. CSD shall notify the Contractor in writing of authorized interval funding levels.

**2.5 Miscellaneous Provisions**

- A. **Assignment.** Neither this Agreement nor any of the rights, interests, or obligations under this Agreement shall be assigned by any party without the prior written consent of the other parties, except in the case where responsibility for program implementation and oversight may be transferred by the State to another State agency. In the event of such transfer, this Agreement is binding on the agency to which the program is assigned.
- B. **Merger/Entire Agreement.** This Agreement (including the attachments, documents and instruments referred to in this Agreement) constitutes the entire agreement and understanding of the parties with respect to the subject matter of this Agreement and supersedes all prior understandings and agreements, whether written or oral, among the parties with respect to such subject matter.
- C. **Severability.** If any provision of this Agreement be invalid or unenforceable in any respect for any reason, the validity and enforceability of any such provision in any other respect and of the remaining provisions of this Agreement will not be in any way impaired and shall remain in full force and effect.
- D. **Notices.** Unless otherwise provided herein, notice given by the parties shall be in writing, delivered personally, by United States mail, or by overnight delivery service (with confirmation). Certain reporting and other communications may be delivered electronically as specified by CSD or as is customary between the parties. Notice shall be delivered as follows:

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1. To Contractor's address of record; and
2. To CSD at:  
Department of Community Services and Development  
Field Operations  
2389 Gateway Oaks Drive, Suite 100  
Sacramento, CA 95833

The County officer or employee with responsibility for administering this Agreement is  
Kristine Oase-Guth, Program Manager, Health and Human Services Agency, or successor.

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**PART II**

**SUBPART A – ADMINISTRATIVE REQUIREMENTS**

**ARTICLE 3 – AGREEMENT CHANGES**

**3.1 Amendment**

- A. Changes to this Agreement shall be made by formal amendment with exceptions specified in subparagraph D 4 of Section 2.1, Article 2 of Part I and in Section 3.2, below.
- B. Contractor shall notify CSD in writing when any proposed amendment or change will significantly impact Contractor's Program Budget and/or Operations. CSD will afford Contractor a reasonable opportunity and sufficient time periods in which to phase-in the mandated change.

**3.2 Minor Modifications**

- A. Contractor may request modifications to make minor adjustments during the contract term. Minor Modifications shall not affect the Maximum Amount payable under this Agreement.
- B. Minor Modifications shall not affect the maximum limits set for specific line items under this Agreement, i.e., administrative costs, health and safety.
- C. Allowable modifications to this Agreement include the minor budget modifications and expenditure requirements, specified in Article 5.

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**ARTICLE 4 – ADMINISTRATIVE POLICIES AND PROCEDURES**

**4.1 Board Roster, By Laws, Resolution, and Minutes**

- A. Contractor shall submit to CSD an Executive Director and Board Roster form (CSD 188) listing the current Executive Director and a roster of members of its governing board, including contact information for each board member at a location other than the Contractor's offices, and the most recent version of the organizational bylaws no later than upon execution of this agreement. A link to the CSD 188 form is listed in Subpart H. If Contractor is a nonprofit or public entity that qualifies as an eligible entity under the federal CSBG Act, then Contractor shall instead submit a CSD 188, including contact information of the tripartite board. Contractor is responsible to notify CSD of any changes to the Executive Director and/or board roster within thirty (30) days of such occurrence.
- B. Contractor's governing board must authorize the execution of this Agreement. Contractor has the option of demonstrating such authority by the signature of a Board member, affixed to the signature page of Part I, or by any lawful delegation of such authority that is consistent with Contractor's bylaws, the documentation of which has been communicated to CSD.
- C. Where Contractor elects to delegate the signing authority to the chief executive officer or designated officials, CSD will accept either a resolution specific to this Agreement or a resolution passed by the governing board that applies to any CSD program contract or amendment. Where Contractor provides a general resolution, Contractor shall maintain documentation that the chief executive officer provided timely and effective communication of the execution and terms of this Agreement to the Board. Either a specific or current general resolution must be on file with CSD before execution of this Agreement by CSD.
- D. Contractor shall submit to CSD the minutes from regularly scheduled meetings of the governing board and/or tripartite board no later than thirty (30) days after the minutes are approved. Regularly scheduled meetings shall be conducted in accordance with the board's bylaws.
- E. If the Contractor's board is both tripartite and advisory to the elected members governing a local government, the Contractor shall submit to CSD the approved minutes from any meeting of the elected officials where matters relating to this Agreement are heard, including but not limited to discussions about or decisions affecting the Department of Energy. Such minutes shall be submitted to CSD no later than thirty (30) days after the related meeting.

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**4.2 Internal Controls Requirements**

Contractor shall ensure the establishment and maintenance of a system of internal accounting and administrative control. This responsibility includes documenting the system, communicating system requirements to employees, and assuring that the system is functioning as prescribed and is modified, as appropriate, for changes in conditions. The system of internal accounting and administrative control shall be attested to within the Contractor's independent audit conducted pursuant to this Agreement and shall include:

- A. Segregation of duties appropriate to safeguard state assets;
- B. Limited access to agency assets to authorized personnel who require these assets in the performance of their assigned duties;
- C. Authorization and recordkeeping procedures adequate to provide effective accounting controls over assets, liabilities, revenues, and expenditures;
- D. Established practices to be followed in performance of duties and functions;
- E. Personnel of a quality commensurate with their responsibilities; and
- F. Effective internal reviews.

**4.3 Record Retention Requirements**

- A. All records maintained by Contractor shall meet the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR § 200.333-200.337).
- B. Contractor shall maintain all records pertaining to this Agreement for a minimum period of three years after submission of the final report or until resolution of all related audit or monitoring findings, enforcement actions, including cost disallowance, legal proceedings or other pending matters, whichever is later.
- C. Contractor shall retain and secure all employee and client/applicant records and information in compliance with the Information Practices Act of 1977, as amended, and the Federal Privacy Act of 1974, as amended.
- D. To the extent Contractor maintains records in an electronic format, Contractor shall ensure that all records are "backed-up" or copied, utilizing appropriate, secure technology in order to avoid unauthorized access, permanent loss or

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destruction, occasioned by theft, accident, willful acts or negligence, or by fire, flood, earthquake or other natural disaster.

**4.4 Insurance and Fidelity Bond**

**A. General Requirements**

1. Contractor agrees that the required insurance policies and bonds, specified below, shall be in effect at all times during the term of this Agreement.
2. Contractor shall provide the State with written notice at least thirty (30) calendar days prior to cancellation or reduction of insurance coverage to an amount less than that required in this Agreement and, prior to any lapse or reduction in coverage, provide CSD with documentation, as specified in subparagraph 3, showing substitute coverage has been obtained or alternative measures have been taken to ensure compliance with the requirements of this Agreement.
3. In the event said insurance coverage expires during the term of this Agreement, Contractor agrees to provide, at least thirty (30) calendar days prior to said expiration date, a new Certificate of Insurance (ACORD 25) evidencing insurance coverage as provided herein for not less than the remainder of the term of this Agreement. The Certificate of Insurance (ACORD 25) shall identify and name the State as the Certificate Holder.
4. New Certificates of Insurance are subject to review for content and form by CSD.
5. In the event Contractor fails to keep in effect at all times the specified insurance and bond coverage as herein provided, the State may, in addition to any other remedies it may have, suspend this Agreement.
6. With the exception of workers' compensation and fidelity bond, the State shall be named as additional insured on all certificates of insurance required under this Agreement.
7. The issuance of other CSD contracts, as well as reimbursement payments, to the Contractor may be suspended until evidence of the required current insurance coverage has been submitted to CSD.
8. Should Contractor utilize a subcontractor(s) to provide services under this Agreement, Contractor shall indemnify and hold the State harmless against any liability incurred by that subcontractor(s).

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B. Self-Insurance

1. When Contractor is a self-insured governmental entity, the State, upon receipt of satisfactory proof of the entity's self-insurance authority, may waive the insurance requirements. A duly authorized county or city risk manager shall provide signed certification of the governmental entity's ability to cover any potential losses under this Agreement.
2. Governmental contractors shall specify in writing a list of which coverage(s) will be self-insured under this Agreement and shall list all applicable policy numbers, expiration dates, and coverage amounts for coverage which is not self-insured.
3. If a governmental contractor's self-insurance coverage does not contain any changes from the prior year, CSD will accept a certified letter signed by authorized personnel, stating that no changes have occurred from the previous year. This letter is due at the time of contract execution or within thirty (30) days of coverage.

C. Workers' Compensation Insurance

1. During the term of this Agreement Contractor shall maintain legally sufficient workers' compensation insurance issued by an insurance carrier licensed to underwrite workers' compensation insurance in the State of California.
2. Contractor will not be paid an advance or any reimbursement of expenses unless it has first submitted to CSD either a Certificate of Insurance (ACORD 25) or a Certificate of Consent to Self-Insure, issued by the Director of the Department of Industrial Relations, as evidence of compliance with the workers' compensation insurance requirement.

D. Commercial or Government Crime Coverage (Fidelity Bond)

1. Contractor shall maintain commercial crime coverage. If Contractor is a public entity that elects to self-insure, Contractor shall make provision for adequate coverage to insure against crime risks. The commercial crime policy or government crime self-insurance coverage (hereinafter "fidelity bond") shall include the following coverage or the substantial equivalent: Employee Dishonesty/Theft, Forgery or Alteration, and Computer Fraud.

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2. Contractor's fidelity bond coverage limits shall not be less than a minimum amount of four percent (4%) of the total amount of Direct Services set forth under this agreement.
3. Contractor will not be paid an advance or any reimbursement of expenses unless it has first submitted to CSD an applicable Certificate of Insurance (ACORD 25) as evidence of compliance with the fidelity bond requirement.

E. General Liability Insurance

1. Contractor shall maintain for the term of this Agreement general liability and property damage insurance for a combined single limit of not less than \$500,000 per occurrence.
  2. Contractor will not be paid an advance or any reimbursement of expenses unless it has first submitted to CSD an applicable Certificate of Insurance (ACORD 25), designating CSD as an additional insured as evidence of compliance with general liability insurance requirements.
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F. Vehicle Insurance

1. Contractor shall maintain for the term of this Agreement vehicle insurance in the amount of \$500,000 for each person and each accident for bodily injury and in the amount of \$500,000 for each person and each accident for property damage.
2. When employees use their own vehicles to perform duties within the scope of their employment, Contractor shall have and maintain for the term of this Agreement non-owned and hired-auto liability insurance in the amount of \$500,000 for each person and each accident for bodily injury and \$500,000 for each person and each accident for property damage. (Driving to and from work shall not be considered to be within the scope of employment.)
3. Contractor will not be paid an advance or any reimbursement of expenses unless it has first submitted to CSD an applicable Certificate of Insurance (ACORD 25), designating CSD as an additional insured, to the State as evidence of compliance with the stated vehicle insurance requirements.

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**4.5 System Security Requirements**

Contractor shall, in cooperation with CSD, institute measures, procedures, and protocols designed to ensure the security of data and to protect information in accordance with California State Administrative Manual (SAM) Section 5300 State Information Management Manual (SIMM) 5300, and such other State and Federal laws and regulations as may apply. The parties hereto agree to the following requirements, obligations, and standards:

A. General Information/Data Description

The interconnection between CSD and Contractor is a two-way data exchange. The purpose of the data exchange or direct input is to deliver application records for payment processing or contract activity reimbursement.

B. Services Offered

Data exchange between CSD and Contractor shall be handled through either of two methods: 1) a Contractor user must authenticate to upload data files in a secure socket layer connection; or 2) a secure user interface that is only available to Contractor users with a unique software authentication to see the login window and also a secure tunnel between CSD and the Contractor user.

C. Data Sensitivity

1. The sensitivity of data exchanged between CSD and Contractor may vary from sensitive to personal or confidential because of personal data such as social security numbers to private data, e.g., family income level, family member name, etc. No personal financial information, i.e., credit card, bank account numbers, shall be stored or exchanged in the data exchange sessions.
2. Appropriate levels of confidentiality for the data shall be based on established data classification (see SAM section 5305.5 and SIMM Section 5305-A).
3. To the extent Contractor utilizes tablet or other internet-based or mobile devices for client intake and application purposes (“Electronic Intake”) in lieu of paper forms and documents, Contractor shall comply with all federal and state information security requirements and with such guidance and protocols as CSD may from time to time issue for the purpose of ensuring the integrity of Electronic Intake, including, but not

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limited to, the use of electronic signatures, data privacy, security, transfer and retention requirements.

D. Information Exchange Security

1. The security of the information being passed on this primary two-way connection shall be protected through the use of encryption software. The connections at each end shall be secured plus the physical location the application systems shall be within a controlled access facilities. Individual users may not have access to the data except through their systems security software that is logged in detail or controlled. All access will be controlled by authentication methods to validate the approved users.
2. Standards for secure transmission may be accomplished through such means as certificates, secure socket layer, etc., and storage of the data with encryption, if applicable.
3. Both CSD and Contractor shall maintain security patches and anti-virus software updates.

E. Trusted Behavior Expectations

CSD's application system and users shall protect Contractor's application system/data, and the Contractor's application system and users shall protect CSD's application system/data, in accordance with the Privacy Act and Trade Secrets Act (18 U.S. Code 1905) and the Unauthorized Access Act (18 U.S. Code 2701 and 2710).

F. Formal Security Guidelines

CSD's Computer Security Policy and Contractor's policy and procedures for internal controls shall conform to the standards and obligations for the protection of data established herein and shall ensure their implementation.

G. Incident Reporting

Any party discovering a security incident shall report it in accordance with its incident reporting procedures. Contractor shall within 24 hours of discovery report to CSD any security incident contemplated herein. Policies governing the reporting of Security Incidents are located in SAM 5340 Information Security Incident Management, SAM 5340.4 Incident Reporting and SIMM 5340-A, Incident Reporting and Response Instructions.

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H. Audit Trail Responsibilities

Both parties are responsible for auditing application processes and user activities involving the interconnection. Activities that will be recorded include event type, date and time of event, user identification, workstation identification, success or failure of access attempts, and security actions taken by system administrators.

I. Data Sharing Responsibilities

Contractor will ensure that all primary and delegated secondary organizations that share, exchange, or use personal, sensitive, or confidential data, pursuant to this Agreement and subcontracts issued by Contractor, shall adhere to all CSD's policies and SAM guidelines. If data sharing is accomplished via interconnectivity of an application system, then data sharing must be certified to be secure by the parties involved.

**4.6 Travel and per diem**

A. Contractor's total travel for out-of-state and per diem costs shall be included in the contract Budget(s). Out-of-state travel costs that exceed the budgeted amount shall not be reimbursed without prior written authorization from CSD. Contractor shall complete CSD 536 for all out-of-state travel.

B. Contractor's employee travel costs and per diem reimbursement rates shall be reimbursed in accordance with Contractor's written policies and procedures not to exceed federal per diem requirements, and subject to the requirements of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR § 200.474, or any amendments thereto, as applicable.

C. In the absence of a written travel reimbursement policy, Contractor shall be subject to the provisions of California Code of Regulations Section 599.615 through 599.638, and shall be reimbursed in accordance with the terms therein.

**4.7 Codes of Conduct**

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

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

- B. Contractor shall not pay Federal funds received from CSD to any entity in which it (or one of its employees, officers, or agent, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicated herein) has an interest. As ownership constitutes a financial interest, Contractor shall not subcontract with a subsidiary. Similarly, Contractor shall not subcontract with an entity that employs or is about to employ any person described in 2 CFR §200.318.

**4.8 Conflict of Interest**

- A. Contractor shall ensure that its employees and the officers of its governing body do not engage in actual or potential conflicts of interest and that no officer or employee who has responsibility for any activity or function with respect to DOE WAP and the implementation of this Agreement shall have any personal financial interest in such activity or function or otherwise personally benefit or gain from the activity or function.
- B. Contractor shall establish safeguards to prohibit its employees or its officers from using their positions for a purpose that could result in private gain or that gives the appearance of being motivated for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
- C. Contractor shall not provide DOE WAP services or benefits in situations where an actual or perceived conflict of interest exists, unless the activity is explicitly allowed under Contractor's conflict of interest policies and procedures that are compliant with federal requirements. If Contractor provides program services to owner-occupied or rental dwellings that are owned or managed by the Contractor, its employees, or officers, such services must be pre-approved in writing by CSD whose approval shall be based on determination that other recipients or potential eligible recipients of services are not prejudiced or adversely affected by the receipt of services by Contractor.
- D. To obtain approval by CSD, Contractor must demonstrate that it will:
  - 1. Follow all regular eligibility and prioritization requirements of the federal and State DOE WAP program, as applicable to each service or activity;

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2. Comply with all dwelling eligibility requirements of this Agreement, including but not limited to rent increase and multiple dwelling restrictions;
3. Substantiate the need for weatherization services by completing a dwelling assessment for each individual dwelling unit served; and
4. Consent to any further conditions required by CSD. Failure to obtain prior written approval by CSD may result in costs being disallowed.

**4.9 Procurement Standards**

A. Contract Administration

1. *Maintenance of written procurement procedures.* Contractor shall administer this Agreement in accordance with all federal and state rules and regulations governing DOE WAP grants pertaining to procurement, including the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and amendments thereto, consistent with the general OMB compliance requirement in Section 1.5, Article 1, Part I of this Agreement. Contractor shall establish, maintain, and follow written procurement procedures consistent with the procurement standards in 2 CFR § 200.317 through § 200.326 or any subsequent amendments to these standards, and the applicable provisions in this Agreement, including but not limited to a code of conduct for the award and administration of contracts and a procedure that provides, to the maximum extent practical, open and free competition.
2. *Eligible Bidders.* Contractor shall not permit any organizational conflicts of interest or noncompetitive practices that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective subcontractor performance and eliminate unfair competitive advantage, individuals or firms that develop or draft specifications, requirements, statements of work, invitations for bids, and/or requests for proposals shall be excluded from competing for such procurements. Contractor shall only award a subcontract to the bidder or offer or whose bid or offer is responsive to the solicitation and is most advantageous to Contractor when considering price, quality, and other factors relevant to the procurement. Contractor's solicitations shall clearly set forth all requirements that the bidder or offer or must fulfill in order for the bid or offer to be adequately and fairly evaluated by the recipient.

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3. All supplies, materials, equipment, or services purchased or leased with funds provided pursuant to this Agreement shall be used solely for the activities allowed under this Agreement, unless the fair market value for such use is charged to the benefiting program and treated as program income earned under this Agreement.
4. Contractor shall provide an open and free competition, to include a cost analysis, in accordance with federal and state law, for the procurement of materials, supplies, equipment, or services.
5. *Non-competitive bid justification.* If a service or product is of a unique nature, is in response to a public exigency or emergency, or more than one potential vendor/provider cannot reasonably be identified, Contractor shall document adequate justification for the absence of competitive bidding. “Adequate justification” must include but is not limited to:
  - a. Explanation of why the acquisition of goods or services is limited to one vendor or supplier;
  - b. Description of sole vendor/supplier’s unique qualifications to provide the goods or services in question; and
  - c. Analysis of cost(s) to demonstrate reasonability.
6. CSD Lease/Purchase Pre-Approval Requirements. To ensure that significant procurement transactions are conducted in an open and freely competitive manner, Contractor shall prepare and submit a Request for Purchase/Lease Pre-Approval (CSD 558) to CSD at least fifteen (15) calendar days prior to executing the subcontract for each of the following procurement transactions:
  - a. Any articles, supplies, equipment, or services having a per-unit cost in excess of \$5,000; or
  - b. Any articles, supplies, or equipment where the total contract amount exceeds \$100,000.
7. In all procurements, whether requiring CSD pre-approval or not, Contractor is solely responsible for maintenance of adequate procurement records demonstrating compliance with Federal and State requirements.
8. Noncompliance with any of the provisions in this section may result in a disallowance of the costs of the procurement transaction.

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**4.10 Use and Disposition of Vehicles and Equipment**

- A. To ensure compliance with the requirements for vehicles and equipment, Contractor shall comply with Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards governing the acquisition of equipment with federal funds set forth in 2 CFR 200.313.
1. Vehicles and equipment purchased with DOE funds must be used by Contractor in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by DOE funds, and Contractor must not encumber the property without prior approval of CSD. When no longer needed for the original program or project, the equipment may be used in other activities supported by CSD, in the following order of priority:
    - a. Activities under a Federal award from CSD, then
    - b. Activities under Federal awards from other Federal awarding agencies
  2. During the time that equipment is used on the project or program for which it was acquired, Contractor must also make the equipment available for use on other projects or programs currently or previously supported by the Federal Government. User fees should be considered, if appropriate, in accordance with federal regulations.
  3. Any use fees shall be treated as 'program income' to the DOE program.
  4. Contractor may be compensated for the use of its buildings, capital improvements, equipment and software projects capitalized in accordance with generally accepted accounting principles (GAAP), provided they are used, needed in Contractor's program activities, and properly allocated to the DOE grant. Such compensation must be made by allocating and computing depreciation in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR § 200.436).
- B. Contractor shall comply with all equipment management requirements outlined in the Uniform Administrative Requirements for Federal Awards (2 CFR §200.313, including, but not limited to:
1. Property Records;

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2. Physical inventory of the property;
  3. A control system to prevent loss, damage, or theft;
  4. Adequate maintenance procedures; and
  5. Proper sale procedures.
- C. Sale or disposition of DOE-funded Vehicles and Equipment
1. If/when Contractor's DOE program(s) no longer need(s) items of equipment, the equipment may be retained, sold, or otherwise disposed in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR § 200.320).
  2. Conflict of interest policies and proper sales procedures should be followed to ensure that the best possible value and sale price is realized.
  3. Sale proceeds from the sale of real property, equipment, or supplies are not program income. Such proceeds will be handled in accordance with the requirements of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards – Subpart D–Post Federal Award Requirements (2 CFR § 200.300 et seq.).
- D. Contractor shall exercise due care in the use, maintenance, protection, and preservation of State-owned property in Contractor's possession or any other property or equipment procured by Contractor with State funds. Such care shall include, but is not limited to, the following:
1. Maintaining insurance coverage against loss or damage to such property or equipment.
  2. Ensuring that the legal ownership of any motor vehicle or trailer is in the name of the Contractor.
- E. To ensure compliance with the requirements for maintenance of property records pursuant to 2 CFR 220.313, Contractor shall ensure that any property log or similar documentation contains all of the following information:
1. information relevant to any CSD 558 submitted to, and approved by, CSD, including the date the request was sent to CSD, the item(s) requested, and date of CSD approval;

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2. description of the property;
3. a serial number or other identification number;
4. the source of property;
5. who holds title;
6. the acquisition or lease date;
7. the cost of the property;
8. percentage of Federal participation in the cost of the property;
9. the location, use and condition of the property; and
10. any ultimate disposition data, including the date of disposal and sale price of the property or termination of the lease.

