

2023 WAP DOE Corrective Action & Removal Procedures

6.2 Allocations

Federal Allocation

DOE and LIHEAP allocations are distributed using the census-based allocation formula.

- 95% or more of the prior grant cycle contract total must have been expended.
- Final Closeout Reports must be submitted and approved within **45 days** after the grant cycle ends. IHCDAs DMS, IWAP Quarterly, Job Expense and sub-grantee Closeout Report must match exactly when final claims are processed including all line items and averages.
- When available, a 15% average energy savings as determined by realized energy analysis of local sub-grantee production.
- Sub-grantee must meet the 45-day requirement for vendor and subcontractor payments.

Reallocation of Funds

Sub-grantees failing to meet quarterly as detailed on their most recent budget form may be subject to funding allocation reduction or redistribution at IHCDAs discretion. Any reallocation will be to ensure proper utilization of Weatherization funds throughout the grant cycle.

Sub-grantees eligible for redistributed funds will be determined based on, but not limited to, the following criteria:

- Current level of expenditures for all active weatherization related programs
- Timely and accurate submission of claims
- QIP, MQIP, or Tiered funding status
- Achieved quarterly benchmarks
- Financial and program management capacity

IHCDA will desktop monitor sub-grantee production, expenditure rates, and average cost per unit throughout the life of each DOE and LIHEAP funds. This desktop monitoring will occur in accordance with the funding benchmarks as established by the sub-grantee on the appropriate DOE or LIHEAP budget form. In cooperation with meeting production and expenditure benchmarks, sub-grantees must maintain the appropriate ACPU of each DOE and LIHEAP funds.

This will include a comparison of production as recorded in IWAP and the amount of grant funds claimed through IHCDOnline. This will be used to track whether or not sub-grantees are maintaining the proper ACPU for DOE and LIHEAP. Please refer to the IHCDAs grant agreements, Appendices of Budget Definitions for additional guidance regarding the average cost per unit and for the administration of Weatherization grant funds.

Request for Additional Funds

Sub-grantees may request additional funding. In the case that a request is made, the sub-grantee must send in the request via letterhead to iwx@ihcda.in.gov.

Tiered Allocation

Sub-grantees which have failed to meet program expenditure benchmarks, are experiencing financial difficulty, or appear to have a lack of proper programmatic oversight may be placed on a tiered allocation. While on a tiered allocation, sub-grantees must expend funds according to a structured schedule. The performance benchmarks or expenditure percentages, when possible, are based on the sub-grantee's performance in prior years. Failure to meet expenditure benchmarks may result in a reduction of funding. Tiered allocation may be included as part of the sub-grantee grant agreement, when applicable. Sub-grantees placed on a tiered allocation may be subject to an increased level of claim review.

Reduction of Funds

A reduction in funding may occur if IHCDAs deems it necessary, or if a sub-grantee:

- Voluntarily returns one or more counties within its service territory

- Returns substantial amounts of allocated funds
- Fails to complete a QIP or MQIP within two consecutive program years
- Fails to meet the expenditure and/or benchmarks
- Experiences financial or programmatic challenges

Request for Qualifications and Request for Proposals

IHCDA may post a Request for Qualifications (RFQ) or Request for Proposals (RFP) to identify organizations suitable to provide services within a particular service territory. The RFQ/RFP is designed to increase the service capacity of that territory and to provide additional service opportunities for program beneficiaries. A sub-grantee will be notified if an RFQ/RFP is posted within its service territory.

The goal is to find the most qualified service provider within a territory. It is important to note that RFQ/RFP are open to the general public, as well as current sub-grantees. Eligible applicants will be determined based on the Federal regulations for the WAP. IHCDA will make a reasonable effort to assess if there is an adjacent, existing sub-grantee to support service delivery. Sub-grantees are encouraged to seek assistance from other sub-grantees who have the capacity to provide support. This step could result in avoiding the need for the RFQ/RFP process. RFQ/RFP will be issued as IHCDA deems necessary. The RFQ/RFP may also be posted for the following reasons including, but not limited to:

- The sub-grantee has been on a QIP/MQIP for more than two consecutive program years
- Failure to meet expenditure benchmarks for more than two consecutive program years
- Sub-grantee continues to demonstrate program deficiencies found during monitoring
- Sub-grantee voluntarily forfeits one or more counties within its service territory
- IHCDA has removed one or more counties from a sub-grantee due to performance issues
- Sub-grantee is involuntarily removed from a particular area due to fraudulent or major misappropriation of funds; legal action has been taken against the sub-grantee, or the sub-grantee dissolves
- The territory is not being serviced by the sub-grantee
- Sub-grantee is not currently operating under an active WAP contract

Like RFQs, the goal of the RFP is to find the most qualified service provider within a prescribed service territory. Therefore, it is important to note that RFPs are open to the general public as well as the community action network. Eligible applicants will be determined based upon the federal regulations for the program. IHCDA will make a reasonable effort to assess if there is an adjacent, existing sub-grantee to support service delivery. Using an adjacent sub-grantee will be determined on a case by case basis.

6.3 DOE Program Management

DOE Reweathering

Prior to any weatherization activity, a unit must be evaluated to determine whether previous weatherization services have been provided. A determination must be made if the building has been previously weatherized in order to be considered eligible. Find eligibility requirements in Section 2.3. The following actions must be taken on each DOE unit prior to weatherization services to ensure that homes that have received weatherization services within 15 years are not re-weatherized:

- Each address must be entered into IWAP to identify whether the unit has been weatherized during or after 2000 (length of IWAP historical records)
- Each owner must be asked whether their unit has been weatherized within 15 years
- A visual inspection of each unit must be performed by an Energy Auditor to identify whether previous weatherization was performed

If there are no documented, verbal, visual, or physical evidence of previous weatherization, the sub-grantee may proceed with weatherization on the unit. If any of the above actions indicate that weatherization has previously been performed on the unit, the sub-grantee must check with the local agency that historically provided weatherization in the area to inquire about any records pertaining to services previously provided. Incumbent local agencies must cooperate with these inquiries from IHCDA or from current weatherization service providers. Failure of any sub-grantee to comply with any such request could result in immediate suspension of payments on award agreements with IHCDA.

7.5 Additional Competency/Training Requirements

IHCDA staff and contracted monitors responsible for evaluation of sub-grantee administrative performance are required to complete at least 8 hours of administrative training per year.

IHCDA staff and contracted monitors responsible for evaluation of sub-grantee technical performance are required to complete at least 10 hours of technical training per year; and are required to be either Indiana Weatherization Competent as an Energy Auditor or BPI certified as an Energy Auditor and be certified as a BPI Quality Control Inspector.

Weatherization Program Managers responsible for the administration of the Weatherization Assistance Program at the sub-grantee level are required to attend all Semi-Annual Managers Meetings (SAMM) as well as any other required administrative offerings provided by IHCDA. If a Weatherization Program Manager is not able to attend any required training, an appropriate representative from the sub-grantee must attend in their place. SAMM's will be held twice per year and other administrative courses will be held as deemed necessary by IHCDA. When possible, IHCDA will attempt to host trainings via webinar, video conferencing, distance learning, or conference calls. Each sub-grantee is required to send at least one technical representative for their field staff/contractors to all Semi-Annual Technical Trainings (SATT). Failure to do so could result in repercussions from IHCDA.

Verification of LSWP/Moisture certification is not required after 4 years of continuous employment in the Indiana WAP as an ISV mechanical, crew leader, shell, audit or QCI.

Grantee Monitors and Inspectors must be Certified Lead Renovators. [WPN 22-7](#).

7.9 Roles and Responsibilities

IHCDA Expectations and Best Practices for Indiana's Weatherization Network

IHCDA allows two options for meeting the Quality Control Inspection requirement. Sub-grantees must apply to IHCDA in order to be able to utilize the Energy Auditor as the QCI option and must indicate their intended method to IHCDA for consideration. Sub-grantees that do not submit a plan to IHCDA will be required to utilize a QCI that was not the Energy Auditor.