F. Contractor shall provide the information specified in subsection E. above, including any supporting documents, to CSD upon request.

G. **Limitation on Use of Funds**

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

**4.11 Subcontracts (CSD)**

- A. Contractor may enter into subcontract(s) to provide services pursuant to this Agreement in the service area(s) specified in Section 1.2 of Article 1, Part I Subcontracts must require that parties comply with all applicable provisions of this Agreement. Such requirement shall not relieve Contractor from any performance obligation created herein, nor from liability for a subcontractor's failure of performance.
- B. If Contractor elects to subcontract for services, the board's authorization and approval must be obtained and communicated to CSD in writing together with notice of execution of the subcontract as provided in paragraph C. Contractor may elect to delegate the signing authority for the approval of subcontractors to

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the Chief Executive Officer or designated authority through a resolution passed by the governing board.

- C. Within sixty (60) days of the execution of any subcontract, Contractor shall provide written notification to CSD of the execution of the subcontract as well as identifying information, to include the name of the subcontractor entity, its address, telephone number, contact person, contract amount, and program description of each subcontractor activity to be performed by the subcontractor.
- D. Notification of subcontract execution shall contain certification by Contractor that to the best of Contractor's knowledge, the subcontractor is not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any federal department or agency. For purposes of this certification of subcontractor eligibility, Contractor may rely on information available at <https://www.sam.gov/portal/public/SAM/#1>.
- E. If CSD determines that Contractor has executed a subcontract with an individual or entity listed as disbarred, suspended or otherwise ineligible on the Excluded Parties List System (EPLS) as of the effective date of the subcontract, costs Contractor has incurred under the subcontract may be disallowed.
- F. Contractor must ensure that funds expended pursuant to this Agreement are allowable and allocable and Contractor must adopt fiscal control and accounting procedures sufficient to enable the tracing of funds paid to any subcontractor to a level of expenditure adequate to establish that such funds have not been used in violation of this Agreement. Contractor shall ensure that any subcontracts under this Agreement contain all provisions necessary to ensure adequate substantiation and controls of the expenditure of such funds. Contractor may achieve this through detailed invoices, by periodic monitoring of subcontractor's program activities and fiscal accountability, by retaining a right of reasonable access to the subcontractor's books and records, or by any other method sufficient to meet Contractor's responsibility to substantiate costs required by the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 CFR 200, Subpart E – Cost Principles).
- G. Contractor shall immediately notify subcontractor(s) in writing within five (5) working days of such action in the event the State suspends, terminates, and/or makes changes to services to be performed that materially alter the obligation of the subcontractor under this Agreement.
- H. Contractor is liable for the failure of performance of the terms, conditions, assurances, and certifications of this Agreement, without recourse against the State over matters involving subcontracts entered into for the implementation of

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this Agreement, including but not limited to disputes, claims, or other legal action for breach of contract, negligence, torts or criminal acts and other misconduct.

- I. Nothing in this Agreement creates or implies a contractual relationship between the State and any subcontractor or creates any obligation by the State to any subcontractor. Contractor is liable to the State for damages to the State for the acts and omissions of its subcontractors that occur in connection with the implementation of this Agreement. Contractor's obligation to pay its subcontractors is independent of any obligation of the State to pay Contractor, and Contractor shall not represent to subcontractors any such obligation of the State to pay or ensure payments to subcontractors.
- J. All subcontractors shall be subject to the training and record-keeping provisions in of this Agreement. In addition, subcontractors whose training is provided at Contractor's expense will be subject to a retention agreement, as indicated in Section 9.1 E, Article 9.

**4.12 Complaint Management Policies and Procedures**

- A. Contractor shall establish and maintain policies and procedures for handling complaints and provide applicants an opportunity to register a complaint based on their experience with attempts to obtain services under DOE WAP. The policies and procedures shall be in writing and Contractor shall provide the complaint process to interested individuals upon request.
- B. Contractor shall ensure that all formal complaints are documented and include the date, time, client name and address, and nature of the complaint and the actions undertaken by the Contractor to resolve the issue. For purposes of this section, "formal complaint" means a written complaint filed with the Contractor by the complainant.
- C. If the Contractor's efforts did not result in a resolution, the Contractor may refer the client to the CSD Field Representative assigned to the Contractor. The Contractor shall contact the CSD Field Representative directly and explain the issue, actions taken to resolve the issue, and provide the CSD Field Representative with any supporting documentation that indicates the nature and extent of Contractor's effort to resolve the issue.
- D. The CSD Field Representative shall immediately be notified if the Contractor has reason to believe that the complainant will contact the media, a State or Federal oversight agency or the Governor's Office regarding the complaint.

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**4.13 Fair Hearing Process for Applications for Denial of Benefits by Contractor:**

- A. Pursuant to Title 22 of the California Code of Regulations, Section 100805, Applicants that have applied for benefits and/or services provided under a grant award from a contractor or a subcontractor whose application has been denied or not acted upon within fifteen (15) working days or has not received satisfactory performance according to the agreed upon program requirements of the contract has the right to first appeal such action to the contractor and, if not satisfied, subsequently appeal to CSD.
- B. Contractor shall establish a written appeals process to enable applicants who are denied benefits or services, or who receive untimely response or unsatisfactory performance, the right to appeal the decision or performance to the Contractor. Contractor's process shall include, at a minimum, all of the requirements of Section 100805 subdivision (b), plus:
  - 1. Provisions that ensure that each applicant is notified in writing of the right to appeal a denial of or untimely response to an application, or to appeal unsatisfactory performance. At the time the applicant applies for services, applicant shall be informed of appeal rights and appeal procedures, to include the right to appeal to both the Contractor and to CSD.
  - 2. Provisions that ensure that Contractor will make a good faith effort to resolve each appeal.
  - 3. Provisions that ensure that Contractor shall notify the applicant in writing of the Contractor's final decision within fifteen (15) working days after the appeal is requested. If the appeal is denied, the written notification shall include instructions on how to appeal the decision to CSD. Whenever Contractor notifies an applicant of a denial of an appeal, Contractor shall at the same time provide a copy of the final decision to the Manager of CSD's Energy Services Division.
  - 4. Provisions to track information on denials and appeals.

**4.14 Fraud, Waste and Abuse**

- A. Contractor shall make timely, a written report to CSD of incidents and activities, or suspected incidents and activities, involving fraud, waste and abuse of DOE funds by Contractor's employees, subcontractors, clients, or other parties affiliated with Contractor. Incidents and activities subject to reporting under this section include, but are not limited to, criminal acts and other violations of law constituting a misuse of funds that could result in cost disallowance. Contractor

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shall, in a timely manner, inform CSD of any reports or complaints submitted to law enforcement officials by Contractor, Contractor's employees, subcontractors, clients or other parties affiliated with Contractor, concerning the misuse of DOE funds.

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- B. Contractor shall provide employees, subcontractors, clients and other parties affiliated with the Contractor the information necessary to report fraud, waste and abuse to the Department of Energy's Office of Inspector General fraud hotline.

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**SUBPART B – FINANCIAL REQUIREMENTS**

**ARTICLE 5 – ADMINISTRATIVE AND PROGRAM  
EXPENDITURES REQUIREMENTS**

**5.1 Budget Guidelines**

**A. Budget and Allocation Forms**

1. Upon execution of this Agreement, Contractor shall submit all budget and allocation forms, each form is listed in Subpart H, including the 2016 DOE WAP Weatherization Budget (CSD 570) based on the Maximum Amount of this Agreement and in accordance with the accompanying instructions and other applicable provisions of this Agreement.
2. In the event the DOE WAP annual grant award is yet to be determined and CSD funds this Agreement based on Continuing Resolution appropriations, Contractor shall complete the budget and allocation forms using the Estimated Budget Allocation amount as defined in Subpart G . When this Agreement is amended to reflect the Final Allocation, the budget and allocation forms shall be amended to reflect the actual annual allocation.

**B. Minor Modifications**

If Contractor intends to request a minor modification to this Agreement, Contractor shall submit a Request for Amendment/Modification Energy, CSD 509, an updated budget if applicable, and a justification supporting the funds transfer or change request. Contractor may submit the signed request for amendment/modification to CSD via email, fax, or hard copy with signature via Mail.

Minor modifications which Contractor may propose for approval by CSD include the following:

1. Transferring funds within or between Program Services and/or Support Costs program components as defined:

Modifications to the projected budget(s) that do not affect the maximum amount payable under this contract or the work to be performed within the specific DOE WAP program component and the exceptions provided for

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in Article 11.2, "Provision For Federally Funded Grants".

2. Transferring funds between target service areas, which shall be conditioned upon contractor meeting its target Service Area Expenditure Requirements, as stated in Article 5.5, section C.
3. An increase to the out-of-State travel budget allocation prior to travel.
4. Changes to the Priority Plan Narrative.

**5.2 Working Capital Advance and Major Purchase Advances**

A. Working Capital Advance (WCA)

~~Contractor may, in accordance with applicable law, receive WCA payments of allowable program costs contemplated under this Agreement, *provided* Contractor shall comply with the provisions of this section and such additional guidance issued by the State as is needed to implement this section (collectively "WCA Requirements") to ensure that:~~

1. ~~The time elapsing between the transfer of funds and the disbursement or expenditure of the funds by Contractor is minimized; and~~
2. ~~Contractor's financial management systems are compliant with the provisions of this Agreement and the standards for fund control and accountability as established in the Uniform Administrative Requirements as defined in subparagraph 3 below with particular reference to 2 CFR § 200.305.~~
3. ~~Working Capital Advance (WCA) Requirements include the following standards:~~
  - a. ~~The WCA shall be for the minimum amounts necessary, timed in accordance with Contractor's immediate cash requirements, which will enable Contractor to carry out the purposes of this Agreement;~~
  - b. ~~The are set out in the Code of Federal Regulations (2 CFR§ 200.305); and~~
  - c. ~~Guidance issued by the State regarding the scheduling of the WCA and the disbursement or expenditure of the funds by Contractor, while conforming to the requirements of subparagraphs A 1 and 2 of this section, shall also take into account the practical~~

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requirements and limitations of efficient administration and the effective implementation of this Agreement by both Contractor and the State.

4. In order to affect the purposes and requirements of subparagraphs A. 1 and 2 above, the State has established the following general provisions in order to give effect to the WCA Requirements set out in this Agreement and in such supplemental guidance as may be issued:
  - a. To ensure a minimal lapse of time between the transfer of funds, and the disbursement or expenditure by Contractor, and to effect both the consolidation of advance requests and optimal administration of advance payments, the WCA will be based on Contractor's cash needs for the purpose of implementing this Agreement, with consideration given to the reasonable projections of anticipated expenditures allowable under the terms of this Agreement;
  - b. The WCA request shall be: 1) submitted in advance of the beginning of the contract, in accordance with CSD's guidance; and 2) is subject to CSD's review and approval;
  - c. Upon approval of the WCA request, a payment will be issued to Contractor, which shall be limited to one-hundred percent (100%) of the Contractor's total projected expenditures for the entire advance period, not to exceed twenty-five percent (25%) of the Contractor's total contract amount. If the WCA request exceeds the remaining balance, then Contractor will only receive the amount of the remaining balance;
  - d. The WCA will be liquidated immediately, and will be reconciled at the end of the advance period. After issuance of a WCA, the balance will be offset by monthly expenditures in EARS.
  - e. All WCA requests will be issued and reconciled pursuant to CSD Energy Policy and Procedures number EP 11-01, incorporated by reference to this Agreement and available on the CSD Providers' website at <https://providers.csd.ca.gov>.
  - f. If, at the end of the contract term Contractor has received WCA payments in excess of requests for reimbursement that have been approved by CSD, Contractor shall promptly remit the excess balance owed.

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- g. Upon receipt of the WCA funds, Contractor shall deposit the advance in an interest-bearing account, in accordance with the provisions of this Agreement and Federal and State law. The account shall be sufficiently segregated to enable the tracking and accounting of WCA funds by CSD; and
- h. In the event the State determines that Contractor has used the WCA for reimbursement of expenses that are not allowable under the terms of this Agreement and/or under Federal and State law, the State may, in accordance with the applicable provisions of the CFR, compel Contractor to repay any WCA monies wrongfully used and/or may make such adjustments in future payments to Contractor as it deems appropriate in order to rectify such misuse of WCA funds.

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5. Major Purchase Advances

In the event an agency needs significant cash outlay for large purchases, a special advance may be requested at any time during the contract term. Requirements include:

- a. Request must be completed via the Major Purchase Advance Request (CSD 144).
- b. Limited to purchase of items in excess of \$5,000.
- c. No advance will be issued until the Request for Pre-approval of Purchase/Lease (CSD 558) has been approved by CSD.
- d. Procurement must comply with the open and competitive bid process, which must be documented through the Request for Pre-approval of Purchase/Lease (CSD 558).
- e. Advance repayment for major purchases will be liquidated upon the first expenditure reporting period following the date of the purchase of the item or items identified in the Request for Pre-approval of Purchase/Lease (CSD 558). An Advance Request (CSD 144) must reflect one-hundred percent (100%) liquidation in the month following the expected date of purchase.
- f. Major Purchase advance requests will not be granted until such time as no less than fifty percent (50%) of the current working capital advance has been paid back. The combined total amount of

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the working capital advance and major purchase advance cannot exceeds twenty-five (25%) percent of the contract or the remaining contract balance, whichever is less.

**B. Special Energy Program Provisions**

In accordance with 22 CCR § 100840 (a) the total amount advanced to Contractor at any time, whether in the form of a Working Capital Advance (WCA) or a Major Purchase Advance, shall not exceed twenty-five percent (25%) of Contractor's total contract amount or if the WCA request exceeds the remaining balance, then Contractor will only receive the amount of the remaining balance. Advance amounts repaid may be replaced by additional advances at any time as allowed in this section and corresponding guidance, so long as the aggregate amount advanced does not exceed the limit set out in sub-paragraph A.

**C. Interest on Advances**

Contractor shall deposit all advances in an interest-bearing account. Interest earned amounts up to \$500 per year may be retained by Contractor for administrative expense. Any additional interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the federal government pursuant to 2 CFR § 200.305(b)(9)

**D. Non-advance Payments and Offsets**

If Contractor elects not to request a WCA, payment for allowable expenses under this Agreement shall be made upon approval by CSD of Contractor's monthly Expenditure Activity Report. If Contractor owes CSD any outstanding balances for overpayments under any contract, current or previous, the balance may be offset, based on arrangements made with the Contractor.

**5.3 Program Income**

A. Contractor shall maintain records of the receipt and disposition of all "program income" defined in 22 CCR § 100855(c) as income that is generated or earned as a result of DOE WAP activities.

**B. Determining Net Program Income**

1. Except as provided below in paragraph 2, any costs Contractor incurs in generating program income may be deducted from gross program income to determine net program income.

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2. Contractor shall not deduct from gross program income any allowable program expenses for which Contractor has been, or will be, reimbursed from the DOE WAP grant award.

C. Expenditure and Reporting of Program Income

1. Program income must be expended in accordance with the requirements for expenditure of regular DOW WAP funds, for allowable program purposes.
2. Contractor shall expend program income during the term of this Agreement. Contractor shall report all such expenditures, along with remaining unexpended program income, at the close-out of this Agreement or at such other time(s) as CSD reasonably requires.

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**5.4 Allowable Costs**

A. Cost Reporting

1. All costs shall be reported using a "modified accrual" or "accrual" method of accounting.
2. Pursuant to the federal block grant and applicable regulations, Contractor may only claim reimbursements for actual, allowable, and allocable direct and indirect costs.
3. Contractor shall report all expenditures at actual cost and shall maintain records and source documentation in such a manner as to substantiate all costs reported.

B. Administrative

1. General
  - a. Administrative costs shall not exceed the amounts as set forth in allocation spreadsheet. Contractor shall not use funds provided under this Agreement to cover administrative costs incurred in the Community Services Block Grant (CSBG) in excess of the CSBG contractual limitations.
  - b. Administrative Costs shall mean actual costs for auxiliary functions such as salaries, wages, workers compensation, and fringe benefits for administrative staff, as well as for facilities,

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utilities, equipment, telephone, travel, accounting, auditing, monitoring assistance, office supplies, and like services necessary to sustain the direct effort involved in administering a grant program or an activity providing services to the grant program.

2. Contractor shall use 2 CFR 200 Subpart E – Cost Principles as a guide for determining administrative costs.
3. Travel and per diem costs related to the participation and attendance at policy advisory committees and work groups will be reimbursed by CSD in addition to Contractor’s allocation, upon submittal of an allowable claim to CSD or CSD’s representative.
4. Administrative Equipment More Than \$5,000—Acquisition Costs
  - a. Acquisition costs shall mean the actual costs associated with the purchase of equipment over \$5,000 per unit used for administrative purposes.
  - b. CSD must pre-approve purchases or lease-purchase option of equipment with a total value greater than \$5,000 utilizing the Request for Pre-approval of Purchase/Lease (CSD 558).
5. Administrative Out-of-State Travel

Administrative out-of-state travel costs shall mean cost incurred for out-of-state meeting, conferences or training that is critical to administering and/or maintaining the DOE program. Travel expenses are limited to transportation, subsistence and related items incurred by traveling on official business on behalf of the agency.

C. Program Costs

1. General

Program costs are all allowable costs other than Administrative Costs. Program costs include those costs that are directly attributable to the performance of this Agreement and that are reasonable and necessary as determined by CSD for the purpose of delivering services. Allowable costs shall be as set forth in Uniform Administrative Requirements, Cost Principles, and Audit Requirements (2 CFR 200 Subpart E – Cost Principles).

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2. Intake

Intake costs shall include, but are not limited to, the process of completing an intake form and reviewing applicant documentation in order to verify eligibility.

3. Outreach

Outreach shall include those actual costs associated with outreach and related services.

4. Direct Program Activities

Direct Program Activities shall mean those costs associated with the installation of measures to those dwellings weatherized and reported as completed, to include but not limited to, assessment, diagnostic testing, labor, materials, subcontractors, environmental inspections, permits, California Home Energy Rating System (HERS raters), and lead-safe weatherization materials, .

5. Liability Insurance

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

6. Training and Technical Assistance

- a. Training and technical assistance shall not exceed the actual cost as set forth in the project funding page and shall be reimbursed at actual cost.
- b. Associated training and technical assistance costs may include costs related to: travel, admission, materials, and actual salaries/wages.
- c. Training and technical assistance shall include costs associated with the completion of training of personnel or subcontractors to perform program activities related to outreach, intake, client education, and weatherization training as specified in the Training Requirements of Article 9.1 of this Agreement. Training includes, but is not limited to, internal contractor training, safety training, attendance at weatherization-related training to include the

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software database collection system or other forms of training to aid the development and skill of staff in utilizing and supporting internal program automation systems, and/or weatherization-related workshops sponsored by utility companies, Department of Energy (DOE), CSD training may include Local Service Provider's Meeting and Association of California Community and Energy Services Roundtable Meetings , and/or other organizations offering a component of weatherization training, and/or is necessary to carry out the direct delivery of services.

- d. Training is limited to agency or subcontractor personnel who will be performing weatherization services directly funded by DOE WAP.
- e. Training for job corps and workforce development trainees shall be limited to required CSD health and safety training sessions, unless otherwise approved by CSD.
- f. Out-of-State Travel

Staff out-of-state travel costs shall mean cost incurred for out-of-state meeting, conferences or training that is critical to carrying out the DOE program. Travel expenses are limited to transportation, subsistence and related items incurred by traveling on official business on behalf of the agency.

7. Acquisition Costs

- a. CSD and DOE must pre-approve purchases or lease-purchase option of vehicles and field office equipment with a total value greater than \$5,000 utilizing the Request for Pre-approval of Purchase/Lease (CSD 558).
- b. Minor Vehicle and Field Equipment Less Than \$5,000 – Acquisition Costs

Minor Vehicle and Field Equipment costs shall mean the actual costs associated with the purchase of vehicle and field and office equipment under \$5,000 per unit used for the purpose of delivery of direct program services. Purchases must follow all federal and state rules and regulations governing DOE WAP pertaining to procurement standards.

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- c. Major Vehicle and Field Equipment More Than \$5,000–  
Acquisition Costs

Major Vehicle and Field Equipment costs shall mean the actual costs associated with the purchase of vehicle and field and office equipment over \$5,000 per unit used for the purpose of delivery of direct program services.

8. General Overhead Costs:

- a. Those operating expenses other than Administrative Costs such as IT program costs, program supervisor and support worker salaries, workers compensation, equipment and vehicle operating expenses, other program labor, lodging and per diem, ancillary supplies, waste breakage, disposal fees, Historic Preservation review costs, and liability insurance that are attributable to DOE activities, shall be allocated between programs in compliance with federal requirements.
- b. General operating costs may be charged to the program and are for activity/cost that are directly allocable to those activities defined as related facilities, office and computer equipment, office supplies, telephone, and travel as allowable program costs.
- c. Workers Compensation shall mean those actual costs associated with workers compensation coverage for program staff whose salaries and wages are chargeable under program costs. Workers Compensation for salaries and wages of staff chargeable under administrative costs shall be reimbursable at actual costs under administrative costs.

9. Client Education/Counseling Services

Contractor shall include those actual costs associated with providing group client education, energy conservation information, resource and referral, budget counseling, mold education, and lead safe education.

10. Automation Supplemental Allocation

- a. Contractor can allocate funds to the Automation Supplemental Allocation (ASA) in the amount not to exceed five thousand dollars (\$5,000), to be used to meet the contract program startup requirements to such as the Contractor's IT automation needs to

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comply with updated or new software database system requirements or contractual reporting and/or data collection requirements programmatic in nature and related software database system expenses. If Contractor's cost allocation plan requires an increase to the ASA budgeted amount Contractor may request written approval from CSD to exceed the five thousand (\$5,000) dollar maximum.

- b. In order to qualify for reimbursement of expenditures incurred pursuant to this section, Contractor must fully comply with the following terms, conditions, and obligations:
  - i. The ASA may be used only for those Contractor's software database system related IT expenditures that are programmatic in nature. Software database system related IT expenditures that are administrative in nature must be charged against Contractor's Administrative Budget.
  - ii. In delineating the program and administrative expenditures, Contractor shall consider whether the expenditure or cost is primarily used to support: 1) program operations; or 2) agency (organization) operations, as commonly understood under accountancy guidelines, with particular reference to the principles and provisions set out in the applicable Office of Management Circulars. Programmatic software database system related IT expenses are those incurred in connection with allowable program expenses as defined in the DOE Agreement. The delineation between programmatic and administrative software database system related IT activities will be determined in part by the type of IT system elected to interface with the CSD selected software database system and the array of functions the system will perform.
  - iii. Agencies with multiple DOE contracts for the same program year are limited to reimbursement up to \$5,000 per agency. Contractor shall allocate costs among contracts when permitted and may not charge the same costs to more than one contract.
- c. Software database system costs charged to the ASA shall be submitted for reimbursement in accordance with CSD's normal reporting and accounting procedures.

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- d. If Contractor has previously developed and utilizes its own unique customized automated reporting system to comply with CSD’s reporting and data collection requirements, such contractor shall be deemed a “Self-Reporting User.” The following provisions apply to Self-Reporting Users:
  - i. If Contractor elects to modify and upgrade its existing IT system so that the system is compatible with and able to interface with the software database system, it is the Contractor obligation to ensure that the upgraded system is fully compliant with software database requirements. CSD’s responsibility is limited to providing Contractor or its consultants and vendors with the applicable system specifications and interface protocols.

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  - ii. Contractor may use its ASA to pay the necessary cost of upgrading its system and interfacing with the software database system as required. Costs incurred may include necessary training on upgrades to Contractor’s system.
  - iii. If Contractor expended funds in prior year for a system and now wants to purchase a new system with ASA funds, Contractor must utilize unrestricted funds, bear the full cost of the conversion to such an alternative system.
  
- 11. Health & Safety Activities
  - a. Health & Safety Activities shall mean those costs associated with installation of measures classified as health and safety measures and to include labor, materials, lead safe weatherization renovator certification and subcontractors. These costs shall represent the cumulative total of expenditures from the separate Health & Safety Activities section of the DOE Monthly Expenditure Report.
  - b. Contractor shall apply no more than the allowable maximum amount toward mitigating health and safety hazards as described in the DOE Weatherization Budget (CSD 570). The allowable maximum shall be determined using the Health and Safety formula as defined in Subpart G. Reimbursement shall be limited to the allowable maximum contingent upon expenditure of line items included in the Health and Safety formula.

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- c. Lead Safe Weatherization means those expenses associated with performing lead safe weatherization, lead renovator certification for ensuring lead paint safety on weatherized dwellings built prior to 1978, including materials, and the time spent by the EPA-Certified Renovator completing the EPA reporting requirements while on the job site.

**5.5 Service Area Expenditures Requirements**

- A. For purposes of this section the following definitions apply:

Service Area means the geographical area for which Contractor receives a discrete grant allocation, whether in a contract pertaining to that geographical area alone, or in a contract covering multiple geographical areas, as for example, multiple counties.

Target Service Area means the service area for which a grant allocation has been designated on the DOE Allocation Spreadsheet attached to this Agreement.

Target Allocation means that sum of money from the DOE state grant designated by CSD for expenditure in a designated Service Area.

Service Territory means the totality of Contractor's Service Area(s), whether: 1) a single county; 2) a portion of a single county; 3) multiple counties; or 4) a single county in combination with a portion of another county. Accordingly, the single Service Area or combined Service Areas for which Contractor provides services constitutes Contractor's Service Territory.

Note: If Contractor provides only DOE services to a Service Area, and another contractor provides DOE services in the same Service Area, the contractors are co-service providers with respect to the Service Area in question and each is responsible for that portion of the grant allocation applicable to the services it provides. Contractor's Service Territory includes a Service Area in which the grant allocation is split with another contractor.

- B. This section shall apply to Contractor if this Agreement involves funding for DOE services provided by Contractor in multiple Service Areas.
- C. The Target Allocation(s) specified in this Agreement shall be used either: a) to provide services within the geographical boundaries of Target Service Area(s) to which the allocation applies; or b) on behalf of the recipients of benefits who reside within the Target Service Area(s), thereby ensuring that the low-income persons in each Target Service Area receive their appropriate share of the grant

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award and that direct program funds designated for a particular Target Service Area are not expended for services in another Service Area without good cause.

1. Contractor is required to expend ninety-seven percent (97%) or more of the applicable Target Allocation(s) in each Target Service Area(s).
2. At the time of closeout, Contractor shall submit a report comparing Contractor's expenditure goals, by Service Area, to actual expenditures, how Contractor's Expenditure Plan succeeded or failed, what lessons were learned, and what changes in operations are anticipated in coming years.
3. Contractor may, subject to CSD's written approval, expend a portion of a Target Allocation in another service area in which Contractor provides services pursuant to this Agreement, under the following circumstances:

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- a. When there is no acute need or ready opportunity for full expenditure of direct program funds in the Target Service Area; and
  - b. When Contractor can readily expend direct program funds in an alternate service area to avoid under expenditure or a loss of funding.

- D. Notwithstanding the provisions of paragraph C, Contractor is authorized under the terms of this Agreement to combine the Administrative, Intake, Outreach, and other program support costs, including liability insurance, workers' compensation, and general operating portion of grant allocations for multiple Service Areas for purposes of efficiency and effective contract implementation, provided such combining of funds does not unduly impair the equitable provision of services or otherwise disadvantage potential recipients of benefits in any Service Area.

**5.6 Reimbursement Guidelines**

**A. Claims for Reimbursement**

1. Pursuant to the federal grant and applicable regulations, Contractor may only claim reimbursements for actual, allowable, and allocable direct and indirect costs. Contractor shall report actual costs incurred for actual expenditures up to any applicable maximum amounts set by this Agreement.

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2. Contractor shall not incur expenditures prior to execution of this Agreement by both parties.

B. General

1. Contractor may claim reimbursement for weatherization-related activities under the terms of this Agreement as documented on the CSD Dwelling Assessment Form (CSD 540) or approved Contractor's equivalent for each eligible household not previously weatherized.
2. Contractor is prohibited from leveraging funds with any other DOE program that may be in effect in any dwelling.
3. Contractor shall ensure that duplicate billings for the same product or service do not occur.
4. All completed units shall be submitted for payment within ninety (90) days of completion or by the due date of the last reporting period of this agreement, whichever is less. A completed unit shall not be carried over into another contract period.
5. Maximum Reimbursements
  - a. Contractor shall be entitled to reimbursement for actual costs, not to exceed a maximum average of \$7,105 per dwelling unit weatherized for applying the conservation measures and activities described in the Reimbursement For Weatherization Activities located on the CSD Provider's website at <http://providers.csd.ca.gov>
  - b. The amount of funds applied to weatherization services in a whole multi-family building project shall not exceed the number of eligible dwelling units multiplied by the \$7,105 maximum average per unit or by the \$7,105 maximum average per unit, if an energy audit is performed.
  - c. In the event that the Governor declares a State of Emergency or Local Emergency under Article 13 or 14 of the Emergency Services Act or any federal official declares an emergency pursuant to 42 USC 8622(1), the maximum average reimbursement shall be \$7,105 per dwelling unit.

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- d. At Contractor's discretion, Contractor may elect not to provide a weatherization measure in the event the total cost exceeds the maximum cost reimbursement for the measure or the accumulative total of all measures exceeds the maximum average reimbursement of \$7,105 per dwelling unit.

6. Group Homes

The maximum reimbursement that can be paid for a group home shall be equal to the current maximum average allowed for single family and multi-unit dwellings.

7. Temporary Shelters/Homeless Individuals

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~~Maximum reimbursement will be based on the unit otherwise qualifying~~ as a multi-unit structure. For the purpose of determining how many dwelling units exist in a shelter, a grantee may count each 800 square feet of the shelter as a dwelling unit or it may count each floor of the shelter as a dwelling unit.

8. Measure Reimbursement

- a. For those weatherization measures that have an established maximum rate, the reimbursement amount shall be equal to the actual costs of labor, materials and subcontracted services not to exceed the maximum reimbursement allowable.
- b. For those weatherization measures that have an established maximum quantity, the quantity shall not exceed the maximum quantity allowable.
- c. Cost and quantities that are projected to exceed the maximum limits as described in Reimbursements Rates for Weatherization may be exceeded if a waiver request has been submitted to CSD and has been approved. Contractor shall obtain prior written approval from CSD before work commences.
- d. Work outside of the scope of the program may only be allowable under extenuating circumstances. Contractor shall obtain prior written approval from CSD before work commences.
- e. Weatherization measure costs or quantities exceeding the maximum reimbursement limit cannot be offset by charging the

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cost difference to another weatherization measure, minor envelope repair, or another CSD or non-CSD program.

- f. When costs for a measure exceed the maximum cost reimbursement, labor hours and/or quantity limits allowed for a health and safety measure as described in Reimbursement Rates for Weatherization, Contractor shall obtain prior written approval from CSD prior to work commencing to exceed the maximum costs limitations for health and safety measures. However, in no case will Contractor be able to exceed the maximum allowable for Health and Safety as shown in DOE Weatherization Budget based on the formula specified in Subpart G, "Definitions".
- g. Assessments and Diagnostics
  - i. Contractor may claim reimbursement for one full dwelling assessment for each instance of weatherization services including initial weatherization and re-weatherization services.
  - ii. If a dwelling was previously weatherized under a nonfederal program, the dwelling and occupant eligibility must be recertified; therefore, Contractor may claim reimbursement for assessment of dwelling.
  - iii. In the case of an un-weatherized dwelling where the installation of measures was not feasible and/or the dwelling was not accessible to install measures, Contractor may claim reimbursement for any related assessments and/or diagnostic checks testing that were performed.
  - iv. Contractor may claim reimbursement for dwelling assessment and diagnostic testing only once when LIHEAP and DOE funds are used concurrently in the same unit.
  - v. Waivers from CSD shall be required for any assessments and diagnostic testing or health and safety and weatherization measure with a cost that will exceed the maximum reimbursements allowable.
  - vi. HERS rater and permit fees are acceptable expenses and may be charged only once per measure to ECIP EHCS or LIHEAP weatherization or DOE WAP per weatherized

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dwelling. HERS rater fee and permit reimbursement includes subcontractor cost, staff time on job site, and fees that will be reimbursed based on the actual cost.

- h. Labor Reimbursement
  - i. Contractor shall bill the number of actual labor hours and actual labor cost incurred by weatherization crew members or other persons associated with the installation, assessment and inspection of weatherization measures, removal of debris and appliances, the procurement of permits and services performed by HERS raters.
  - ii. Contractor must be able to substantiate all actual labor hours and labor costs charged.

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  - iii. Actual labor hours and costs for weatherization services shall not exceed the cumulative number of hours on the job site and shall be substantiated with client file documentation, job schedules, and payroll time records.

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  - iv. When the installation of a measure is subcontracted and there are billable labor hours for weatherization crew members who participate in the installation of that subcontracted measure, Contractor may bill, in addition to the subcontracted expenditure, the actual labor hours and labor costs incurred by Contractor's crew members.
  - v. Labor expenses for weatherization service delivery shall exclude labor expenses associated with training, travel to weatherization job sites, staff time not associated with the direct installation and/or performance of weatherization services and activities on the job site, downtime and general operating expenses as provided below in subsection C "Other General Overhead Costs".
  - vi. Labor expenses associated with the manufacturing of installation materials such as shade screens while not on the job site shall be charged as part of the cost of materials at actual labor hours and actual labor costs.

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i. Heating and Cooling Appliance Repair and Replacement

For health and safety reasons:

- i. If during the course of repairing a defective unit, additional problems are found that would increase the cost of repairs to an amount beyond the established limits for repairs, Contractor may claim reimbursement for incurred costs related to the repair in addition to those costs associated with the replacement of the heating/cooling appliance.
- ii. Dwellings in which a single appliance has been both repaired and replaced, or under a call-back Contractor may claim reimbursement for both the repair and the replacement of the appliance. Contractor shall report the single appliance as both a repaired and replaced appliance. Call-backs will require additional reporting; refer to CPN 12-05.
- iii. For multi-unit dwellings with a common water heater, Contractor may claim reimbursement for only one water heater. Contractor may claim reimbursement for the actual number of water heater blankets used to wrap the common water heater. Contractor shall prorate the cost among all dwelling units within that building envelope.

C. Other General Overhead Costs

1. Wages – Field Staff

Contractor may request reimbursement for the actual labor costs including benefits related to weatherization supervisors, assessors, inspectors, and crew members that are allocable to the program but not associated with the direct installation and/or performance of weatherization services/activities on the job site and training, including, but not limited to: job scheduling, job preparation, travel time, disposal of appliances and materials building and prepping of weatherization materials away from the job site and downtime in accordance with any guidance issued by CSD.

2. Wages – Program Management and Support

- a. Contractor may request reimbursement for the actual labor costs related to program management and support staff directly

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responsible for the direct management and oversight over the DOE Weatherization program activity or providing direct support to ensure the successful delivery of weatherization services.

- b. Reported costs may include labor costs associated with performing direct support in coordinating the delivery and tracking of direct program services, including but not limited to: job scheduling, collating and aggregating of weatherization activities and materials, staff time associated with Historic Preservation Review activities, obtaining permits and coordination of subcontracted services.

3. Lodging and Per Diem

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Contractor may claim reimbursement for lodging and per diem related to the installation of weatherization measures subject to travel and per diem as described in the Travel and Per Diem Section 4.6 of this Agreement.

4. Disposal Fees

Contractor may claim reimbursement for disposal fees and associated expenses incurred by Contractor and their subcontractor. Disposal fee reimbursement includes the actual cost of the fee.

5. Vehicle, Equipment Repair, Maintenance and Fuel

- a. Contractor may claim reimbursement for expenses related to upkeep and maintenance of vehicles and equipment used in the direct delivery of weatherization services. Allowable costs shall be limited to expenditures associated with the maintenance of the vehicles and equipment fuel and oil.
- b. Contractor shall maintain records for fuel expenditures, vehicle maintenance and vehicle usage to substantiate allowable travel costs related to and allocable to DOE WAP.

6. Historic Preservation Reviews

Historic Preservation Reviews means those expenses that are subcontracted to a third party to perform the collection of and reporting of potential weatherization properties subject to Historic Preservation Review requirements.

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7. Waste Breakage

Waste breakage are those expenses associated with weatherization materials that have been damaged and are part of Contractors' inventory or special order materials that are allocated to CSD programs. The cost of weatherization materials that are damaged and benefit multiple programs must be prorated accordingly. Costs must be directly associated to net changes in inventory and not associated with materials chargeable to another measure line item. Reimbursement for waste breakage is not allowable for Subcontractors.

8. Ancillary Supplies

Ancillary supplies are additional low-cost materials or supplies (such as nuts, bolts, screws and washers) necessary to install a weatherization measure and not easily identifiable to a specific measure or dwelling. Costs of ancillary supplies that benefit multiple programs must be prorated accordingly. Costs must be directly associated to net changes in inventory and not associated with materials chargeable to another measure line item. Reimbursement for ancillary supplies is not allowable for Subcontractors.

D. Dwelling Status

1. Completed Units

- a. Except as otherwise provided in subsection b below, Contractor shall not report a weatherized dwelling as completed nor shall Contractor request reimbursement for a weatherized dwelling until all weatherization measures identified as feasible during the dwelling assessment have been installed, and inspected by a Certified Quality Control Inspector and all inspection fails have been resolved.
- b. In accordance with the CSD Field Guide, a dwelling shall also be considered complete if:
  - i. The entire dwelling was required to be deferred;
  - ii. The dwelling had limited deferrals or the client refused feasible measures but all other feasible measures were installed; or

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- iii. The dwelling received an assessment and/or diagnostics and no other weatherization measures.
- c. Contractor shall not bill for incomplete units or prematurely close a unit with outstanding, unfinished weatherization measures in order to receive reimbursement for work completed. If there are measures found to be non-feasible by crew members after the initial assessment, the reason for the non-feasibility shall be documented in the client file and if satisfactorily documented, the job shall be reported as completed in accordance with subparagraph a.

2. Building Permits

- a. Contractor shall obtain all required permits prior to the commencement of all work performed, unless work is performed as a result of an emergency requiring immediate action where there is an imminent danger and requesting a permit would hinder the Contractor's ability to resolve the emergency. If an emergency is remedied, Contractor shall apply for a permit as soon as reasonably possible.
- b. Any penalties or fines imposed on Contractor or Subcontractor by the local authority or building department are not allowable costs.

3. Previously Weatherized Dwellings

- a. If the previous weatherization was performed under a nonfederal program or under this Agreement, the occupant eligibility must be verified and Contractor may seek reimbursement for the associated outreach and intake costs.
- b. Contractor shall report a previously weatherized dwelling as a re-weatherized unit and not include the dwelling as a completed unit or report the dwelling and client demographics.

E. Leveraging Funds

- 1. Contractor may perform services and install energy conservation measures in a qualified dwelling as provided herein and in accordance with requirements of any other CSD program and compatible non-CSD funded program, if in the best interest of the client, provided:

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- a. Contractor may not leverage DOE program funded weatherization service or related activity with other DOE WAP funding.
  - b. Contractor may divide DOE material expenditures associated with a single measure with any funding source other than other DOE WAP provided the combined expenditures reported to each contract does not exceed the maximum reimbursement for the individual measure. Contractor will be required to provide an accounting of labor, material, and quantities installed under each program.
  - c. Contractor shall not bill multiple funding sources for the same product or service unless costs are allocated in such a manner that billing is not duplicative and Contractor receives no more than the total cost of the products and services provided.
2. When the total reimbursement for a measure is contracted under a non-CSD program and the reimbursement is intended to cover the entire costs of the contracted service, all related costs associated with the installed measure shall be charged to that non-CSD program. Additional costs to facilitate or to offset cost deficits for the measure shall not be charged to CSD energy programs.
- F. Disaster Relief
1. Contractor may claim reimbursement for approved services for qualified disaster victims in accordance with the Disaster Relief Plan which is hereby incorporated by reference to this Agreement and available on the CSD Energy Providers' website at <https://providers.csd.ca.gov>.
  2. Reimbursement shall be limited to a maximum average reimbursement of \$7,105 per dwelling unit.

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**ARTICLE 6 – REPORTING POLICIES AND PROCEDURES**

**6.1 Reporting Requirements**

A. General

1. Contractor shall submit data and information concerning DOE activity in the CSD’s Weatherization Database. Reimbursement requests for expenditures associated with all related activity shall be reported in Expenditure Activity Reporting System (EARS).
2. Contractor must ensure that the activity reported in the Weatherization Database and the request for reimbursement reported in EARS, are aligned. CSD will not issue payment for reimbursement unless and until ~~any disparity between the data entered in the Weatherization Database and~~ EARS has been reconciled by Contractor.

3. Reporting Requirements

- a. CSD will provide Contractor with specifications of minor IT reporting changes or other minor changes, and upon receipt of the specifications, Contractor shall implement system changes in their local system within 60 days. Minor changes are those that are routine in nature to begin the contract such as but not limited to adjustments to the Expenditure Activity Report layout, adding or deleting measures and adjusting eligibility guidelines.
- b. Major reporting changes, upon receipt of the specifications, shall be implemented in Contractors local system as negotiated by CSD. Major IT system changes are those changes made to the business rule validations as listed in the most current Weatherization Data Transfer Rules and/or new field lines as outlined in the Data Transfer Reference Document (Schema-Breakdown). The most current Weatherization Data Transfer Rules and Data Transfer Reference Document (Schema-Breakdown) are located on the CSD Providers’ Website on the System Specification website page.

B. Monthly Reports

1. Contractor shall submit a request for reimbursement of the expenditures to CSD by entry into Expenditure Activity Reporting System (EARS), in accordance with the following provisions:

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- a. A monthly report shall be submitted on or before the fifteenth (15<sup>th</sup>) calendar day following the reporting period, irrespective of the level of activity or amount of expenditure in the preceding period.
- b. Adjustments must be reported through EARS according to the Database Transfer Rules on or before the seventh (7<sup>th</sup>) of each month.

Contractor may at any time submit detailed information and date for services rendered, utilizing the Weatherization Database, provided the total submissions for any given month correspond to the EARS reimbursement request for the same month. The reports must be reconciled by Contractor before the monthly reimbursement request will be paid by CSD.

- c. Expenditures for Weatherization shall be reimbursed through the DOE Monthly Weatherization Expenditure/Activity Report via EARS.
- d. For disaster-related expenditures, Contractor shall contact CSD for invoicing instructions.

2. Contractor shall also submit to CSD client/job detailed data for services rendered under Weatherization for the monthly period in which the service activity occurred and reimbursement for the service activity is requested.

- a. Utilizing an approved front end data collection system, Contractor shall submit monthly detailed client/job data separately from the EARS monthly activity/reimbursement reporting.
- b. The client/job detailed data shall be sent electronically on or before the fifteenth (15<sup>th</sup>) calendar day following the reporting period in which direct service activity occurred.
- c. Adjustments must be reported through the weatherization database according to the Database Transfer Rules on or before the seventh (7<sup>th</sup>) of each month.
- d. The monthly DOE Weatherization Expenditure/Activity Report will not be processed until CSD has reviewed and approved the Monthly Client/Job Detailed Data Report.

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3. A previously weatherized dwelling shall not be reported as a completed unit or included in other demographics.
4. Services provided in a previously weatherized dwelling to correct a previously installed measure or as a result of a CSD or DOE inspection finding is a call-back and is allowable and must be reported to CSD and DOE. Refer to CPN 12-05. Demographics for a callback are not included for reporting purposes.

C. CSD Review

1. CSD shall review and approve Contractor's monthly reimbursement/activity reports before offsets to advances or reimbursement payments are issued. CSD will conduct an ongoing evaluation of Contractor's performance related to program and fiscal operations and its demonstrated ability to effectively utilize all funds available under this Agreement.
2. The issuance of other CSD contracts, including reimbursement payments to Contractor, shall be contingent upon timely receipt of the required reports, and/or compliance with the material requirements of this Agreement.

D. Close-out Report

1. Contractor shall submit, on the appropriate CSD forms, a close-out report verifying all actual, allowable, and allocable costs expended during the term of this Agreement and return all unexpended funds to the State within forty-five (45) calendar days after expiration of this Agreement.
  - a. Administrative costs shall remain proportionate to the cumulative allowable program expenditures for services.
  - b. Health and Safety, and Training and Technical assistance costs shall not exceed the maximum allowable amounts and shall remain proportionate in accordance to the health and safety formula.
  - c. Any Administrative, Health and Safety, and Training and Technical assistance costs that exceed these limits shall be disallowed and returned to CSD within forty-five (45) calendar days after the expiration of this Agreement.