When Energy Auditor is QCI

The auditor performs the audit, creates the work order, and performs the final quality control inspection. The auditor is not involved in any of the actual work on the home. Because this model does not allow for an independent review of the audit on every home, IHCDA is required to increase the percentage of quality assurance reviews to ensure that audits are being performed consistently and correctly. IHCDA will monitor a minimum of 10% of DOE completions.

Inspectors shall not participate in professional activities involving a conflict of interest. A conflict of interest occurs when an inspector is inappropriately motivated by any financial, personal, or professional incentive other than the production of a professional report that clearly, completely, and usefully reflects the conditions observed during the audit. Inspectors shall avoid, whenever possible, even the appearance of a conflict of interest and shall disclose all potentially questionable associations and relationships in advance to IHCDA with a legitimate right to be informed of them.

Inspectors shall not inspect work performed by organizations under arrangements whereby any compensation or future referrals to the inspector depend on or are influenced by the findings of the report. Compensation includes direct and indirect remuneration as well as substantial gifts and favors. Inspectors shall not accept any form of compensation for recommending products or services to clients or other parties having an interest in the inspected work.

Additional documentation may be required by IHCDA if necessary, including:

- Documentation of the independent status of the Quality Control Inspector
- Documentation outlining any involvement of the QCI in the audit process

Quality control inspections are subject to IHCDAs assessment of effectiveness and compliance with program inspection policies and monitoring will include documentation of any findings related to the quality of the inspection and impartiality of the inspection process. IHCDAs will maintain tracking of all sub-grantee QCI activities to include all aspects of the sub-grantee developed QCI process, subsequent corrective actions, and final outcomes.

If sub-grantees are found to be out of compliance, remedial training may be required for the QCI, the installation contractor, and/or sub-grantee staff. Limited remedial training may be provided by IHCDAs staff onsite at the time of the monitoring, or more extensively through the training facility at INCAA if necessary. Alternatively, IHCDAs staff may provide more comprehensive training at a later date. Repeated noncompliance issues after remedial training may result in the agency being placed on QIP, or a reduction in funding. All compliance issues found with QCIs are subject to IHCDAs review and may result in the QCI not being allowed to perform inspections for Indiana WAP.

Sub-grantees are required to ensure that each weatherization completion receives an appropriate and properly executed QC inspections. This inspection must be performed by a BPI certified Quality Control Inspector (QCI). IHCDAs, as part of their regular monitoring procedures, will review QC inspection forms, sub-grantee inspection processes and completed homes to ensure the inspections are being performed correctly and in a manner that meets DOE expectations. [WPN 22-4](#).

Failure by the sub-grantee to utilize the QCI process correctly may result in the associated completion(s) being considered unallowable, and all associated cost being returned to IHCDAs. Should multiple instances of poorly performed inspections be found, IHCDAs will, at the very minimum, place the sub-grantee on a Quality Improvement Plan (QIP).

8.2 Standards & Practices

IHCDAs will conduct fiscal, technical, file, and program monitoring annually. IHCDAs will review reports before they are distributed to sub-grantees.

Program Monitoring

The program monitoring includes a review of Program Administration, Procurement, Training, Competencies and Certifications, Database Input, Fiscal Information and Client File Review. At least 10% of completed DOE client files will be reviewed. Each area of the Program Review is explained in more detail below:

- **Program Administration** – IHCDAs will review agency policies as they apply to awarding priority, wait list maintenance, rental policies, and client redetermination.
- **NEAT/MHEA/MuTEA Database reviews will include the following**
 - Price list is up to date and current
 - Fuel prices are current
 - Set points are accurate
 - Lifetime of measures are correct
 - Measures are active
- **Procurement** – This section covers materials procurement and selection; contractor selection procurement, and evaluation; price lists and written procurement standards. Reference the procurement section in this manual for additional information.
- **Training, Competency and Certification** - IHCDAs monitors will review whether the Weatherization Program Manager is using appropriately trained/competent staff to perform various job functions. The use of subcontractors will be reviewed to determine compliance with job function training requirements as outlined in this manual. Monitors will also review contractors for compliance with local licensing standards. Sub-grantee lead based paint practices and compliance with EPA and HUD regulations will also be reviewed.
- **Database Input** – A selection of the client files are checked to ensure information from the client files is reported in the IWAP database accurately and completely.
- **Fiscal** – IHCDAs will perform financial monitoring for their Weatherization sub-grantees. The financial monitoring will occur in conjunction with the Weatherization Program/File Monitoring.