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- d. Subsequent payments, including advance payments, for DOE or other CSD contracts may be withheld, absent timely receipt of the close-out report of this Agreement.
2. The close-out report shall include the following forms and be available on CSD's "Energy Contractor's" website:
    - a. DOE Close-Out Checklist (CSD 720);
    - b. DOE Close-Out Equipment Inventory Schedule (CSD 720D); and
    - c. DOE Close-Out Reconciliation Report (CSD 720E).
  3. Unexpended Funds
    - a. Contractor shall use the DOE Close-Out Reconciliation Report (CSD 720E) to reconcile and report actual costs, interest earned, and reimbursements and advance payments received.
    - b. Any unexpended funds shall be returned to CSD at the time the close-out report is submitted.
  4. Any weatherization materials purchased with these funds and remaining at the expiration of this Agreement shall be credited against Contractor's weatherization materials expenditures under this Agreement and charged to whatever other weatherization program Contractor may have in effect. If Contractor has no other weatherization program in effect, CSD shall determine how the materials will be disposed and what, if any, financial adjustments are required.

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**SUBPART C – PROGRAMMATIC REQUIREMENTS**

**ARTICLE 7 – PROGRAM POLICIES AND PROCEDURES**

**7.1 Program Standards and Regulatory Requirements**

**A. Program Standards**

1. Contractor shall adhere to all CSD program standards pursuant to the following documents and manuals which have been incorporated by reference and made part of this Agreement as if attached hereto:

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- a. Upon release, CSD Weatherization Policies and Procedures;
  - b. CSD Weatherization Installation Standards (WIS);
  - c. CSD Weatherization Field Guide (FG)
  - d. CSD Inspection Policies and Procedures;
  - e. CSD LIHEAP/DOE Program Health and Safety Appliance Replacement Policy;
  - f. Official State and Federal Program Notices, Memorandums and Advisories;
  - g. DOE WAP Disaster Relief Plan;
  - h. Current Eligibility Verification Guide;
  - i. Weatherization Data Transfer Rules
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Upon signing the CSD contract, Contractor is acknowledging receipt of all current technical manuals, policies and protocols.

2. In the event of disagreement between policies and field protocols contained within the Weatherization Installation Standard Manual and/or the Weatherization Policies and Procedures and this Agreement, Contractor shall abide by the terms of this Agreement.

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B. Regulations

1. Standards contained in the most current Uniform Building Code and local city and county codes shall take precedence over the CSD WIS if the code requirement is not included in the manual and/or is more stringent.
2. All work performed by Contractor shall be in compliance with most current and applicable provisions of the California Energy Commission Building Energy Efficiency Standards, Alterations under Title 24, Part 6, of the California Code of Regulations, HERS Program regulations.
3. Services provided to all covered pre-1978 dwellings shall be in compliance with the most current Environmental Protection Agency rules in 40 CFR Part 745, Lead-Based Paint Poisoning Prevention in Certain Residential Structures and the Housing and Urban Development rules in 24 CFR Part 35, Lead Requirements for Hazard Education Before Renovations of Target Housing: Final Rule.
4. All materials procured for weatherization purposes shall be in conformance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
5. All materials used must be in compliance with Department of Energy rules in 10 CFR 440, Appendix A.

C. Title 24

1. Contractor shall, when required by its local jurisdiction, obtain a building permit when additions or alterations of existing residential buildings are performed or when a component, system, or equipment of an existing building breaks, cannot be repaired and must be replaced.
2. Title 24 requirements are applicable only to energy conservation measures installed to dwellings located within Contractor's specific California Energy Commission (CEC) Climate Zone. For a listing of the CEC climate zones, refer to the CSD Energy Providers' website at <https://providers.csd.ca.gov>.

Contractor shall exercise caution not to utilize the DOE Climate Zone for compliance with California's Title 24 Energy Efficiency Standards for Residential and Nonresidential Requirements.

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3. Contractor shall obtain the services of a qualified HERS when required to perform required field verification and diagnostic testing on applicable weatherization measures and building alterations performed under this Agreement.
4. Contractor shall obtain the services of a certified HERS Rater to perform the required field verification and diagnostic testing. The HERS Rater shall be an independent entity from the builder or subcontractor performing the building alteration and/or energy-efficiency improvement being tested and verified and shall have no financial interest in the work performed.

D. Pre-1978 Dwellings

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1. ~~Lead-based paint is presumed to be present in all pre-1978 units unless the dwelling unit has previously been certified by a California Certified Inspector/Risk Assessor to be lead-free.~~
  2. HUD units not previously certified to be lead free, built prior to 1978, and receiving weatherization services in which painted surfaces exceeding de minimis levels are disturbed, require the successful achievement of lead-safe standards after the completion of weatherization services. Contractor shall assure that a third-party California Certified Inspector/Risk Assessor performs the clearance inspection after the completion of weatherization services and that the Assessor deems the weatherized HUD unit as lead-safe.
  3. Contractor shall document notification to tenants of multi-unit housing of weatherization and/or renovation activities in common areas using the Notice of Weatherization/Renovation (CSD 320) or approved Contractor's equivalent and Record of Tenant Notification Procedures (CSD 322) or approved Contractor's equivalent.

**7.2 Service Priority Guidelines**

- A. Contractor shall give first priority for weatherization services to those households with the highest energy burden or high residential energy users and shall factor into its first priority for services those households with the following vulnerable populations: families with children 19 years of age or younger, disabled, and elderly persons (ages 60 years or older).
- B. Contractor may give first priority for services to those households whose members have life-threatening emergencies.

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- C. Additional priorities shall be as set forth in the DOE Weatherization Priority Plan Narrative and must include consideration for determining households that would qualify for energy audit assessments and installation of optional measures. Contractors serving previously weatherized dwellings shall include the selection process for serving previously weatherized dwellings.
- D. Due to limited funding, Contractors shall ensure compliance with the DOE Re-weatherization Policy when providing services to dwellings previously weatherized from September 30, 1994 and earlier.
- E. Equitable Treatment  
  
Contractor shall ensure that owners and renters receive equitable treatment under this program.
- F. See Section 11.2 B, “Eligibility to Receive Federally Funded Public Benefits” concerning Federal restrictions on receipt of benefits.

**7.3 Outreach and Intake Activity Guidelines**

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**A. Outreach**

Contractor shall perform appropriate outreach activities to ensure that households in the service area(s) are informed about all DOE WAP program services and have an opportunity to apply for such services.

**B. Intake**

Contractor shall use intake program funds for determining eligibility of applicants seeking DOE WAP services. Services include the process of completing an intake application and reviewing applicant documentation. Contractor shall:

1. Establish reasonable hours whereby applicants will have access during regular business hours to seek program information with an assurance that the Contractor shall respond to the applicant’s request within a reasonable amount of time.
2. Accept applications for assistance during regular business hours.
3. Accept applications at sites that are geographically accessible to all households in the area served by Contractor.

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4. Provide low-income individuals who are physically infirm with the means to submit applications without leaving their residences.
  5. All sites where intake is conducted must be accessible to the disabled.
  6. If Contractor opts to “pre-screen” applicants for benefits by discussing eligibility criteria and by counseling potential clients in advance of their completing and submitting an Energy Intake Form (CSD 43) or approved Contractor’s equivalent, Contractor must apply income guidelines and contractor’s DOE Weatherization Priority Plan Narrative when prescreening applicants. If the applicant appears to be ineligible, Contractor must so inform the applicant but must nevertheless notify prescreened applicants of the right to apply for benefits upon changes in the prescreened applicant’s circumstances and status. Energy Intake Form (CSD 43) or approved Contractor’s equivalent must be provided to a potential client upon request, whether or not a prescreening process is employed.
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**7.4 Client Education and Counseling Activities**

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Client Education/Counseling Activities program funds shall be used for such services, including needs assessment, client education and budget counseling, that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance.

**A. Needs Assessment**

Contractor shall conduct a needs assessment for each applicant, which shall include computing the energy burden of each applicant's household and prioritizing households as described in Article 8.1, Weatherization Activity Guidelines.

**B. Client Education / Budget Counseling**

1. Contractor shall provide to all recipients of energy assistance under this Agreement applicable energy conservation information and budget counseling in accordance with Contractor’s approved DOE Weatherization Priority Plan Narrative (CSD 793). As a minimum Contractor shall include the following:

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

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- payment plan(s) and other forms of energy assistance offered within the State;
- b. Written information that describes energy-saving behavioral adjustments that will decrease the energy consumption of the household;
  - c. Resource information, referral, family, and budget counseling in order to assist clients in achieving self-sufficiency;
  - d. The EPA pamphlet “Renovate Right: Important Lead Hazard Information for Families, Child Care Providers and Schools”;
  - e. The EPA pamphlet “A Brief Guide to Mold, Moisture, and Your Home”;
  - f. A description of the benefits that the client can expect to receive as a result of the weatherization measures installed and diagnostic tests performed in the dwelling;
  - g. An explanation of the action of each measure in terms of preventing air infiltration or the escape of heated or cooled air from the dwelling and how to maximize the effect of such measures;
  - h. Disclosure of any identified health, safety, or structural hazard conditions or deficiencies to the property owner and occupying tenant; and
  - i. The EPA pamphlet “A Citizen’s Guide to Radon”.
2. Contractor shall place in the client’s file the Client Education Confirmation of Receipt (CSD 321) or Contractor’s equivalent, which substantiates that the client was provided with energy conservation, budget counseling and mold and lead-based paint education.
  3. In the event pre-existing health, safety, or structural conditions prevent the delivery of weatherization services or a particular measure, Contractor shall complete the CSD Weatherization Deferral Form (CSD 542) to document the reason(s) for the service deferral and provide a copy to the property owner and occupying tenant.

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C. Coordination

Contractor shall refer all potentially eligible applicants to other energy or conservation programs including, but not limited to the LIHEAP Weatherization Program, ECIP EHCS, HEAP, CARE/RRP. Contractor shall coordinate its activities with other federal, state, or local energy conservation programs with the goal of conserving energy, improving thermal efficiency, or defraying energy costs of low-income households.

**7.5 Leveraging Activities**

A. Leveraging weatherization funds may be used to install mandatory and/or optional measures in a dwelling in accordance with the Field Guide. Client files shall be documented accordingly.

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B. If Contractor is leveraging with non-CSD funded programs to meet CSD program requirements, then Contractor shall ensure that any non-CSD leveraged-funded activity performed in conjunction with the DOE WAP, is in conformance with weatherization guidelines. If permitted by the leveraged-funding source, Contractor shall document within the Weatherization client file the activity performed, date of the activity performed, and the source of the leveraged funds. If the leveraged-funding source prohibits the disclosure of such information, Contractor shall as a minimum make reference to the leveraged activity within the weatherization client file.

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C. Ensure usage of DOE-approved priority list and/or audit tools on projects leveraged with DOE.

D. CSD may use information about leveraged activities paid for with funds from leveraged-funding source for the purpose of verifying the delivery of services. CSD may review and verify or use a third-party inspector to review and verify that the leveraged-funded activities conform to applicable DOE WAP standards and practices.

**7.6 Record-Keeping Responsibilities**

A. Contractor shall maintain client intake/needs assessment form(s) for Weatherization, together with appropriate supporting documentation and shall maintain separate client files containing supporting documents related to disqualifications, denials, and appeals for each applicant who is not certified as being eligible to receive assistance.

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B. All Client Files – Requirements

Contractor shall maintain a separate hard copy or electronic file for each applicant. These files shall include, the following documentation, when applicable:

1. For Public Agencies only: Statement of Citizenship, Alienage and Immigration Status for Public Benefits, (CSD 600) and supporting documents;
2. Energy Intake Form (CSD 43) or approved Contractor's equivalent;
3. Utility/energy bill(s) for all sources of energy used by qualified households;
4. Documentation supporting eligibility in accordance with the Eligibility and Verification Guide;
5. Client Education Confirmation of Receipt (CSD 321) or approved Contractor's equivalent that substantiates that the client was provided services;
6. Client denial or approval letter in accordance with the Eligibility and Verification Guide;
7. Certification of Income and Expenses (CSD 43B);
8. Client/Customer Consent Form and Authorization (CSD 081).
9. CSD Dwelling Assessment Form (CSD 540 series) or approved Contractor's equivalent; and
10. Combustion Appliance Safety Inspection Form (CASIF) and (CSD 700 or 702 series);
11. Blower Door Data Sheet (CSD 704);
12. Duct Test Data Sheet (CSD 706);
13. CSD Weatherization Deferral Form (CSD 542) and other source documentation supporting deferrals and appeals

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14. Notice of Weatherization/Renovation (CSD 320) or approved Contractor's equivalent;
  15. Record of Tenant Notification Procedures (CSD 322) or approved Contractor's equivalent;
  16. Energy Service Agreement for Occupants (CSD 515A) or approved Contractor's equivalent;
  17. Energy Service Agreement for Rental Property Owners (CSD 515B) or approved Contractor's equivalent;
  18. Lead Safe Weatherization and Lead Renovation, Repair and Painting Compliance Report (CSD 708);
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19. DOE Priority List Checklist by Climate Zone (CSD 710);
  20. Contractor Post-Weatherization Inspection Report (CSD 611);
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21. Weatherization Inspection Report (WIR) (CSD 581);
  22. Multi-Family Dwelling Unit Eligibility Certification (CSD 75P) or approved Contractor's equivalent;
  23. Client confirmation of work completed;
  24. Required building permits or building's permit applications, or documentation of permit cost, and evidence of final permit inspection;
  25. Copy of lead clearance inspection by a California Certified Inspector/Risk Assessor for applicable pre-1978 HUD units;
  26. Waivers from CSD to exceed maximum costs and quantity limits of weatherization measures and work outside of the scope of CSD weatherization policies and standards;
  27. Documented approvals from DOE and CSD to make a fuel change for an installed appliance;
  28. Documentation that substantiates all actual labor hours including a time and activity log associated with each job;

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29. Documentation of weatherization measures installed and leveraged with other CSD and non-CSD weatherization program funds;
30. Documentation that substantiates the criteria and basis for replacement of all gas and electric appliances including results of all required diagnostic tests results and the non-feasibility of all mandatory measures not performed or installed;
31. Documentation indicating the manufacturer, manufacture date, make, serial number and model and metering information for all refrigerator replacements;
32. Documentation and records substantiating mileage claims by individual weatherized SFD and MUD Unit;
33. Documentation of HERS rater's inspection report and a copy of the invoice from the HERS rater, in addition to the Residential Compliance Forms (CF-1R, CF-4R and CR-6R);
34. Documentation providing evidence that the client receiving disaster-related services was a victim of a natural disaster;
35. Documentation providing evidence of participation in a federal, state, or local government rehabilitation program if being used to qualify ineligible multi-family dwelling units for weatherization services.
36. Documentation of notification to the owner-occupant, tenant and/or the owner of a rental unit or owner's agent of significant structural changes to the dwelling due to weatherization services;
37. All Historic Preservation Online review documentation, including the copies of the printed Project Description Sheet (PSD) and HPO site e-mails;
38. REM/Design Improvement Analysis Report and REM/Design Building File Report reports indicating measure that meet the SIR requirement for installation;
39. Documentation of attempts to schedule post-weatherization inspection appointments if inspection could not be performed;
40. Justification images, when required; and

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41. All other documentation as further defined by CSD.

C. Other Recordkeeping Responsibilities

1. Labor and Materials

- a. Contractor shall maintain documentation in such a manner that include job references and total labor hours so that actual costs and actual labor hours billed to the weatherization programs can be substantiated.
- b. Contractor shall document all costs expended under this Agreement with purchase orders, inventory records, and payroll records identifying the funding source.

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c. Contractor shall maintain documentation in such a manner to prove that materials used under this program conform to the requirements contained within the CSD Weatherization Installation Standards and/or state, county, or local regulations.

2. Training

Contractors who perform weatherization services are required to input, update, and maintain employee data in the CSD Training Database. The Training Database is located and maintained on the CSD Provider's website and is a repository for Contractor and their subcontractors to track and monitor employees' completed trainings as they progress through the CSD training curriculum. The Training Database shall also document all training received for each employee and shall include for each training session/course the source/location, type/content, and completion date.

- a. CSD shall maintain all trainings records in the Training Database for trainings completed through the CSD Online Weatherization Training Center, CSD-approved Training Centers, and field or classroom training provided by CSD or its agents.
- b. Contractors shall maintain all training records in the Training Database for trainings provided by third-parties for Occupational Safety and Health Administration (OSHA) 10, OSHA 30, and EPA Renovator certifications as designated by CSD.
- c. Contractors shall be responsible for maintaining the required training records in the same manner for their subcontractors.

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d. Contractors and subcontractor shall update the Training Database employee information on or before the first (1<sup>st</sup>) day of each subsequent month.

3. Equipment

a. Contractor and subcontractors who perform combustion appliance safety tests shall maintain the Carbon Monoxide Analyzer Calibration Log (CSD 785) documenting the calibration of all analyzers as required.

b. Contractor and subcontractors who perform blower door and duct leakage diagnostic tests shall maintain the Manometer Calibration Log (CSD 786) documenting the calibration of all manometers as required.

4. Energy Audits

Contractor shall maintain electronic records generated from the REM/Design audit software for the required period of 3 years from submission of final report or until resolution of all related audit or monitoring findings, enforcement action, including cost disallowance, legal proceedings or other pending matters, whichever is later in accordance with Section 4.3.

D. Automation

1. Contractor shall use a software database system to support all required data collection and reporting requirements under the administration of this grant.

2. Contractor shall use an automated application system capable of supporting DOE WAP data collection, reporting requirements, and client data transmission to CSD. No database transfer will be accepted prior to the completion of successful data file transfer testing to CSD. Contractor shall submit the data in accordance with CSD's Weatherization Data Transfer Rules layout found at <http://providers.csd.ca.gov/SystemSpecifications.aspx>. Contractor shall exercise best practices and perform a daily backup of all client data/application systems that capture DOE WAP service detail. Contractor shall assure that adequate files are maintained as required in Article 7.6.

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**ARTICLE 8 – PROGRAM IMPLEMENTATION**

**8.1 Weatherization Activity Guidelines**

**A. Applicant Eligibility**

1. Assistance shall be available only to households with incomes that do not exceed an amount equal to sixty percent (60%) of the State median income.
2. Income verification must be for one month. For acceptable types of documentation, refer to the current Eligibility and Verification Guide at <https://providers.csd.ca.gov>.
- ~~3. Contractor shall certify a household's income eligibility prior to the delivery of energy program services.~~
4. Contractor shall collect copies of all of the household's energy utility bills for the current month, and if applicable, receipt(s) for wood, propane, and oil to determine the client's energy burden.
5. Contractor shall reimburse DOE for all costs associated with the delivery of weatherization services covered under this agreement to dwellings occupied by family units ineligible for weatherization assistance at the time such services were provided.
6. The income certification shall remain in effect for a period of one-hundred and twenty (120) days from the date applicants are deemed eligible for services.

**B. Dwelling Eligibility**

1. Contractor shall perform the assessment of weatherized dwellings within one-hundred and twenty (120) days of the certification date to receive weatherization assistance services. In the event the Contractor is unable to perform the weatherization dwelling assessment within the one-hundred and twenty (120) day period, Contractor shall obtain updated income verification documentation to recertify the household's income eligibility, prior to commencing the delivery of any form of weatherization assistance service including the dwelling assessment.
2. Contractor shall complete the post-combustion appliance safety test within sixty (60) days from the date of the pre-combustion appliance safety test.

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In the event the Contractor is unable to perform the work associated with the combustion appliance safety testing and the post-combustion appliance safety test within the 60-day period, Contractor shall perform another pre-test for the dwelling prior to commencing the delivery of any form of weatherization assistance services.

3. Contractor shall complete weatherization services within six (6) months from the date of the original assessment of a dwelling. In the event the Contractor is unable to perform all weatherization services within the six-(6) month period, Contractor shall obtain updated income verification documentation to recertify the household's income eligibility.
4. Permission to Provide Services
  - a. Contractor shall obtain general written permission of the owner-occupied dwelling from the tenant and the owner (or owner's agent) to perform an assessment and weatherization work prior to performing any such services. Such permission shall be recorded on the Energy Service Agreement for Occupant (CSD 515A) or approved Contractor's equivalent and the Energy Service Agreement for Rental Property Owner (CSD 515B) or approved Contractor's equivalent. At a minimum, the written documentation and/or notification shall include the following:
    - i. General permission to do assessment and weatherization work;
    - ii. Notification of specific work to be done before the work commences; and
    - iii. Notification of need for significant structural and engineering changes.
  - b. If during the course of performing weatherization and/or heating and cooling appliance repair or replacement services in a dwelling, Contractor identifies that significant structural and/or engineering changes may occur, Contractor shall notify the owner-occupant dwelling or the owner of a rental unit prior to continuing with the scheduled work.

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5. Rent Increase Restrictions

- a. For a period of two years after weatherization work has been completed on a dwelling containing a unit occupied by an eligible household, the tenants in that unit (including households paying for their energy through their rent) will not be subjected to rent increases unless those increases are demonstrably related to matters other than the weatherization work performed.
- b. Tenants shall be given a written summary of these conditions with the current telephone number of the Contractor with instructions on how to file a complaint should these conditions not be met. Contractor shall investigate all complaints filed and shall forward a copy of all written complaints to CSD or, if a verbal complaint has been made, contact CSD with the details of the complaint including date complaint was made, date investigations began, and results.
- c. CSD will evaluate the merits of the complaint and all supporting documentation. Should a complaint be found valid, CSD may pursue collection activities against the landlord in the amount equal to the weatherization work performed on that unit and/or complex.

6. Multi-Unit Dwellings

- a. In accordance with 10 CFR 440.22(b) (2), Contractor may weatherize a building containing rental dwelling units when not less than sixty-six percent (66%) (fifty percent (50%) for duplexes and four-unit buildings) of the dwelling units in the building:
  - i. Are eligible dwelling units, or
  - ii. The dwelling units will become eligible (occupied by eligible low-income tenants) within one-hundred and eighty (180) days under a federal, state, or local government program for rehabilitating the building or making similar improvement to the building.
- b. Contractor may weatherize individuals units in a multi-family building in lieu of the whole building, *provided* Contractor first endeavors in good faith to weatherize the whole building in accordance with the provisions stated herein. Upon Contractor's

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determination that the whole building cannot be weatherized because the building does not qualify under standards established by official CSD Energy Policy which is hereby incorporated by reference and available on the CSD Energy Providers' website at <https://providers.csd.ca.gov>. Contractor shall notify CSD in writing of its intention to weatherize individual units in the multi-family building, specifying reasons why the whole building cannot be weatherized. Contractor shall retain supporting documentation justifying the determination in the event of an audit or monitoring visit.

- c. The weatherization of individual units in multi-family buildings is subject to unique criteria and allowable measures, distinct from those applicable to single family and multi-family buildings. Contractor may install only those measures allowed for individual units in multi-family buildings as specified in Energy Policy and Procedures (EP11-07A).
- d. If dwelling units are qualified for services through a federal, state, or local government rehabilitation program, documentation to verify participation in the rehabilitation program is required in the master job file.
- e. Contractor shall complete a Multi-Unit Dwelling Unit Eligibility Certification (CSD 75P) or approved Contractor's equivalent for each complex and shall maintain a copy in each individual client file.
- f. Contractor shall certify unit eligibility by completing Energy Intake Form (CSD 43) or approved Contractor's equivalent for each dwelling unit in each building. Certification of eligibility by the owner/manager of the occupants of the building/complex is not acceptable.
- g. Contractor must retain a signed copy of the Energy Service Agreement for Occupant (CSD 515A) or approved Contractor's equivalent and the Energy Service Agreement for Rental Property Owner (CSD 515B) or approved Contractor's equivalent authorizing the weatherization work, accepting conditions protecting the interests of tenants, and other provisions required by CSD;



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c. No institutional or commercial building including, but not limited to, universities, schools, nursing homes, or hospital, etc., may be weatherized under this Agreement.

9. Temporary Shelters/Homeless Individuals

Eligibility of the occupants may be assumed if the owner/operator will certify in writing that occupancy is limited to no more than ninety (90) calendar days and that admittance criterion complies with CSD contract eligibility guidelines, whether or not rent is paid has no effect on eligibility.

10. Group Homes

If the building does not qualify as a multi-family structure, income eligibility is based on all occupants as a group, the building must be weatherized as a single dwelling unit.

C. Minimum Requirements for Weatherization Services

1. Single-family detached and other single-story dwellings that have not been previously weatherized under a CSD program or other program may be weatherized under this Agreement.
2. Multi-unit dwellings that have not been previously weatherized under a CSD program or other program may qualify for weatherization services only if at least three (3) Mandatory measures are installed.
  - a. Installation of ceiling insulation shall be counted as a ceiling insulation measure for each unit within that building envelope.
  - b. Installation of a common water heater shall qualify as a mandatory measure for each unit served by the same water heater.
3. If the required minimum number of weatherization measures cannot be installed due to the deferral of measures, then the entire unit shall be deferred and the dwelling ineligibility documented in the client file.
4. Repair of large leaks identified by blower door testing may reduce shell leakage so close to the Minimum Ventilation Requirement (MVR) that caulking and/or weather stripping are not feasible, thus reducing the number of feasible Mandatory and Priority List Measures to fewer than needed to qualify the dwelling for weatherization. In this case, Contractor

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may substitute non-infiltration reduction Optional Measures as needed for the non-feasible caulking and/or weather-stripping measures only if a REM/Design energy audit or TREAT, as applicable, has been performed and the savings-to-investment ratio (SIR) is greater than 1 for any Optional Measures to be installed.

5. The minimum number of weatherization measures may be leveraged with other weatherization programs. All leveraged measures used to fulfill the minimum number of required weatherization measures shall meet CSD installation standards.

**D. Dwelling Assessments**

1. Contractor shall assess eligible dwellings to identify the specific energy-efficiency and health and safety services to be offered under the allowable scope of services outlined in this agreement.
2. Contractor shall ensure that all dwelling assessments are performed by trained individuals possessing all the required skill and training as specified in Article 9.1, Training Requirements.
3. Contractor shall ensure job separation between staff performing dwelling assessments and the crew personnel responsible for performing the actual installation of weatherization measures. Assessors may not install weatherization measures in the same dwelling where the assessor performed the assessment for weatherization services.
4. Contractor shall provide written documentation or notification to the owner-occupant and the owner of a rental unit or owner's agent and inform the tenant of any significant structural and engineering changes required to complete the weatherization work before the specified work commences.
5. Dwelling Assessment Performance
  - a. Dwelling assessments shall include the following required activities:
    - i. The visual assessment of the eligible dwelling to identify safety and structural hazards conditions present within the dwelling that may limit ability to perform any or all of the required weatherization services in accordance with CSD weatherization guidelines and terms of this Agreement.

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Assessor shall disclose all noted safety and structural hazard conditions to the property owner and tenant, where applicable.

- ii. The visual inspection and pre-CAS diagnostic testing of all combustion appliances as to identify the presence of combustion appliance safety conditions within the occupied living space and requiring immediate attention and the offering of prescribed list of health and safety measures needed to remedy noted conditions.
  - iii. The visual inspection of dwelling to identify any structural deficiencies and/or barriers inhibiting the ability for required pressurized diagnostics to occur. Assessor shall also inform client of the various types of diagnostic testing to be performed within the dwelling, including the general nature and benefits of each form of required diagnostic testing.
- b. Historic Preservation Review of Dwellings
- i. To ensure compliance with Section 106 of the National Historic Preservation Act (16 U.S.C. 470), CSD will establish appropriate procedures for historic property review standards as outlined by a Programmatic Agreement with the State Historic Preservation Office. The established review standards will be utilized for weatherization activities conducted under the DOE WAP on dwellings that are 45 years or older. For purposes of this Agreement, the historic review shall be known as the Historic Preservation Review.
  - ii. Contractor shall ensure that a Historic Preservation review is completed on a dwelling that is either: (1) 45 years or older, (2) located within a historic district, or (3) considered to be of exceptional importance under the National Register Criteria for Evaluation pursuant to 36 CFR 60.4.
  - iii. When a dwelling assessment is performed and the dwelling is determined to meet any of the criteria specified in subparagraph ii, Contractor shall initiate the Historic Preservation Review process as specified in CSD Historic Preservation Review Policy incorporated by reference to

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this Agreement and available on the CSD Providers' website at <https://providers.csd.ca.gov>.

- c. Combustion Appliance Safety (CAS) Tests
  - i. The completion of the entire combustion appliance safety (CAS) test is required on all dwellings with combustion appliances.
  - ii. If it is determined during the CAS test that the dwelling unit contains a condition that is hazardous to the occupants, proper steps must be taken to alleviate the hazard. In these cases, infiltration reduction measures may not be installed until the hazard has been corrected; however, Contractor may install non-infiltration reduction measures.
  
- d. If the dwelling unit is not eligible because of the need for extensive repair, the unit shall not be serviced and the applicant should be referred to the local Housing and Community Development Department, U.S. Farmers Home Administration Housing Loan Program, or other similar organizations or programs.
  - i. Documentation of such ineligibility due to the need for extensive repairs shall be recorded on the CSD Weatherization Deferral (CSD 542).
  - ii. If the applicant can obtain the necessary repairs to make the dwelling unit eligible for weatherization services, weatherization activities may be accomplished following the repair work.
  
- 6. Contractor shall ensure the health and safety of weatherization personnel in carrying out activities funded under this Agreement. In the event the weatherization of a dwelling threatens the general health and safety of weatherization personnel, Contractor shall take measures to ensure the safety of the personnel and thoroughly document the incident(s) utilizing the CSD Weatherization Deferral (CSD 542). The deferral form does not need to be signed by the client where weatherization personnel construe the client or occupants of the dwelling to be threatening and hostile. If unable to get a signature, a certified letter shall be sent to the owner, along with the tenant if the residence is a rental.

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E. Diagnostic Testing

1. Contractor shall perform blower door diagnostic testing only for shell sealing purposes on all single-family and multi-unit building types weatherized under this agreement in accordance with CSD blower door testing standards and policies and procedures. Infiltration reduction measures subject to blower door diagnostics shall not be installed if the diagnostic testing is not performed.
2. Following a determination that no combustion byproduct hazards exist, Contractor shall perform pressure diagnostic guided infiltration reduction using a pre-weatherization blower door test.
3. Duct Blaster diagnostic testing shall be required on all dwellings with forced-air systems.
4. Contractor shall ensure that all dwelling diagnostic tests are performed by trained individuals possessing all the required skill and training as specified in Article 9.1, Training Requirements.
5. If an unvented space heater is being utilized, infiltration reduction measures shall not be applied unless venting is installed or the unit is replaced.

F. Health and Safety Measures

1. Contractor is authorized to mitigate health and safety hazards generated by combustion appliances, preserve or improve indoor air quality, and address knob-and-tube wiring. In addition to all provisions in this Agreement regarding Health and Safety Measures, Contractor must adhere to the Health and Safety Appliance Replacement Policy, to seek reimbursement for replacing specified appliances. The Health and Safety Appliance Replacement Policy is hereby incorporated by reference to this Agreement and available on the CSD Providers' website at <https://providers.csd.ca.gov>.
2. Health and Safety Measures and Mandatory Insulation measures must be installed in priority order. Other Mandatory Measures must be installed before optional measures, and no measure shall be excluded, unless the:
  - a. Blower door and/or pressurized duct diagnostic test indicates that installation of the measure is not necessary;

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- b. Dwelling already has that measure in place;
  - c. Measure cannot be properly installed;
  - d. Client refuses installation (client refusal is to be documented and placed in file);
  - e. Maximum dollar limit is reached; or
  - f. Measure is not needed or required.
3. If a health or safety hazard is found to exist that requires replacing or repairing a combustion appliance, the cost of which will preclude the installation of the required number of Mandatory Measures for a unit to be weatherized, the dwelling may qualify for weatherization under the following conditions:
- 
- a. The combustion appliance is repaired or replaced; and
  - b. All remaining feasible Mandatory Measures are installed up to the maximum dollar limit.
4. Allowable Heating and Cooling Appliance Repair and Replacement Services
- a. Prior to the performance of any heating/cooling service, a qualified technician must perform a diagnostic inspection of the primary heating/cooling appliance to assess operational performance. If the inspection discloses a problem related to the appliance's operational performance, the technician or an HVAC contractor will need to isolate the specific problem and determine the estimated cost to repair the defective unit before deciding whether or not to repair or replace the defective unit.
  - b. The following guidelines are restricted to occupied SFD and/or MUD units:
    - i. A residential heating source that qualifies for repair and replacement services must be a single, pre-existing heating appliance, serving as the dwelling's primary heating source.

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- ii. A residential cooling source that qualifies for cooling services must be a single, pre-existing cooling appliance, serving as the dwelling's primary cooling source, limited to mechanical air conditioners, central and window/wall air conditioners, and evaporative coolers.
- c. Heating and/or cooling services may be provided when one of the following conditions exists:
  - i. Existing primary heating/cooling appliance is deemed hazardous by a qualified technician, HVAC contractor or utility company gas service technician; or
  - ii. Existing primary heating/cooling appliance is verified by a qualified technician, HVAC contractor or utility company gas service technician to be inoperable or in need of repair.
- d. Any and all health and safety heating/cooling appliance services shall be performed in accordance with the following guidelines:
  - i. All repair and replacement services are limited to dwellings with pre-existing heating and cooling appliances. An exception to this rule exists, however, for those dwellings without a heating and cooling appliance and there are no means to provide adequate heating and/or cooling during a climatic season that would cause imminent harm to the health and wellbeing of individuals or the household.
  - ii. All such appliance replacements are further subject to the Health and Safety Appliance Replacement Policy.
  - iii. The age of a heating/cooling appliance shall not be used as a basis for replacement.
  - iv. Upgrades to heating and cooling appliances for energy efficiency purposes are subject to the energy audit unless required by Title 24.
- e. Prior to the performance of any heating/cooling appliance service, a qualified technician must perform a diagnostic inspection of the primary heating/cooling appliance to assess operational performance. If the inspection discloses a problem related to the appliance's operational performance, the technician or an HVAC

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contractor will need to isolate the specific problem and determine the estimated cost to repair the defective unit before deciding whether or not to repair or replace the defective unit.

- f. Contractor shall repair a defective primary heating appliance when the cost to assess and repair is estimated at less than fifty percent (50%) of the cost of installing a new replacement unit.
  - g. If during the course of repairing the defective unit additional problems are found that would increase the cost of repairs to more than the allowable limit for repair costs, the unit may be replaced.
  - h. When replacement of a defective primary heating/cooling appliance is performed, Contractor shall perform necessary duct repair and/or replacement services in order to conform to Title 24 requirements.
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**G. DOE Waiver for Fuel Switching**

Contractor shall not switch fuel when replacing furnaces or any other allowable appliance unless a waiver request is submitted to CSD and approved by DOE. Contractor shall submit the waiver request through the CSD Providers' website at <https://providers.csd.ca.gov>. Contractor shall keep a copy of such waiver in the client's file.

**H. Order of Operations**

After Outreach, Intake, Assessment and Diagnostic Testing, Contractor shall install measures as specified in the CSD Order of Operations Policy incorporated by reference to this Agreement, and available on the CSD Energy Providers' website at <https://providers.csd.ca.gov>.

**I. Priority Lists of Energy Conservation Measures**

Contractor shall install energy conservation measures in single-family dwellings, mobile homes and small multi-unit dwellings in accordance with the CSD Priority List Policy which is hereby incorporated by reference to this Agreement and available on the CSD Energy Providers' website at <https://providers.csd.ca.gov>.

**J. Energy Audit Requirements**

- 1. If all feasible measures classified under Health & Safety and other Mandatory Measures have been assessed, Contractor may assess

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additional measures utilizing the DOE Priority List or conducting a REM/Design or Targeted Retrofit Energy Analysis Tool (TREAT) audit in accordance with CSD Single-Family/Small Multi-Family Energy Audit Protocol, CSD Multi-Family Energy Audit Protocol and CSD Priority List Policy.

2. Energy audits shall be conducted as specified in the CSD Single-Family/Small Multi-Family Energy Audit Protocol and CSD Multi-Family Energy Audit Protocol incorporated by reference to this Agreement and available on the CSD Providers' website at <http://providers.csd.ca.gov>.
  - a. REM/Design energy audit tool may be applied to single-family dwellings, mobile homes, and multi-unit dwellings containing twenty-four (24) or fewer dwelling units where each unit is independently heated and cooled and has its own domestic hot water heater.
  - b. Targeted Retrofit Energy Analysis Tool (TREAT) may be applied to all multi-unit dwellings except for those multi-unit dwellings that are qualified to use REM/Design.

**K. Occupant Notification**

If, in accordance with the provisions of this article, any notice to an occupant is required, notice shall be in writing and a copy of such notice shall be given to the owner of the unit, when the unit is occupied by a non-owner occupant, or when the unit is vacant.

**L. Natural Disasters**

1. When a dwelling that has been damaged by a natural disaster such as fire, flood, earthquake, hurricane, etc., a scope of work shall be submitted to CSD for approval prior to beginning work related to a natural disaster pursuant to the DOE Disaster Relief Plan, which is hereby incorporated by reference to this Agreement and available on the CSD Energy Providers' website at <https://providers.csd.ca.gov>.
2. Contractor may have damages repaired that are within the scope of the weatherization program if the same services will not be paid for or reimbursed by any other source.
3. The occupant shall be certified as currently eligible and a dwelling assessment shall be performed.

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M. Workers Safety

1. Contractors are responsible for ensuring the safety of its weatherization field personnel performing weatherization activities under this contract and in accordance with the CSD Health and Safety policies and internal policies of the contract intended to protect the safety of weatherization field personnel.
2. Agencies must ensure that its weatherization field personnel are trained on how to handle situations where weatherization clients and other occupants within a weatherization project display behavior that is construed to be abusive and threatening to weatherization and their personal safety. Such situations constitute reasons for deferring weatherization services to the dwelling itself and weatherization workers are trained to recognize, deal, and document threatening situations they encounter in the course of performing weatherization measure installations.
3. Contractor's must document such incidents in the CSD Weatherization Deferral (CSD 542) Form and maintain a copy of the completed form in the client file at all times.

**8.2 Quality Assurance**

A. Certification

Contractor, or its designee, shall establish a comprehensive, detailed, and fully documented Quality Control procedure to assess the quality and completeness of Weatherization work performed under this Agreement. Such assurance will be documented on the CSD Dwelling Assessment Form (CSD 540) or approved Contractor's equivalent and shall be signed and dated by a certifying agency representative.

B. Post-Weatherization Inspections

1. Contractor shall perform Post-Weatherization Inspections on one-hundred percent (100%) of the total weatherized dwellings under this Agreement. Completed jobs shall not be billed to CSD until a post-inspection has been completed and any inspection fails are resolved.
2. Post-Weatherization inspections shall be conducted for the purpose of assessing the quality and completeness of performed weatherization services and compliance with CSD weatherization guidelines. At a minimum, the post-inspection shall:

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- a. Review the CSD Dwelling Assessment Form (CSD 540) to ensure that all feasible weatherization measures identified during the assessment were installed.
  - b. In the event weatherization crews identified and performed additional weatherization measure installations that are not disclosed during the dwelling assessment, then the Inspector shall ensure that these measures conform to CSD weatherization guidelines and are notated on the CSD Dwelling Assessment Form (CSD 540).
  - c. Verify that all measures were completely installed in accordance with said terms and conditions of this Agreement.
  - d. In addition, installed measures shall be reviewed to determine the absence of any feasible Mandatory Measure not installed and the installation of a measure (non-feasible measure) that may not be in compliance with said standards and the terms and conditions of this Agreement.
  - e. Verification that the unit received blower door, and duct leakage testing, as applicable;
  - f. Verification that required CAS testing of eligible combustion appliances was performed and inspection of combustion appliances to verify the safe operating condition of combustion appliances within the dwelling residence; and
  - g. Inspection of the unit dwelling to ensure that all identified health and safety hazards, whether pre-existing or resulting from the performance of weatherization services, have been successfully remedied.
3. Contractor shall ensure that post-weatherization inspections are performed by a Certified Quality Control Inspector, as provided in Section 9.2 of this Agreement. If Contractor subcontracts post-inspection services, then Contractor must aggregate weatherization jobs to mitigate the cost associated with performing inspections. The allowable cost of each post-inspection may not exceed \$320.00.
  4. Subcontractors who provide basic weatherization services shall not conduct assessments or inspect dwellings.

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5. Contractor shall ensure job separation between staff performing post-weatherization inspection activities and weatherization crew personnel performing the physical installation and performance of weatherization measure services funded under this Agreement.
6. An assessment and post inspection shall not be performed by the same staff member within the same dwelling. If there is a financial or administrative hardship to have separate staff members perform assessment and post inspections, Contractor may request an exemption to this requirement. Contractor must submit a written request to CSD for its review and approval. Upon approval, Contractor may have the same staff perform unit dwelling assessment and post-inspection activities and be subject to an increased percentage of Third-Party Inspections.
7. 

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The Certified Quality Assurance Inspector shall certify the performance of Post Weatherization Inspections of dwelling units by completing and signing Contractor Post-Weatherization Inspection Report (CSD 611). Contractor shall retain a copy of the completed and signed form in the client file.

C. Third-Party Inspections

1. The State may use a third-party inspector to review and verify that the weatherization activities performed under this Agreement conform to applicable standards and practices.
2. Unless Contractor assumes the task of arranging third-party inspection visits with the selected weatherization clients, Contractor shall provide the use of a telephone to the inspector.
3. Contractor or a ride-along (designated representative) shall accompany the inspector on client inspection visits and shall provide transportation and equipment to the inspector. When possible, Contractor shall make corrections during the client inspections visits.
4. Contractor agrees to remedy all Nonhazardous Conditions (nonhazardous work deficiencies) noted by the State or its designee within 20 working days of written notification.
5. Contractor must remedy all Hazardous Conditions resulting from weatherization measure installation. The immediate hazard shall be eliminated within 24 hours, and hazardous conditions shall be completely resolved within five (5) working days of written notification. The time

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period may be extended for circumstances beyond the Contractor's control; however, the time extension must be approved in writing by CSD prior to the expiration of the five working day period.

**D. Subcontracted Services for Basic Weatherization**

1. Contractor who subcontracts basic weatherization services shall submit to CSD for approval a written Weatherization Quality Control Plan for Subcontractors. This plan shall include field and fiscal monitoring.
2. Contractor shall have a minimum of one internal staff member who shall receive the online, classroom and field training coursework required by CSD for a field supervisor.

**E. Noncompliance**

1. Contractor shall be subject to the withholding of any or all reimbursements for failure to completely resolve a Hazardous Condition within five (5) working days or within the modified completion date for units receiving a time period extension. The reimbursement sanction will apply to the next fiscal reimbursement request associated with the program of the weatherized unit in question. The reimbursement sanction will remain in effect until Contractor successfully resolves the Hazardous Condition and confirms the resolution with CSD and the designated Inspection Contractor. The sanction will apply to all subsequent fiscal reimbursement requests of the primary funding source in question so long as the hazardous condition remains unresolved.
2. If it is determined that the Contractor has failed to resolve an identified Hazardous Condition in accordance with the Hazardous Correction Work Plan, CSD may utilize the services of the designated Inspection Contractor to successfully resolve the delinquent Hazardous Condition. Contractor will assume responsibility for costs associated with the use of Inspection Contractor's services. The costs will include labor, materials, and travel equal to the Inspection Contractor's training and technical assistance hourly rate and the total amount will be withheld from the Contractor's next request for fiscal reimbursement.
3. If it is determined that the Contractor has incorrectly billed CSD because a measure was not installed or the quantity installed is less than the quantity billed, Contractor shall install the billed measure or quantity, if feasible. In cases when a physical remedy is not possible, repayment of the labor

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and material costs for the non-installed measure or quantity will be withheld from subsequent reimbursements.

4. Contractor will be subject to Special Conditions, in accordance with Article 10.4, if it is determined that one or more of the following conditions exist:
  - a. Contractor has a history of unsatisfactory performance.
  - b. Identification of one or more Hazardous Conditions in dwellings weatherized by Contractor.
  - c. Failure to remedy an identified Hazardous Condition in a timely manner (elimination of immediate hazard within 24 hours and complete resolution correction within five (5) working days of written notification).
  - d. Substantial number of Nonhazardous Conditions and/or identified trends or patterns of nonconformance to installation criteria.

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**ARTICLE 9 – TRAINING, LICENSING AND CERTIFICATIONS**

**9.1 Training Requirements**

- A. All training, as indicated by employee classification in the Training Matrix located in Subpart H shall be provided through a CSD-approved training mechanism utilizing CSD-approved training curricula. In-house training shall no longer be an acceptable form of training to meet any CSD training requirements for weatherization services with the exception of EPA or HUD-approved Lead-Safe Weatherization Training or unless otherwise noted. Training coursework must be successfully completed according to the terms of each course. Certificates of completion shall be issued by the CSD-approved training entity upon successful completion of each course, unless where otherwise noted below.
- B. Minimum Training Provisions for Staff of Contractor and Subcontractors:
1. For the purposes of this section, subcontractors must have prior experience providing basic weatherization services pursuant to a CSD program. Subcontractors who do not have prior basic weatherization experience pursuant to a CSD program must follow the training provisions in Article 9.1 subsection D.
  2. Within thirty (30) days of employment, weatherization employees of Contractor and subcontractors shall receive Worksite Safety, Environmental Hazards Awareness and Lead-Safe Weatherization Training. An Assessor, Energy Auditor, Worker, Supervisor, or Inspector shall not be allowed to enter, assess, conduct an audit on, weatherize, or inspect a dwelling unit until the required Worksite Safety, Environmental Hazards Awareness and Lead-Safe Weatherization Training has been completed.
  3. Within ninety (90) days of employment, all weatherization employees of Contractor and subcontractors shall receive Basic Weatherization Training.
- C. Training Provisions Based Upon Job Duties:
1. When job duties include duct blaster and blower door diagnostics, weatherization employees of Contractor and subcontractors shall receive Duct Blaster/Blower Door Diagnostic Training. No employee of Contractor and subcontractor shall perform diagnostic testing without having completed the required training.