IHCDA will check for appropriate payment processing as specified in this manual. The monitor will review the following:

- Grant utilization to ensure funding is utilized in allowable combinations
- Sub-grantees have properly tracked and utilized Program Income
- Contractors are paid within 45 days
- Back-up documentation provided with claims is appropriate
- **Client File Review** – Files will be pulled at random from completions entered into the IWAP database. A minimum of 10% of all completed DOE client files will be reviewed. Find Program Monitoring Tool utilized by monitors can be found at MyIHCDA's [Program Partners](#). *Appendix F - Monitoring Tool 2022-2023 template*. These files will be reviewed for:
 - Correct forms
 - Accurate information
 - Work processes
 - Eligibility verification
 - Appropriate documentation and allowability of deferrals
 - Each NEAT/MHEA/MulTEA run is checked to verify the cumulative SIR is equal or greater than 1
- **Training and Technical Assistance (T&TA)** – The purpose of T&TA is to provide sub-grantees with assistance in the technical aspects of the weatherization program. IHCDA monitors will provide consultation while on site. If sub-grantee personnel feel it necessary, and time allows, IHCDA monitoring personnel may be available for T&TA visits to the sub-grantee.

Technical Monitoring

IHCDA will perform real-time Technical Monitoring for each Weatherization sub-grantee annually. The purpose of this monitoring is to ensure that weatherization services are provided in a professional manner in compliance with all standards, regulations and policies set forth by DOE, HHS and IHCDA. The sub-grantee is responsible for quality control on all completed units and must ensure that the QC inspection completed by the QCI attests to the level of quality, professionalism, and appropriateness of all measures performed. Technical Monitoring will also review and inspect invoiced materials, justification for the number of labor hours charged, initial and final audit detail, and adherence to technical standards and accuracy of sub-grantee diagnostic testing.

Monitors will use the current QC Inspection Form. A minimum of 5% of all DOE completed homes will be monitored for those sub-grantees utilizing an Independent QCI, and a minimum of 10% of all DOE completed homes will be monitored for those sub-grantees with an Energy Auditor/QCI. IHCDA reserves the right to monitor any unit including Capital Intensive unit(s). Sub-grantee responses to technical findings must include documentation verifying that all findings and concerns have been corrected. IHCDA when possible, will incorporate in-progress visits to client homes. IHCDA's Technical Monitoring visits will include an evaluation of the QCI's process to ensure compliance with [WPN 22-4](#).

Sub-grantees are required to ensure that each Weatherization completion receives an appropriate and properly executed QC inspection. This inspection will be performed by a BPI certified QCI. Failure by the sub-grantee to utilize the QCI process correctly may result in the affected completion(s) being considered unallowable and all associated cost being returned to IHCDA. Should multiple instances of poorly performed inspections be found, IHCDA will, at the very minimum, place the sub-grantee on a Quality Improvement Plan (QIP). Further action will be taken should the QIP fail to improve performance.

Field Inspections (See Technical Monitoring below) – IHCDA will conduct on-site inspections of a sample of units pulled from the file review or at random from the IWAP database. The purpose of this monitoring is to ensure that weatherization services are provided in a professional manner in compliance with all standards, regulations and policies set forth by DOE, HHS and IHCDA. The local sub-grantee is responsible for quality control on all completed units and must ensure that the QC inspection completed by the BPI certified Quality Control Inspector (QCI) attests to the level of quality, professionalism, and appropriateness of all measures performed. The field inspection will cover the appropriateness of Base Load, Shell, and Health and Safety measures. During the field inspection, IHCDA staff will be checking for all invoiced materials, justification for the number of labor hours charged, initial and final audit detail, adherence to technical standards, and accuracy of sub-grantee diagnostic testing.

8.5 Monitoring Reporting Process

Monitoring Report

Each sub-Grantee will receive a copy of the monitoring report within 30 days from completion of the exit conference. The report will identify such areas as training and technical assistance recommendations, summary of program /technical and client file/QCI findings and concerns, funding utilization per client, and NEAT/MHEA/MuTEA review.