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- a. Subsequent to successful completion of the Duct Leakage/Blower Door Diagnostic Training, Contractor and subcontractor employees are required to participate in a monitored field practice under the supervision of a third-party inspector and/or training provider to further evaluate employee knowledge and skill in this area of diagnostic testing.
  - b. Contractor and subcontract employees failing to demonstrate appropriate knowledge and skills in this competency will be required to complete additional training to enhance deficient skill and knowledge and will be prohibited from performing this activity until the completion of required training.
2. When job duties include combustion appliance safety testing, weatherization employees of Contractor and subcontractors shall receive Combustion Appliance Safety Training. No employee of Contractor and subcontractors shall perform combustion appliance safety checks without having completed the required CSD-approved training.
- a. Subsequent to successful completion of Combustion Appliance Safety Training, Contractor and subcontractor employees are required to participate in a monitored field practice under the supervision of a third-party inspector and/or training provider to further evaluate employee skill and knowledge in performing Combustion Appliance Testing.
  - b. Contractor and subcontractor employees failing to demonstrate appropriate knowledge and skills in this competency will be required to complete additional training to enhance deficient skill and knowledge and will be prohibited from performing this activity until the completion of required training.
3. When job duties include performing Assessments, weatherization employees of Contractor and subcontractors who perform Assessments shall receive Field Assessment Training. No employee of Contractor and subcontractors shall perform assessments without having completed the required training. Certificates of Completion shall be issued following successful completion of the second phase (“field portion”) of the training.
- a. Subsequent to successful completion of Field Assessment Training, Contractor and subcontractor employees are required to participate in a monitored field practice under the supervision of a third-party inspector and/or training provider to further evaluate

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- employee skill and knowledge in performing Assessments and/or Field Supervision.
- b. Contractor and subcontractor employees failing to demonstrate appropriate knowledge and skills in this competency will be required to complete additional training to enhance deficient skill and knowledge and will be prohibited from performing this activity until the completion of required training.
4. Weatherization employees of Contractor and subcontractors who perform Quality Assurance Inspections and/or Field Supervision shall receive Quality Assurance/Inspector Training. No employee of Contractor and subcontractor shall perform inspections without having completed the required training.
- a. Subsequent to successful completion of Quality Assurance/Inspector Training, Contractor and subcontractor employees are required to participate in a monitored field practice under the supervision of a third-party inspector and/or training provider to further evaluate employee skill and knowledge in Quality Assurance Inspections and/or Field Supervision.
  - b. Contractor and subcontractor employees failing to demonstrate appropriate knowledge and skills in this competency will be required to complete additional training to enhance deficient skill and knowledge and will be prohibited from performing this activity until the completion of required training.
- D. Subcontractors who have never provided basic weatherization services pursuant to a CSD program are required to have all staff complete the entire required course of training, relative to their job classification, as detailed in the Training Matrix located in Subpart H, prior to commencing unit production work.
- E. Training and technical assistance funds may also be used to train Contractor's subcontractors participating in the program and excludes on-the-job training. In making the determination to pay for subcontractor training, Contractor should secure a retention agreement in exchange for the training. The subcontract agreement should stipulate that the subcontractors will work in the program, for a minimum of 12 months. The training costs are limited to travel, admission and materials.

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F. Training Provisions for Staff of Subcontractors Who Provide Specialty Services

All field employees of subcontractors who perform HVAC work for a Contractor are strongly encouraged to receive the required CSD-approved training. If the subcontractor does not receive the training, it shall be the responsibility of the Contractor to perform all pre-and post-combustion appliance safety diagnostic testing for all HVAC services performed by subcontractors.

G. For weatherization services performed on HUD units, all work crews of Contractor and subcontractors who perform basic weatherization or specialty services are required to be trained in HUD-approved Lead-Safe Weatherization, although certification is not required. No employee of Contractor and subcontractors shall perform work in a pre-1978 HUD dwelling until the required training has been received. Although a crew supervisor can be certified as a HUD Lead Abatement Supervisor or Worker, it is not a substitute for the requirement of trained work crews.

H. Contractor shall maintain and make available for reference to Contractor's employees and subcontractors who perform weatherization services the following:

1. Current CSD Weatherization Installation Standards;
2. CSD Weatherization Program Policies;
3. Other applicable policies and procedures; and
4. Official State and Federal Program Notices.

I. Contractor's weatherization staff will be required to participate in training offered by CSD on the DOE Standard Work Specifications (SWS) during the current program year.

J. OSHA-10 is required for all crews, and OSHA-30 is required for all agency supervisors who are regularly on-site and monitor for field safety.

**9.2 Quality Control Inspectors Certification**

A. Quality Control Inspectors (QCI) working for, or contracted by, Contractor must possess the knowledge, skills and abilities in the National Renewable Energy Laboratory (NREL) Job Task Analysis for Quality Control Inspectors. This applies to all individuals who perform final inspections.

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1. Contractor staff that meet the minimum qualifications to take the test for BPI Quality Control Inspector Certification are eligible to take the Interstate Renewable Energy Council (IREC) Quality Control Inspector Training.
2. Certified Quality Control Inspector can be employed by third party organizations or sub-grantees that possess the required BPI Quality Control Inspector Certification.

**9.3 Contractor Licensing**

Contractors unless otherwise exempt or their subcontractors performing basic weatherization services under this Agreement shall comply with the following licensing requirements:

- A. Possess and maintain an active Class "B" General Building Contractor license, issued by the Contractors' State License Board (CSLB) in the name of the agency/qualifying individual;
- B. Fulfill the requirements of, and receive certification pursuant to the Toxic Substances Control Act (TSCA), Section 402; and
- C. Contractor is responsible for ensuring that all subcontractors have an active license and are in good standing with Contractors' State License Board for the duration of the subcontract agreement.
- D. Contractor shall notify CSD when any changes in licensing occur.

**9.4 Special Licensing - Weatherization**

- A. Special licensing may also be required for the installation and/or repair of Evaporative Cooler, Cook Top and Range, Vented Space Heater, Air Conditioning, and Gas and Electric Water Heaters, if two or more weatherization measures are not installed in a single unit. Electrical wiring upgrade/replacement and knob and tube wiring certification will always require a C-10 license.
- B. Contractors and/or subcontractor shall possess all applicable licenses as required by the CSLB to carry out the installation and/or repairs of Central HVAC Systems, Furnaces, and Boilers.

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**9.5 Environmental Protection Agency (EPA) Certifications**

- A. All Contractors shall be certified as an EPA Certified Firm in accordance with EPA's Regulation on Residential Property Renovations requirements (40 CFR 745). Contractors who subcontract all of their weatherization services are exempt from being certified as a firm.
- B. Contractors shall have at least one certified renovator on staff that is trained by EPA-approved training providers. Contractors who subcontract all of their weatherization services shall have at least one EPA Certified Renovator on staff for subcontractor oversight purposes.
- C. Contractors shall ensure that all subcontractors whose work potentially disturbs lead paint are EPA Certified Firms and have EPA Certified Renovators on staff.
- D. Any Contractor or subcontractor (basic and specialty, if applicable) without an EPA Certified Firm certificate on file with CSD will not be allowed to work in the Renovator capacity on pre-1978 buildings.
- E. Any EPA Certified Renovator for a Contractor and subcontractor (basic and specialty, if applicable) without certifications on file with CSD will not be allowed to work in the capacity of a Renovator on pre-1978 buildings.
- F. Certified Renovator

Contractor shall be certified to conduct lead-based paint activities and shall have a minimum of one Certified Renovator on staff in accordance with the Environmental Protection Agency (EPA) Lead: Renovation, Repair and Painting Program (40 CFR Part 745) and CSD Lead-Safe Weatherization Policies. Lead-based paint activities in pre-1978 housing and child-occupied facilities shall be conducted by certified renovation firms, use renovators with accredited training, and follow the work practice requirements of the rule.

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**SUBPART D – COMPLIANCE REQUIREMENTS**

**ARTICLE 10 – COMPLIANCE POLICIES AND PROCEDURES**

**10.1 Right to Monitor, Audit, and Investigate**

- A. Any duly authorized representative of the federal or state government, which includes but is not limited to the federal offices of inspectors general, the State Auditor, CSD staff, and any entity selected by CSD to perform inspections and/or investigations, shall have the right to monitor and audit Contractor and all subcontractors providing services under this Agreement through on-site visits, audits, and any other appropriate means CSD deems necessary.
- B. Contractor shall, upon reasonable notice, make available all information and materials reasonably necessary for CSD to substantiate to its satisfaction that expenditures incurred under this Agreement are allowable and allocable, including, but not limited to files, books, documents, papers, and records. Contractor agrees to make such information and materials available to the federal government, the State, or any of their duly authorized agents or representatives, for purpose of examination, copying, or mechanical reproduction, on or off the premises of the subject entity.
- C. Any duly authorized agent or representative of the federal or state government shall have the right to undertake investigations in accordance with Public Law 97-35, as amended.
- D. All agreements entered into by Contractor with audit firms for purposes of conducting independent audits under this Agreement shall contain a clause allowing CSD or any duly authorized agent or representative of the federal or state government timely access to the working papers of the audit firm(s).

**10.2 Auditing Standards and Reports**

- A. Auditing Standards
  - 1. *Applicability of new OMB “Super Circular” audit provisions.* The standards set forth in this Article (10.2 – Auditing Standards and Reports) reflect the updated audit requirements as set forth in 2 CFR §200.500 *et seq.*
  - 2. *Supplemental Audit Guide.* In addition to the audit requirements specified above, Contractor must follow the most current CSD Supplemental Audit

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Guide, incorporated into this Agreement by reference in Part II, Subpart H. The Supplemental Audit Guide may be accessed at <http://providers.csd.ca.gov>.

B. Audit Reports

1. Funds provided under this Agreement shall be included in an audit conducted in accordance with the provisions of 2 CFR Subpart F – Audit Requirements §200.500-521, standards promulgated by the American Institute of Certified Public Accountants (AICPA), and those standards included in “Government Auditing Standards, December 2011 Revision, as amended.”
2. *Organizations below audit threshold.* Contractors falling below the federal funding threshold that mandates a single agency-wide audit may be subject to an audit and/or other fiscal- or program-specific review conducted by CSD or its agents, upon thirty (30) days written notice.
3. The financial and compliance audit report shall contain the following supplementary financial information: a combined statement of revenue and expenditures for each contract that presents, by budget line item, revenue and expenditures for the audit period and a description of the methodology used to allocate and claim indirect costs and any administrative cost pools.

C. *Submission of Audit Reports.* Contractor shall submit to CSD one (1) printed copy and one (1) electronic copy of the required audit report(s) and any management letter(s) issued by the accountant, within the earlier of thirty (30) calendar days after receipt of the auditor’s report(s), or nine (9) months after the end of the Contractor's fiscal year.

D. The audit report(s) and all supplemental financial information must be submitted to the following addresses:

Electronic copy:  
[audits@csd.ca.gov](mailto:audits@csd.ca.gov).

Printed copy:  
Department of Community Services and Development  
Attention: Audit Services Unit  
2389 Gateway Oaks Drive, Suite 100  
Sacramento, CA 95833

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In accordance with the guidelines of the Division of Audits of the California State Controller's Office (SCO), if Contractor is a local government agency, additional copies of the audit report must be submitted to the following address:

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

- E. If Contractor fails to comply with Federal statutes, regulations or the terms and conditions of this Agreement, CSD may impose additional conditions, as described in 2 CFR §200.207. If CSD determines that noncompliance cannot be remedied by imposing additional conditions, CSD may take one or more of the following actions, as appropriate in the circumstances, as provided in 2 CFR §200.338 – Remedies for Noncompliance:
1. Temporarily withhold cash payments pending correction of the deficiency by Contractor or more severe enforcement action by the Federal awarding agency;
  2. Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance;
  3. Wholly or partly suspend or terminate the Federal award;
  4. Recommend that suspension or debarment proceedings as authorized under 2 CFR part 180, be initiated by the Federal awarding agency;
  5. Withhold further federal awards for the program; or
  6. Take other remedies that may be legally available.
- F. Collection of Disallowed Costs
1. In the event questioned costs are identified in Contractor's single audit report or in the report of other audit conducted by, or on behalf of, CSD in connection with the implementation of this Agreement, Contractor shall comply with any demand for repayment made, as specified in the Audit Transmittal Report (TR) or other audit repayment demand document.
  2. Contractor shall have no more than thirty (30) days from the date of the TR or comparable document to tender payment to CSD or, alternatively, to provide CSD with complete and accurate information or documentary

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evidence in support of the allowability of questioned costs.

3. If Contractor challenges questioned costs and submits complete and accurate information or documentary evidence in support of the allowability of questioned costs as provided in subparagraph 2, CSD shall, after consideration of Contractor's submission, issue a TR requesting payment of disallowed costs, if any are determined to be owing, no later than thirty (30) days after receipt of Contractor's information or documentation. Contractor shall have fifteen (15) days from the date of the TR to tender payment or a repayment plan acceptable to CSD. In the alternative, Contractor may request a hearing in accordance with Article 10.4, paragraph D, subparagraph 5 of this Agreement, for CSD's final determination of disallowed costs.
  4. All statements, notices, responses and demands issued in accordance with this paragraph shall be in writing.
  5. CSD may, at its discretion, reasonably extend the time periods allowed for responses specified in this paragraph.
- 

**10.3 Compliance Monitoring**

- A. As the recipient of federal DOE WAP grant funds under this Agreement, Contractor must substantiate that all costs claimed pursuant to this Agreement are allowable and allocable under all applicable federal and state laws. To be entitled to reimbursement, Contractor must trace all allowable costs to the level of expenditure, to include providing supporting documentation reasonably necessary to substantiate the validity of such claim.
- B. As the administrator of the DOE WAP grant for the State, CSD is required to ensure the funds allocated to Contractor are expended for the purposes identified in federal, and for allowable and allocable costs under the applicable rules of the Office of Management and Budget (OMB).
- C. CSD is required to conduct on-site and follow-up monitoring of Contractor to ensure that Contractor meets the performance benchmarks, administrative standards, financial management requirements, and other requirements of the federal program and OMB Circular.
- D. CSD shall provide Contractor reasonable advance notice in writing of on-site monitoring reviews of Contractor's program or fiscal performance.

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- E. In accordance with Uniform Administrative Requirements, Cost Principles, and Audit Requirements for access to records pertinent to administration of this Agreement (2 CFR § 200.336), Contractor shall cooperate with CSD program and audit staff and other representatives and provide access to all programs, records, documents, resources, personnel, inventory, and other things reasonably related to the administration and implementation of the services and activities funded directly or indirectly by this Agreement. To the extent Contractor maintains records and documents in an electronic format, Contractor must make such records and documents readily available to CSD program and audit staff and other representatives: 1) for review on an appropriate electronic device provided by Contractor; and/or 2) for reproduction in electronic and/or hard copy format, as is necessary to effect the purposes of this paragraph. In order to realize the objectives of this subparagraph and to ensure that the integrity of the program, the proper expenditure of grant funds, and to prevent fraud, waste, abuse, and unjust enrichment, whether by design or inadvertence, Contractor shall cooperate with CSD as follows:
1. Upon request, provide a list of clients, jobs or properties to or for which DOE WAP services have been provided by Contractor, and to or for which Contractor has provided related services under other federal, State or non-governmental programs such as, but not limited to, public and private utility company programs, collectively “Associated Programs.”
  2. With respect to such list of clients, jobs, or properties, provide CSD and/or the investigative entities or persons referenced in Article 10.1, access to client files or similar records and documents of the Associated Programs for the purpose of determining whether related services have been provided that result in duplicate billings or any violation of federal or State law, this Agreement, or applicable federal and/or State DOE WAP program guidelines.
  3. For purposes of this paragraph E:
    - a. “Duplicate billing” is defined as receiving reimbursement from more than one funding source for the same expenditures or costs, whether in whole or in part, that Contractor incurs in connection with rendering a service to or for a client, job, or property, resulting in a total reimbursement to Contractor, from all sources, in excess of actual expenditures or costs incurred.
    - b. To the extent necessary to realize the objectives of this article, the term “Contractor” includes any subcontractor or agent of Contractor in possession of the files, records, or documents or

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other information bearing on related services under any relevant Associated Program.

4. It is understood that Contractor has no obligation to provide access to the client files, records, and documents of an Associated Program when no DOE WAP services have been provided and the client, job, or property is not required to be on the list furnished to CSD by Contractor, as provided herein.
  5. In the event Contractor is unable to comply with the provisions of subparagraphs 1. or 2. because of restrictions placed on Contractor by law in connection with an Associated Program, or restrictions imposed on Contractor pursuant to a binding written agreement between Contractor and the funding source of such Associated Program, then Contractor shall so inform CSD by written declaration and provide supporting documentation for such declaration. Contractor shall, together with any declaration made, certify to CSD in writing that:
    - a. Contractor has not submitted duplicate billings to both DOE WAP and Associated Program.
    - b. Contractor has not otherwise engaged in similar actions in violation of federal or state law.
- F. In the event that CSD determines that Contractor is not in compliance with material or other legal requirements of this Agreement, CSD shall provide the observations, recommendations, or findings and request for a corrective action plan to Contractor in writing. Contractor shall submit to CSD a specific action plan for correcting the noncompliance.
- G. Collection of Disallowed Costs
1. In the event questioned costs are identified in a final decision on cost disallowance issued by CSD, Contractor shall comply with any demand for repayment, as specified in such final report.
  2. *Time for response.* Contractor shall have no less than thirty (30) days from receipt of the final decision to tender payment to CSD or, alternatively, to provide CSD with complete and accurate information or documentary evidence in support of the allowability of questioned costs.
  3. *Notice after review of further supporting evidence.* If Contractor challenges questioned costs and submits complete and accurate

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information or documentary evidence in support of the allowability of questioned costs as provided above in subparagraph 2, CSD shall, after consideration of Contractor's submission, accordingly issue a revised Notice of Disallowed Costs, if any, no later than thirty (30) days after receipt of Contractor's information or documentation. Contractor shall have fifteen (15) days from receipt of such Notice to tender payment or a repayment plan acceptable to CSD. In the alternative, Contractor may request a hearing in accordance with Article 10.4, paragraph D, subparagraph 5 of this Agreement, for CSD's final determination of disallowed costs.

4. All statements, notices, responses and demands issued in accordance with this paragraph shall be in writing.
5. CSD may, at its discretion, reasonably extend the time periods allowed for responses specified in this paragraph.

**10.4 Enforcement Process - Noncompliance with Requirement of this Agreement**

A. General

The authority for CSD Enforcement Actions, as defined in paragraph B, for cost disallowances/ recovery of misused funds, and for de-designation of eligible entity status (collectively "Enforcement Process") is found in the federal Office of Management and Budget (OMB) Circulars, and in state regulations, with particular reference to 22 CCR 100875. In order to facilitate compliance with the cited authorities, the parties to this Agreement agree that: 1) the present article shall guide, inform and clarify the Enforcement Process; 2) shall establish the procedures to be followed; and 3) establish the rights and obligations of the parties with respect to the Enforcement Process, for purposes of implementing the principles set out in the applicable legal authorities. Accordingly, the parties hereto agree as follows:

B. Enforcement Action, "High Risk" – Determination and Notice

1. If CSD determines that Contractor is not financially stable and that Contractor's financial condition is so tenuous that its ability to implement this Agreement is seriously compromised, or if CSD determines that Contractor has not complied with the requirements of this Agreement and that Contractor's noncompliance constitutes a material breach of the Agreement, CSD may initiate an Enforcement Action. For purposes of this article, "Enforcement Action" means the imposition of any of the following: a) special conditions and/or sanctions; b) a determination of

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cost disallowance; c) contract suspension; d) contract termination; or e) termination of Contractor's service provider status.

2. To initiate an Enforcement Action, CSD must provide Contractor with written notice of "high risk" designation, setting forth: 1) the factual and legal basis for the determination of noncompliance, upon which the "high risk" designation is based; 2) the corrective action(s) required; and 3) the date by which they must be taken and completed.
3. For purposes of this article, "material breach" means any act or omission by Contractor that is in contravention or disregard of Contractor's duties and obligations under the terms of this Agreement and under applicable State and federal law, which act or omission:
  - a. constitutes fraud or gross negligence by Contractor or its agent(s);
  - b. is likely to result in significant waste and/or abuse of federal funds;
  - c. has a significant adverse impact on Contractor's ability to meet its administrative, financial, or programmatic duties and obligations over the term of the contract or a significant portion thereof;
  - d. violates or otherwise disregards significant program guidance and other requirements of the Federal Government, whether issued directly or through CSD;
  - e. may have serious adverse effects and consequences on the Contractor's customers, employees, subcontractors, creditors, suppliers, vendors, or other stakeholders; OR
  - f. may otherwise significantly and adversely affect the viability, effectiveness, or integrity of the program.

C. Special Conditions and Sanctions

1. "High risk" designation may include the imposition of Special Conditions, Sanctions and/or other special requirements with respect to Contractor's performance. CSD may impose Special Conditions and/or Sanctions upon a determination that such steps are reasonably necessary to address acute financial instability or a material breach of contract, as defined in paragraph B, above.

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2. Notice of Special Condition(s) and/or Sanction(s) shall be in writing and shall become effective on the date specified in the notice. Notice must contain the following information:
  - a. The nature of the Special Condition(s) and/or Sanction(s) being imposed;
  - b. The reason(s) for imposing Special Condition(s) and/or Sanction(s); and
  - c. The corrective actions that must be taken and the time allowed for completing them before CSD removes the Special Condition(s) and/or Sanction(s).
3. Special Conditions may include, but are not limited to:
  - a. obtaining training and/or technical assistance;
  - b. the imposition of special or additional reporting requirements;
  - c. special or conditional cost reimbursement requirements and procedures;
  - d. the provision of documentation by Contractor; and/or
  - e. the requirement to amend or modify systems, procedures, and/or policies;
4. Sanctions may include, but are not limited to:
  - a. the suspension of advances and/or reimbursements; and/ or
  - b. the issuance of stop work orders.
5. Sanctions may not be imposed without a hearing being first held in accordance with applicable regulations, *unless* CSD reasonably determines on the basis of credible information that:
  - a. substantial sums to be paid to Contractor have been or will be used in violation of law or the provisions of this Agreement, or
  - b. the associated costs are otherwise very likely to be disallowed; and

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- c. if Sanctions are not immediately imposed, taxpayer dollars are at significant risk and are unlikely to be recovered.
6. Review of Special Conditions and/or Sanctions.
- a. if Contractor elects to contest the action to impose Special Conditions and/or Sanctions, Contractor shall have five (5) working days following receipt of Notice of Enforcement Action in which to show cause, in writing, why the Special Conditions or Sanctions should not be enforced;
  - b. CSD shall have five (5) working days following receipt of Contractor's response to accept or reject Contractor's objection and to state in writing the consequences of the decision and Contractor's obligations going forward, if any.
  - c. Contractor may, within five (5) days of receipt of Notice of Enforcement Action, request an informal meeting for the parties to consider the merit of the Notice and to discuss alternative courses of action, which meeting CSD may agree to if, in its sole judgment, it determines the meeting would be helpful to the process, can be held expeditiously, and will not unduly cause delay or otherwise increase the risk of loss of taxpayer dollars.
  - d. Contractor may, at any time, request in writing that CSD initiate the contract suspension or contract termination processes, to include the requisite hearings, as set out in 22 CCR 100875.
  - e. Should Contractor fail to show cause why the Enforcement Action should not go forward, or should Contractor fail to request that CSD initiate either the contract suspension or termination processes, CSD may initiate such action upon its own motion.
  - f. Special conditions and sanctions shall remain in effect until the hearing procedure is completed, provided, with respect to sanctions, CSD reasonably determines that subparagraph 5.c. applies.
- D. Cost Disallowance
- 1. If Contractor's non-compliance with the terms of this Agreement results in an enforcement action, and if CSD determines that Contractor's non-compliance has resulted in questioned costs, CSD shall provide Contractor

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with a Statement of Questioned Costs along with the Notice of Enforcement Action, or at such later time in the Enforcement Process as questioned costs have been identified.

2. The Statement of Questioned Costs shall include:
  - a. a description of the costs questioned and the specified amount by type or category of costs;
  - b. the reason the costs are questioned and the information and/ or documentation required to justify payment of the costs; and
  - c. the timeframe and procedures for Contractor's submission of the required information or documentation to CSD.
3. If CSD determines that more information is required before a Statement of Questioned Costs can be issued or before a final determination of cost disallowance can be made, CSD may conduct an investigative audit of Contractor's records, files and books of account, or retain an audit firm for such purpose. Contractor agrees to cooperate fully in any audit conducted and to ensure that Contractor's agents, accountants and subcontractors cooperate in the performance of such audit. A report of any audit conducted shall be shared with Contractor, who shall be given ample opportunity to respond to findings and to submit information and documentation in support of the response. If Contractor fails to cooperate in the conduct of an audit, initiated pursuant to this subparagraph, CSD may either impose sanctions, as provided in subparagraph C. 4. or, if feasible, issue a Notice of Disallowed Costs.
4. After CSD has considered any information and/ or documentation submitted by Contractor in response to a statement of questioned costs or in response to an investigative audit report, CSD shall issue a Notice of Disallowed Costs, which notice shall include:
  - a. the amount of disallowed costs to be repaid, if any; and
  - b. the date by which repayment must be made or, in the alternative,
  - c. the date by which Contractor must submit a proposed repayment plan for consideration by CSD.
5. Before the expiry of five (5) working days after receipt of a Notice of Disallowed Costs, Contractor may challenge the Notice of Disallowed

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Costs by requesting a hearing, conducted in accordance with the procedures set out in 22 CCR 100875, for the purpose of adjudicating the matter of cost disallowance, provided however that either Contractor or CSD may opt to adjudicate other pending Enforcement Action matters, as provided in subparagraph C. 6. d. of this section, in a combined proceeding.

6. If Contractor fails to request a hearing to adjudicate cost disallowance, as provided in subparagraph 5, the Notice of Disallowed Costs shall be deemed final and Contractor shall comply with the provisions of the present Paragraph D.
7. Contractor will not be deemed to have complied with a Notice of Disallowed Costs until repayment is made or CSD has approved a repayment plan. In determining the acceptability Contractor's repayment plan, CSD shall take into consideration such factors as, but not limited to:
  - a. federal requirements or conditions applicable to the grant(s) under which the disallowed costs were funded;
  - b. the exigencies of the grant program and CSD's ability to reallocate the funds repaid or otherwise dispose of the funds in accordance with applicable law;
  - c. the risk of being unable to recover funding and the options for securing Contractor's repayment obligation; and
  - d. Contractor's financial condition and ability to pay.
- E. Contractor shall remain on "high risk" until CSD reasonably determines that Contractor has complied with the requirements of the Notice of "High Risk" Designation, including verification by CSD that corrective measures have been implemented, that all conditions have been met and that disallowed costs have been repaid or, alternatively, that CSD has deemed Contractor's repayment plan to be acceptable and Contractor has demonstrated it is in compliance with the plan. Upon determination that Contractor has complied with the requirements of the Notice of "High Risk" Designation, CSD shall give Contractor written notice of such determination.
- F. In the event Contractor's non-compliance with the terms and conditions of this Agreement are not remedied through imposition of special conditions, and/or sanctions, thereby enabling CSD to remove "high risk" designation, CSD may initiate further Enforcement Actions involving Contract Suspension, Contract

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Termination and Termination of service provider status, which shall be initiated and conducted in accordance with the applicable provisions found in 22 CCR 100875 and other applicable State and federal statutes and regulations.

G. Lien rights

The State retains lien rights on all funds advanced.

**10.5 Expenditure and Production Performance Requirements**

A. Service Delivery and Expenditure of Funds

1. Contractor shall be afforded maximum flexibility and control, within the parameters of federal law, in the planning, administration, and delivery of DOE WAP services. Regardless of the modalities and techniques utilized, Contractor is obligated: a) to ensure that the maximum numbers of persons are served, consistent with the effective and efficient service delivery, with program requirements and with applicable law; and b) to fully expend program funds within the contract term.
2. A substantial failure to expend funds and provide services to readily available qualified applicants, except for compelling reasons beyond Contractor's control, shall be deemed prima facie evidence of breach of contract and may constitute grounds for "high risk" designation and the applicable remedies as provided in Article 10.4 , "Enforcement Process – Noncompliance with the Requirements of this Agreement." Such failure of performance may, in accordance with the provisions of this article, result in a reduction in Contractor's grant allocation and the redistribution of unexpended funds to other performing service providers.

B. Expenditure Requirements

1. The performance shall reflect expenditures of no less than fifty percent (50%) of Contractor's allocation, exclusive of capped budget items, by September 30, 2016.  
  
CSD will monitor Contractor's expenditures to evaluate compliance with Contractor's performance for each program category, including capped budget items.
2. If Contractor fails to expend at least fifty percent (50%) of Contractor's total allocation, exclusive of capped budget items, by September 30, 2016, CSD may, at its sole option, notify Contractor in writing that fifty percent

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(50%) (or more by mutual agreement) of Contractor's total allocation, including capped budget items, shall be reallocated to another contractor. Notice of such action shall be issued by November 1, 2016.

3. If contractor fails to submit timely expenditure reports, thus preventing CSD from evaluating Contractor's compliance with its performance, CSD may determine that Contractor has not met its fifty percent (50%) expenditure goals and is out of compliance with this Agreement. Upon such determination, CSD may notify Contractor that fifty percent (50%) of Contractor's total allocation, including capped budget items, shall be reallocated to another contractor.

C. Consequences of Failure to Perform

1. If Contractor fails to comply with the provisions of paragraph B and CSD has given written notice of reallocation of Contractor's funding to another contractor as provided in Paragraph B.2., Contractor shall cease production upon receipt of notice and shall, no later than December 1, 2016, provide CSD with an accounting of outstanding expenditures, not yet submitted for reimbursement, to enable CSD to determine the amount of Contractor's allocation available for redistribution. Reimbursement for outstanding allowable costs shall be made through the normal reimbursement procedure as provided herein.
2. If Contractor's allocation has been reduced by CSD, as provided in subparagraph C.1., Contractor shall closeout the contract at the end of the contract term, as provided herein, and in accordance with normal closeout procedures, based on the adjusted contract amount, which amount shall be provided to Contractor no later than December 31, 2016.
3. For purposes of final reconciliation in closeout, the contract amount of this Agreement shall be the adjusted contract amount specified by CSD in accordance with subparagraph C.2. after reallocation of Contractor's funding, if any, has been effected.
4. If Contractor's allocation is reduced and redistributed as provided herein, CSD may give Contractor notice of its intent to reduce Contractor's grant allocation in the following contract year for redistribution to performing service providers in an amount equal to the proportionate amount Contractor underspent its allocation after redistribution, under the present Agreement.

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5. Absent the redistribution of Contractor's allocation, in whole or in part, pursuant to the terms of this Agreement, if Contractor fails to expend at least ninety-seven percent (97%) of its allocation, by the end of the contract term, then CSD may give Contractor notice of its intent to reduce Contractor's grant allocation in the following contract year for redistribution to performing service providers in an amount equal to the proportionate amount Contractor underspent its allocation under the present Agreement.
6. In recognition of the fact that service providers sometimes face adverse circumstances, making satisfactory expenditure of the grant allocation problematical, CSD will consider Contractor's cooperation in the reallocation of funds during the contract term, together with Contractor's demonstrated ability to resume effective contract implementation, to be indicators that Contractor's funding should be restored, in whole or in part, in the next contract year.
7. Redistribution of Carryover allocation  
  
Contractors that fail to expend at least 97% of the allocation may not receive carryover allocation in the following contract year.
8. Funding redistribution and/ or reallocation is deemed preferable to contract extension, unless CSD reasonably determines that:
  - a. Contractor has made a good faith effort to implement the contract;
  - b. The failure to expend at least ninety-seven percent (97%) of the grant allocation is due to extenuating circumstances beyond Contractor's control;
  - c. Contractor will be able to expend the current funding in addition to any future contract allocations during the extension period; and
  - d. Contract extension is in the best interest of the low-income community in Contractor's service area.

**10.6 Special Performance Provisions for Contractors in Compliance**

Contractors that receive additional or supplemental funding, during the term of this Agreement, as a consequence of reallocations, may request and receive a contract extension with a termination date not to exceed June 30, 2017.

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**SUBPART E – CERTIFICATIONS AND ASSURANCES**

**ARTICLE 11 – FEDERAL AND STATE POLICY PROVISIONS**

**11.1 Certifications**

A. Contractor's signature affixed to Part I of this Agreement shall constitute a certification that to the best of its ability and knowledge it will, unless exempted, comply with the provisions set forth in the following:

1. Drug-Free Workplace Requirements, Contract Certification Clauses 307 (CCC-307)
2. National Labor Relations Board Certification (CCC-307)
3. Expatriate Corporations (CCC-307)
4. Domestic Partners (CCC-307)
5. Labor Code/Worker's Compensation (CCC-307)
6. Americans with Disabilities Act (CCC-307)
7. Contractor Name Change (CCC-307)
8. Resolution (CCC-307)
9. Air or Water Pollution Violation (CCC-307)
10. Information Integrity and Security (Department of Finance, Budget Letter 04-35)
11. Safeguarding Against and Responding to a Breach of Security Involving Personal Information (Office of Information Security and Privacy Protection, Management Memo 08-11).

B. The above documents are hereby incorporated by reference into this Agreement. To access these documents, please visit the CSD Providers' website at <https://providers.csd.ca.gov>.

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**11.2 Provisions for Federally Funded Grants**

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

B. Eligibility to Receive Federally Funded Public Benefits

Pursuant to the 42 USC 1305 (Public Law 104–193, 110 Stat. 2168, Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA)) and Executive Order W-135-96, dated August 27, 1996, while in effect, applicants for federally funded public benefits are required to provide proof of U.S. citizenship, U.S. non-citizen national, or qualified alien status. Contractor shall verify client eligibility in accordance with CSD Applicant Verification of Eligibility Procedures and Regulations, forms, and other written guidance provided by CSD.

C. The Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (IIRIRA) Section 508, NO VERIFICATION REQUIREMENT FOR NONPROFIT CHARITABLE ORGANIZATIONS, Section 432 (d) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1642) as amended, exempts nonprofit Charitable Organizations under this title to determine, verify, or otherwise require proof of U.S. citizenship, U.S. non-citizen national, or qualified alien status of any applicant for such benefits in providing any Federal public benefit (as defined in section 401 (c)) or any State or local public benefit (as defined in section 411(c) ).

D. Federal Funding Accounting Accountability and Transparency Act Reporting Requirement (FFATA)

Pursuant to the Federal Funding Accountability and Transparency Act reporting requirements (2 CFR 170) CSD is required to report information regarding Contractors (sub-awardees) receiving DOE WAP funds. Contractor must complete CSD form 279, located in Subpart H, and return with the contract Part I to ensure compliance.

CSD may issue guidance and/or Amendment(s) to this Agreement, establishing additional reporting requirements as necessary to ensure compliance with the FFATA or other Federal and State regulations, as applicable.

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**11.3 Federal Certifications Regarding Debarment, Suspension, and Related Matters**

Contractor hereby certifies to the best of its knowledge that it or any of its officers, or any subcontractors:

- A. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
- B. Have not within a three (3) year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- C. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph B above of this certification; and
- D. Have not within a three (3) year period preceding this Agreement had one or more public (federal, state, or local) transactions terminated for cause or default.
- E. If any of the above conditions are true for the Contractor or any of its officers, Contractor shall describe such condition and include it as an attachment to Part I of the Contract. Based on the description, CSD in its discretion may decline to execute this Agreement or set further conditions of this Agreement. In the event any of the above conditions are true and not disclosed by Contractor, it shall be deemed a material breach of this Agreement, and CSD may terminate this Agreement for cause immediately pursuant to the termination provisions of State and federal law governing the DOW WAP.
- F. As provided in this article, Contractor must certify in writing to the best of its knowledge that any subcontractor(s) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency.

**11.4 Affirmative Action Compliance**

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

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- B. The written program shall follow the guidelines set forth in Title 41 CFR Section 60-1.40, Sections 60-2.10 through 60-2.32, Sections 60-250.1 through 60-250.33, and Sections 60-741.4 through 60-741.32.
- C. Each Contractor or subcontractor with less than 50 employees shall comply with Section 202 of Part II of Executive Order 11246, as amended by Executive Order 11375. Contractor shall ensure that subcontractors falling within the scope of this provision shall comply in full with the requirements thereof.

**11.5 Nondiscrimination Compliance**

- A. Contractor's signature affixed hereon shall constitute a certification that to the best of its ability and knowledge will, unless exempted, comply with the nondiscrimination program requirements set forth in this section.
- B. Contractor hereby certifies compliance with the following:
  - 1. Federal Executive Order 11246, as amended by Executive Order 11375, relating to equal employment opportunity.
  - 2. Title VI and Title VII of the Civil Rights Act of 1964, as amended.
  - 3. Rehabilitation Act of 1973, as amended.
  - 4. Vietnam Era Veterans Readjustment Assistance Act of 1972, as amended.
  - 5. Title 41, Code of Federal Regulations (CFR), Chapter 60, Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor, as amended.
  - 6. Public Law 101-336, Americans with Disabilities Act of 1990.

**11.6 Contractor Fair Hearing - Civil Rights Act Violation**

- A. In the event of any violation or alleged violation of Title VI of the Civil Rights Act of 1964, as amended, Contractor has the right to request a fair hearing in response to such violation or alleged violation within thirty (30) calendar days from the date of such action.
- B. The State shall conduct such fair hearing in accordance with Title 45, Code of Federal Regulations (CFR), Section 81.1 et seq.

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**11.7 Specific Assurances**

A. Pro-Children Act of 1994

1. This Agreement incorporates by reference all provisions set forth in Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act).
2. Contractor further agrees that the above language will be included in any subcontracts that contain provisions for children's services and that all subcontractors shall certify compliance accordingly.

B. American-Made Equipment/Products

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

C. Federal and State Occupational Safety and Health Statutes

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

D. Political Activities

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

E. Lobbying Activities

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

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

F. Performance of Work in United States

All work performed under this Award must be performed in the United States. If the Contractor fails to comply with the Performance of Work in the United States requirements, the Contractor will not be reimbursed for work performed.

G. Use of Program Income

If the Recipient earns program income during the project period as a result of this Award, the Recipient may add the program income to the funds committed to the Award and use to further eligible project objectives.

**11.8 Publications**

- A. Contractor is encouraged to publish or otherwise make publicly available the results of the work conducted under the award, subject to compliance with Section B below.
- B. An acknowledgment of DOE support and a disclaimer must appear in the publication of any material, whether copyrighted or not, based on or developed under this project, as follows:

*Acknowledgment:*

“This material is based upon work supported by the Department of Energy [National Nuclear Security Administration] [add name(s) of other agencies, if applicable] under Award Number(s) [enter the award number(s)].”

*Disclaimer:*

“This report was prepared as an account of work sponsored by an agency of the United States Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights. Reference herein to any specific commercial product, process, or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply its endorsement, recommendation, or favoring by the United States

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Government or any agency thereof. The views and opinions of authors expressed herein do not necessarily state or reflect those of the United States Government or any agency thereof.”

**11.9 Decontamination and/or Decommissioning (D&D) Costs**

Notwithstanding any other provisions of this Agreement, neither the State nor Federal Government shall not be responsible for or have any obligation to the recipient for (i) Decontamination and/or Decommissioning (D&D) of any of the recipient's facilities, or (ii) any costs which may be incurred by the recipient in connection with the D&D of any of its facilities due to the performance of the work under this Agreement, whether said work was performed prior to or subsequent to the effective date of this Agreement.

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**SUBPART F – STATE CONTRACTING REQUIREMENTS GTC 610**

**ARTICLE 12 – GENERAL TERMS AND CONDITIONS GTC 610**

- 12.1 APPROVAL: This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Contractor may not commence performance until such approval has been obtained.
- 12.2 AMENDMENT: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
- 12.3 ASSIGNMENT: This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.
- 12.4 AUDIT: Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).
- 12.5 INDEMNIFICATION: Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.
- 12.6 DISPUTES: Contractor shall continue with the responsibilities under this Agreement during any dispute.
- 12.7 TERMINATION FOR CAUSE: The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such

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termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.

- 12.8 INDEPENDENT CONTRACTOR: Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.
- 12.9 RECYCLING CERTIFICATION: The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post-consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Pub. Contract Code §12205).
- 12.10 NONDISCRIMINATION CLAUSE: During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.
- Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.
- 12.11 CERTIFICATION CLAUSES: The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 307 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.
- 12.12 TIMELINESS: Time is of the essence in this Agreement.

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- 12.13 COMPENSATION: The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.
- 12.14 GOVERNING LAW: This contract is governed by and shall be interpreted in accordance with the laws of the State of California.
- 12.15 ANTITRUST CLAIMS: The Contractor by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor shall comply with the requirements of the Government Codes Sections set out below.
- a. The Government Code Chapter on Antitrust claims contains the following definitions:
    1. "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.
    2. "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.
  - b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.
  - c. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.
  - d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor

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has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.

12.16 CHILD SUPPORT COMPLIANCE ACT: For any Agreement in excess of \$100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:

- a. The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
- b. The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

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12.17 UNENFORCEABLE PROVISION: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

12.18 PRIORITY HIRING CONSIDERATIONS: If this Contract includes services in excess of \$200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by the Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.

12.19 SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION REPORTING REQUIREMENTS:

- a. If for this Contract Contractor made a commitment to achieve small business participation, then Contractor must within sixty (60) days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) report to the awarding department the actual percentage of small business participation that was achieved. (Govt. Code §14841.)
- b. If for this Contract Contractor made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then Contractor must within sixty (60) days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) certify in a report to the

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awarding department: (1) the total amount the prime Contractor received under the Contract; (2) the name and address of the DVBE(s) that participated in the performance of the Contract; (3) the amount each DVBE received from the prime Contractor; (4) that all payments under the Contract have been made to the DVBE; and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Mil. & Vets. Code §999.5(d); Govt. Code §14841.)

- 12.20 LOSS LEADER: If this contract involves the furnishing of equipment, materials, or supplies then the following statement is incorporated: It is unlawful for any person engaged in business within this state to sell or use any article or product as a “loss leader” as defined in Section 17030 of the Business and Professions Code. (PCC 10344(e).)

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**SUBPART G – DEFINITIONS**

All terms used in this Agreement shall be those as defined in applicable federal and state law (see 42 U.S.C. § 6861) and regulation (see 2 CFR Part 200 and 10 C.F.R. Part 440), or as more specifically defined as:

Administrative Costs: Actual costs for auxiliary functions such as salaries, wages, workers compensation, and fringe benefits for administrative staff, facilities, utilities, office and computer equipment, telephone, travel, accounting, auditing, monitoring assistance, office supplies, and like services necessary to sustain the direct effort involved in administering a grant program or an activity providing services to the grant program. Includes incurred costs associated with participation and attendance to policy advisory committee meetings and workgroups.

Agreement: The complete contents of this contract entered into by and between CSD and Contractor, including all rights, duties, and obligations, whether expressed or implied, required toward the legal performance of the terms hereof.

Amendment: A formal change to the Agreement of a material nature including but not limited to the term, scope of work, or name change of one of the Parties, or a change of the maximum amount of this Agreement.

American Indian (also known as Native American): Any individual who is a member or a descendant of a member of a North American tribe, band, or other organized group of native people who are indigenous to the continental United States or who otherwise have a special relationship with the United States through treaty, agreement, or some other form of recognition, residing within the State. This includes any individual who claims to be an Indian and who is regarded as such by the Indian community of which he or she claims to be a part. This definition also includes Indians of Alaska.

Authorized Agent: The duly authorized representative of the Board of Directors of Contractor and duly elected or appointed, qualified, and acting officer of CSD. In the case of Contractor, CSD shall be in receipt of board resolution affirming an agent's representative capacity to bind Contractor to the terms of this Agreement.

California Certified Inspector/Risk Assessor Contractor: An individual who is certified by the State of California, Department of Health Services, as a lead-related construction Inspector/Risk Assessor.

California Energy Commission (CEC) Climate Zone: The CEC established 16 climate zones that represent a geographic area and that have a particular weather pattern. These

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climate zones are based on energy use, temperature, weather, and other factors that determine the types of building standards that are subject to the Title 24 Energy Efficiency Standards and that dictate the energy conservation measures that must be installed in a weatherized dwelling, as required by law.

Call-Back: A call-back occurs when a measure fails (either during inspection, or later within the warranty period) and must be corrected by an agency. The required warranty periods are defined in CSD WIS Appendix B. Warranty corrections are required under both the LIHEAP and DOE weatherization programs, however, under Contractor is required to notify CSD for billing instructions and DOE is required to be notified of all call-backs.

Certification Date: The date the applicant is deemed eligible and the agency commits to provide services. The certification date should not be before the intake date.

Certified Lead-Free: Residential property that has been determined by a California Certified Inspector/Risk Assessor Contractor to be absent from the presence of lead-based paint.

Certified Lead-Safe: Residential property in which lead-painted surfaces are intact and/or have been treated with measures to stabilize and eliminate lead-paint hazards and that, as such, poses no immediate threat to the occupants as determined by a California Certified Inspector/Risk Assessor Contractor.

Children: Members of a household who are nineteen (19) years of age or younger.

Client Education/Counseling: Includes, but is not limited to, providing client with written information describing energy-saving behavioral adjustments that will decrease the energy consumption of the household; providing client with resource information, referral, and budget counseling in order to assist clients in achieving self-sufficiency; providing client with mold and lead-safe education and advising client of the benefits of weatherization in their homes.

Client Intake: Includes, but is not limited to, the process of completing an intake form and reviewing applicant documentation in order to verify eligibility. Intake is reimbursable as a program support activity.

Client Needs Assessment: The act of acquiring additional and appropriate information from an eligible client to determine the needs that can be served by Contractor and other available programs AFTER eligibility has been established.

Contractor: The entity (partnership, corporation, agency, or association) designated on the face sheet (STD 213) of this Agreement.

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Created On Date: The date the application/record is transferred into CORE. This date is automatically generated by CORE when a record is uploaded.

CSD: The Department of Community Services and Development, State of California.

Database Transfer: A method wherein contractors utilize a local database platform to provide CSD with downloaded client and other program data.

De Minimis Levels: The amount of lead paint disturbed in a dwelling is comprised of two (2) square feet per room of interior surfaces, or twenty (20) square feet of exterior surface, or ten percent (10%) of a small component, e.g., window sill, baseboards, and trim. When calculating the de minimis level, the entire surface of the component must be included in the computation. For example, when replacing a 2 x 3 foot window, the de minimis level would be six (6) square feet and would exceed the maximum allowance for interior surfaces and the unit would be subject to HUD Regulation.

Diagnostic Testing: Series of testing protocols performed under the weatherization program involving the use of specialized tools to assess: the operating condition of combustion appliances for general safety and carbon monoxide emission levels, and pressurized diagnostic testing procedures to assess the integrity of building envelopes and duct systems for leakage and outside air infiltration. Diagnostic tests shall only be performed by qualified individuals possessing the required skill and training needed to perform diagnostic testing activities.

Direct Program Activities: Activities associated with the installation of measures in dwellings to include labor, materials, subcontractors, and lead-safe weatherization materials, and other program costs.

DOE: The United States (U.S.) Department of Energy that provides funds for the Weatherization Assistance Program for Low-Income Persons. This program is authorized by Title IV of the Energy Conservation and Production Act (P.L. 94-385). The federal regulations for this program are in 10 CFR Part 440.

Dwelling Assessment: The process used to evaluate the service needs of an eligible dwelling for weatherization services offered under the DOE and LIHEAP weatherization programs. An assessment shall be performed by qualified individuals possessing the required skill and training needed to perform assessment activities.

Dwelling Unit: A house, including a stationary mobile or manufactured home, an apartment, a group of rooms, or a single room occupied as separate living quarters.

Elderly: An individual 60 years of age or older.

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Electric Base Load Measure: A subcategory of weatherization measures designed specifically to reduce energy consumption in the areas of lighting and electrical appliances. Allowable electric base load measures include compact fluorescent lamps and fixtures and replacement of older and inefficient refrigerators.

Energy Audit: An energy audit is an analysis tool intended to be used by the weatherization agencies for the purpose of determining a list of cost-effective measures for a specific dwelling. The REM/Design energy audit and TREAT are currently being used for the purposes of this Agreement.

Energy Burden: The expenditures of the household for home energy divided by the income of the household.

Energy Conservation Measures (also known as Weatherization Measures): A wide variety of measures installed in or applied to the dwelling to increase the energy efficiency or to reduce the total energy expenditures of the dwelling.

Environmental Inspection: A visual assessment and sampling which includes asbestos, lead and radon when allowable per the contract. Environmental inspections shall be in accordance with all CSD policies and procedures and in compliance with all Federal and State regulations. Allowable costs include actual labor costs while on the jobsite and testing fees associated with the inspection.

Estimated Budget Allocation: The estimated dollar amount of DOE annual funding, based on the Final Allocation from the 2016 DOE WAP Contract, used to facilitate the completion of budgets, fiscal and local planning efforts in the event this Agreement is executed prior to federal authorization of the full annual allocation of DOE funding and funded under Continuing Resolution appropriations.

Evaporative Cooler Repairs: Repair or replacement of filter pads, water pumps, belts, motors, or other components that promote efficient operation of the unit.

Family Unit: All persons living together in a dwelling unit.

Final Allocation: The actual amount of funds available to Contractor under this Agreement after CSD receives the notice of grant award for the full annual allocation based on the appropriation by Congress for Federal Fiscal Year 2016, and as publicly announced by CSD's Director or designee, subsequent to the execution of this Agreement.

Fuel Surcharge: A factor that addresses the increase in current fuel prices.

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General Heat Waste Measures: A subcategory of weatherization measures designed specifically to improve energy efficiency by reducing general heat and cooling waste within the dwelling. General Heat Waste Measures include: air conditioning/furnace filter replacements, hot water flow restrictors and low-flow showerheads, water heater blankets, and water heater pipe wrap.

Hazardous Condition: Any condition posing an immediate health and safety threat to the client and/or persons working in the dwelling unit. Hazardous conditions include, but are not limited to: Combustion Appliance Safety (CAS) hazards, appliance-related hazards, and electrical hazards as defined in the CSD Inspection Policies and Procedures.

Health and Safety Measures: A subcategory of weatherization measures installed to mitigate health and safety hazards generated by combustion appliances and to preserve or improve indoor air quality. The measures include CO alarms, heating/cooling and water heater repairs and replacements, lead-safe weatherization and kitchen exhaust repair and replacements. Costs associated with these measures are limited to the allowable maximum amount specified in the DOE Weatherization Budget (Exhibit B, Attachment II) and are excluded from the calculations for the maximum average reimbursement per dwelling.

Health and Safety Formula: Health and safety expenditures are limited to twenty percent (20%) of program operations as defined by DOE. The formula used to calculate the allowable maximum is:

Program Operations multiplied by 20%.

Where Program Operations are defined as:

Program Costs less (Training & Technical Assistance + Liability Insurance + Vehicles & Equipment Purchases Over \$5,000 + Health & Safety)

Heating/Air Conditioning Appliance Repairs/Replacements: The complete unit replacement adjustments of gas pressure and/or air/fuel mixture, replacement of thermocouples, adjustment of refrigerant charge, filter replacements, or other component repairs or replacements necessary for safe and efficient operation.

High Residential Energy User: A low-income household whose residential energy expenditures exceed the median level of residential expenditures for all low-income households in the State.

Highest Home Energy Needs: The home energy requirements of a household determined by taking into account both the energy burden of such household and the unique situation of such household that results from having members of vulnerable populations,

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including very young children (0-5), individuals with disabilities, and frail older individuals (60+).

Home Energy Rating System (HERS) Provider, also referred to as HERS Rater: An entity or individual recognized by the California Energy Commission as a HERS Provider and certified in performing the necessary field and diagnostic testing verifications for demonstrating compliance with the 2008 Building Energy Efficiency Standards.

Household with a High Energy Burden: A low-income household whose residential energy burden (residential expenditures divided by the annual income of that household) exceeds the median level of energy burden for all low-income households in the State.

HUD Unit: A housing unit participating in a U.S. Department of Housing and Urban Development (HUD) Assisted Housing Program.

Infiltration Reduction Measures: A subcategory of weatherization measures installed in or applied to dwellings to reduce or stop the uncontrolled flow of conditioned air out of the dwelling or the uncontrolled flow of outside air into conditioned areas in the dwelling done to the point of minimum ventilation requirement or it is no longer cost effective to proceed. Infiltration reduction is best accomplished with blower door technology.

Intake Date: The date the agency receives or accepts the application.

Intellectual Property: Patents, trademarks, copyright, mask works, protected data, and other forms of comparable property protected by Federal law and foreign counterparts.

Interest Income: The interest earned by a Contractor directly generated or earned as a result of unexpended DOE WAP grant funds at the end of a contract term period. The interest earned by a Contractor is income generated as a result of depositing federal funds in an interest bearing account.

Knob and Tube Wiring: Costs to obtain knob-and-tube wiring “Notice of Survey by Electrical Contractor” and installation of simple overcurrent protection (breakers or S-type fuses) shall be billed to “Mandatory Assessments and Diagnostics - Permits.”

Liability Insurance: Insurance coverage to protect against claims alleging one’s negligence or inappropriate action resulting in bodily injury or property damage. Related costs shall mean those actual costs allocated for insurance bonds, general liability insurance, and pollution occurrence insurance. Pollution occurrence insurance is optional.

Limited Home Repair: Limited Home Repair (LHR): Those repairs that have a direct association with weatherization measures being installed, and are necessary for

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the effective performance or preservation of weatherization materials. LHR shall include:

- a. Kitchen cabinet repairs and retrofits that are associated with the replacement of a range, cook top, or pre-existing microwave oven. No other cabinet repair or retrofit shall be allowed without a program waiver.
- b. Repairs necessary to restore building integrity, and limited to the following repairs:
  - i. Floor/platform repair for water heaters;
  - ii. Cover plate replacement;
  - iii. Minor roof repairs and materials;
  - iv. Mobile home skirting repairs to prevent animal infiltration.
  - v. Minor exterior appliance access
  - vi. Limited rehabilitation to replace deteriorated wooden window or door frames, to make possible the proper installation of a replacement door or window.
- c. Extension of exhaust fan vents to the outdoors (except kitchen exhausts).
- d. Extension of dryer venting to the outdoors.
- e. Attic Access Enlargement (in conjunction with insulation installation)
- f. Note: Costs to obtain knob-and-tube wiring “Notice of Survey by Electrical Contractor” and installation of simple overcurrent protection (breakers or S-type fuses) shall be billed to “Mandatory Assessments and Diagnostics - Permits.”

LHR shall NOT include:

- a. Any other measure or associated incidental repair that has a chargeable line item, including Minor Envelope Repair items.
- b. Repairs to the dwelling that are outside of the program scope, including but not limited to, handicap ramps, major roof repairs, or correction to structural issues that are a mandatory deferral condition.

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Major Vehicle and Field Equipment: Includes vehicle and field equipment over \$5,000 per unit used for the purpose of delivery of direct services. Purchase pre-approval from DOE and CSD is required. Field equipment means diagnostic equipment and related equipment.

Materials: Materials are those allowable items that are installed in or on the dwelling to promote energy conservation. All materials shall be in conformance with the CSD Weatherization Installation Standards and CFR Title 10 Part 440 Appendix A – Standards for Weatherization Materials. Materials are budgeted and reported under Direct Program Activities.

Maximum Amount: The dollar amount reflected on line 3 of the face sheet (STD 213) of this Agreement, as amended to reflect the Final Allocation for the term of this Agreement.

Maximum Average Reimbursement: Represents the maximum average per dwelling investment for related weatherization service and program costs. Under this agreement, maximum average reimbursement for weatherized dwellings is \$7,105. The formula for determining the maximum average reimbursement is:

Maximum Average Reimbursement is equal to Program Operations divided by Total Completed Units.

Where Program Operations are defined as:

Program Costs less (Training & Technical Assistance + Liability Insurance + Vehicles & Equipment Purchases Over \$5,000 + Health & Safety)

Migrant Farm Worker: A seasonal farm worker who performs or has performed farm work during the eligibility determination period (any consecutive 12-month period within the 24-month period preceding application for program benefits and/or services) that requires travel such that the worker is unable to return to his/her domicile (permanent place of residence) within the same day.

Minor Envelope Repairs: Those repairs that have a direct association with weatherization measures being installed, and are necessary for the: 1) effective performance or preservation of weatherization materials, or 2) to stop infiltration and general heat waste. Minor Envelope Repairs shall be limited to the following:

- a. Identified infiltration repairs, including the patching of holes in the building envelope (ceiling, floor, or walls) to the exterior that are too big to caulk;

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- b. Sealing of thermal bypasses when no insulation will be installed;
- c. Replacement of missing attic/crawl space access covers; and
- d. Fireplace chimney damper repair or installation, or installation of glass fireplace doors when a damper is not feasible.

Minor Envelope Repairs shall NOT include:

- a. Any other measure or associated incidental repair that has a chargeable line item, including Limited Home Repair (LHR) items.
- b. Kitchen cabinet repairs and retrofits;
- c. Repairs to the dwelling that are outside of the program scope, including but not limited to, handicap ramps, major roof repairs, or correction to structural issues that are a mandatory deferral condition.

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Minor Vehicle and Field Equipment: Includes vehicle and field equipment with per unit fair market value of \$5,000 or less used for the purpose of delivery of direct services. Field equipment means diagnostic equipment and related equipment.

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Mobile or Manufactured Home: A manufactured home regulated by the California Department of Housing and Community Development (HCD) that is built on a trailer chassis and designed for highway delivery to a permanent location, and it can be a single-, double-, or triple-wide home. To receive weatherization services under a CSD program, a mobile home must be a permanent, full-time residential dwelling with a floor area of at least 330 square feet.

Modified Dwelling Assessment: The process used to evaluate the limited service needs of an eligible dwelling that has been previously weatherized under the DOE or LIHEAP weatherization programs. The assessment is limited in scope and does not encompass a re-assessment of the entire dwelling unless measures have exceeded their useful life under LIHEAP. Assessments limited to ECIP EHCS work on dwellings not receiving weatherization services are to be included in the cost of the ECIP measure. An assessment shall be performed by qualified individuals possessing the required skill and training needed to perform assessment activities.

Modification: An immaterial change to this Agreement that does not require an Amendment.

Multi-Unit Dwellings (MUDs) also known as Multi-Family Buildings (MFBs): Defined as residential dwelling structures containing multiple residential units within a single

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building or complex, including: duplexes, triplexes, fourplexes, and multi-unit apartments.

Natural Disaster: A weather event (relating to cold or hot weather), flood, earthquake, tornado, hurricane, or ice storm, or an event meeting such other criteria as the Secretary of Federal Department of Health and Human Services, in the discretion of the Secretary, may determine to be appropriate. For the purpose of the DOE WAP Disaster Relief Plan, emergency services may be provided to low-income individuals and families affected by a natural disaster when the event is declared by a Presidential or Gubernatorial Order as a Federal or State Emergency.

Nonprofit charitable organization: is defined by the U.S. Tax Code as a 501(c)3. Section 501(c)(3) is a tax law provisions granting exemption from the federal income tax to non-profit organizations. 501(c)(3) exemptions apply to corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition, or for the prevention of cruelty to children or animals.

Outreach and Its Related Costs: Outreach activities are designed to ensure that eligible households, especially households with elderly and/or disabled individuals with high home energy burdens, are made aware of the assistance available. Costs relating to these activities may include: developing outreach materials (flyer/brochure information packets), advertising costs, printing costs, outreach mailers to targeted households, travel to outreach sites and related facilities, site costs, and the referral of eligible households to assistance providers in the community. Intake and assisting with the completion of an intake form are not considered outreach or a related cost.

Parties: CSD on behalf of the State of California and the Contractor.

Primary Heating and Cooling Source: When a home has more than one heating and/or cooling source, one of the following shall be considered the primary unit:

- a. The appliance that provides conditioned air for the dwelling's primary common living area (i.e., occupied during waking hours), or
- b. The unit providing conditioned air to the largest volume of living space, or
- c. The unit with the largest heating/cooling capacity/output (Btu or tons). In a two-story home that has a separate heating and/or cooling source on each floor, the unit on the ground floor is considered the primary heating and/or cooling source, with the following exception:

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- d. If the larger capacity/output unit is upstairs, it may be considered the primary unit.

Only the primary heating and/or cooling source (one unit per dwelling) shall be repaired or replaced. It may be one that provides:

- a. Heating only, or  
b. Cooling only, or  
c. Heating and cooling.

Priority List - The list of energy conservation measures determined to be cost effective by a measure evaluation process. These measures may be installed in the specified type of dwelling in the specified climate zone without performing an energy audit. Allowable measures are contained in CSD's DOE-approved Priority List Policy.

Program: Weatherization services provided under 42 USC 6861, et seq., as amended.

Program Income: Any funds earned by grantees and/or sub grantees sources during the course of performing DOE Weatherization work. The income generated must be used to complete additional dwelling units in accordance with DOE rules.

Recreation Vehicle: A recreational vehicle is defined as a travel trailer, motor home, bus, truck camper or camping trailer that was originally designed as a temporary living quarters and could be self-propelled or mounted on or drawn by another vehicle and does not fit the definition of a "Mobile or Manufactured Home". This type of unit is excluded from weatherization services.

REM/Design Energy Audit: An advanced computer audit software product approved by DOE for estimating the energy savings in single-family dwellings, mobile homes, manufactured homes, and low-rise multi-family buildings with the following characteristics:

- a. No more than 24 dwelling units;  
b. no more than three (3) stories;  
c. each unit is individually metered;  
d. each unit is heated and cooled independently; and  
e. each unit has its own hot water heater.

Re-weatherization: To provide previously unapplied weatherization measures to a dwelling that was weatherized under a federal program from September 30, 1994 and earlier and needs further weatherization assistance; or a dwelling unit weatherized using

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DOE WAP or other Federal program funds after September 30, 1994 that did not receive a full complement of services and previously unapplied allowable measures are to be installed. This activity is to be reported as a re-weatherized unit and is not to be included as a completed unit and in client demographics.

Ride-along: A representative of the Contractor who accompanies a designated third-party inspector while performing on-site inspections. CSD requires that, when possible, a ride-along be sufficiently trained to make necessary corrections during inspections, thereby minimizing or eliminating the need for return trips that may inconvenience the client and/or require re-inspection in accordance with the CSD Inspection Policies and Procedures.

Seasonal Farm Worker: A person who during the eligibility determination period (any 12-month period within the 24-month period preceding application for program benefits and/or services) was employed at least twenty-five (25) days in farm work or earned at least \$400 in farm work and who has been primarily employed in farm work on a seasonal basis, without a constant year-round salary.

Separate Living Quarters: Living quarters in which the occupant(s) do not live and eat with any other person(s) in the structure and which have either: (1) direct access from the outside of the building or through a common hall; or (2) complete kitchen facilities for the exclusive use of the occupant(s). The occupant(s) may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Shelter: A dwelling unit or units whose principal purpose is to house for ninety (90) days or less on a temporary basis individuals who may or may not be related to one another and who are not living in nursing homes, prisons, or similar institutional care facilities.

Single-Family Dwelling: A dwelling structure containing no more than one dwelling unit.

Site-built Dwelling: A conventional dwelling unit built on location, differentiated from manufactured (mobile) homes, also known as stick-built.

State: The State of California, Department of Community Services and Development.

Subcontract: A separate contract or agreement entered into by and between Contractor and Subcontractor to fulfill direct program or administrative tasks in support of this Agreement.

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Subcontractor: An entity (partnership, corporation, association, agency, or individual) that enters into a separate contract or agreement with Contractor to fulfill direct program or administrative tasks in support of this Agreement.

Targeted Retrofit Energy Analysis Tool (TREAT): An advanced computer audit software product approved by DOE for all multi-family buildings, including low-rise and high-rise multi-family buildings with master-metered utilities and/or shared (common) heating and cooling systems. This software is designed to address the specific needs and building configurations of multi-family buildings through “whole building” approach in which every unit and common space in a qualifying complex will be retrofitted.

Training and Technical Assistance: Training and Technical Assistance activities are activities designed to aid in the development and skill of weatherization crewmembers and program staff in supporting the DOE program.

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Vehicle Insurance: Insurance purchased for cars, trucks, and other vehicles related for the delivery of direct programs services.

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Vendor: An individual, sole proprietorship, firm, partnership, corporation, or any other business venture from which materials and goods are supplied and purchased.

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Vulnerable Populations: Young children (ages 19 years or under), disabled, and elderly persons (ages 60 or older).

Weatherization Training and Its Related Costs: Costs associated with the training of personnel or subcontractors as specified in Article 9.1 of this Agreement. Training may also include internal contractor training, safety training, and attendance at weatherization-related training to include EPD system training or other forms of weatherization training sponsored by DOE, CSD and/or other organizations. Related costs may include salary/wages, materials, fees, and travel. Excludes incurred costs associated with participating and attendance at policy advisory committee meetings and workgroups.

Workers' Compensation: Insurance that covers medical and rehabilitation costs and lost wages for employees injured at work. Workers Compensation shall mean those actual costs associated with workers compensation coverage for program staff whose salaries and wages are chargeable under program costs.



**CERTIFICATION REGARDING LOBBYING**  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
FAMILY SUPPORT ADMINISTRATION

PROGRAM: Department of Energy Weatherization Assistance Program

PERIOD: July 1, 2016 through January 31, 2017

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award document for subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Director

Title

Signature

County of El Dorado,  
Health and Human Services Agency

Agency/Organization

6/14/2016

Date



**DISCLOSURE OF LOBBYING ACTIVITIES**  
CONTINUATION SHEET

(2016 DOE WAP)

Approved by OMB  
0348-0046

Reporting Entity: \_\_\_\_\_ Page \_\_\_\_\_ of \_\_\_\_\_

Authorized for Local Reproduction  
Standard Form - LLL-A

**INSTRUCTION FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES**

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Use the SF-LLL-A Continuation Sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, state and ZIP Code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in Item 4 checks "Subawardee", then enter the full name, address, city, state and zip code of the prime Federal recipient. Include Congressional District, if known
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, state and zip code of the lobbying entity engaged by the reporting entity identified in item 4 to influence the covered Federal action.
- (b) Enter the full name of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (item 4) to the lobbying entity (item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.
12. Check the appropriate box(es). Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
13. Check the appropriate box(es). Check all boxes that apply. If other, specify nature.
14. Provide a specific and detailed description of the services that the lobbyist has performed, or will be expected to perform, and the date(s) of any services rendered. Include all preparatory and related activity, not just time spent in actual contact with Federal officials. Identify the Federal official(s) or employee(s) contacted or the officer(s), employee(s), or Member(s) of Congress that were contacted.
15. Check whether or not a SF-LLL-A Continuation Sheet(s) is attached.
16. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget. Paperwork Reduction Project (0348-0046), Washington, D.C. 20503.

\\cobra\shared\Contracts\Low Income Home Energy Assistance Program\2014 LIHEAP\Exhibits\9 LIHEAP Exhibit I Certification Regarding Lobbying Rev 12.16.13.doc