- **Findings** should be classified as critical in nature and may require immediate corrective action by the sub-grantee (e.g. Health and Safety issue).
- **Concern** do not require immediate action by the sub-grantee and in many cases may not require action at all. These tend to be low to medium intensity issues.

The level of severity (classification as a finding/concern) may be based upon conditions in the field at the time of monitoring.

Findings and Concerns will be noted as:

- **Incomplete Work:**
 - Concern: Incomplete work that is minor, that has little or no cost, does not pose a health and safety issue and is not part of past trends for the agency, and depending on the circumstance may not be required to be repaired.
 - Finding: Incomplete work that includes past trend(s), is associated with a noteworthy cost, may affect the potential energy savings, or is a health and safety issue. These will require remediation.
- **Questioned Costs:**
 - Questioned costs are clarified with the sub-grantee. When deemed unallowable, they will be required to be returned or removed from DOE funding. Questioned costs are subject to additional review.
- **Client Complaints**
 - When clients complain at the field monitoring, each complaint will be reviewed for validity.
- **Major Workmanship Issues**
 - Finding: Major workmanship issues must be resolved by the sub-grantee.
- **Minor Workmanship Issues**
 - Concern: If the minor workmanship issue is part of past trends, then it is treated as a major workmanship issue.

Monitoring Report Response

The sub-grantee must either **Accept** the submitted report or provide an **Informal Appeal** (see Monitoring Appeal Process) to specific findings and concerns. The sub-grantee will have 10 days from the receipt of the monitoring report to submit a written response per the monitoring report.

Any corrective action taken by the sub-grantee is considered an acknowledgment of the finding or concern. Failure by the sub-grantee to respond in writing to the monitoring report by the established deadline may result in claims being held by IHCDA until the proper response is received.

Monitoring Appeals Process

If the sub-grantee informally appeals (disagrees with) any item on the WAP Monitoring Report, the sub-grantee must send an informal appeal via email to IHCDA's Program Monitor within 10 days of the receipt of the monitoring report.

- IHCDA will respond within 10 days of receipt of sub-grantee's Informal Appeal to the Monitoring Report.
 - If IHCDA **agrees** with all items identified in the sub-grantee's **Informal Appeal**, the sub-grantee will receive a revised monitoring report that will be used to ensure all actionable items are completed.
 - If IHCDA **does not agree** (in-full or in-part) with the sub-grantee's **Informal Appeal**, the sub-grantee will receive an **IHCDA Informal Appeal reply**.
- The sub-grantee will provide a **second response** within 10 days. (If applicable)

- If the sub-grantee **agrees** with the reasons described for not changing items identified in the informal appeal, the sub-grantee's second response is to be sent to the IHCD.
- If the sub-grantee **disagrees** (in-full or in-part) with IHCD's **Informal Appeal** response, the sub-grantee may submit a **Formal Appeal** in writing to the Director of Community Programs. The Director of Community Programs will review the formal appeal and provide a written decision within 30 days. This decision will be final.

Monitoring Completion

Once all parties are in agreement with all the findings and concerns, the sub-grantee will have 30 days to closeout the monitoring session. The sub-grantee will receive a Monitoring Completion Letter after all completed corrective actions and/or copies of checks paid to IHCD have been submitted.

9.6 Contractor Procurement, Price Lists, Responsible Contractors

Sub-grantees must follow proper procurement procedures when acquiring goods and/or services for the weatherization program. See the grant agreement for Federal rules and regulations concerning procurement. [2 CFR 200](#).

To assist this process, DOE issued an updated Procurement Tool Kit in 2016 that provides templates, checklists and guidance for procurement of weatherization materials and services. To review the DOE Procurement Tool Kit or other supporting documents visit NASCSP's [Financial Management Toolkit](#).

Contractor and Price List

Sub-grantees must either bid each weatherization job individually or develop a price list for contractor prices. If a price list is developed, each sub-grantee must follow Federal regulations as outlined in [10 CFR 600.144](#), rebid at least every 2 years and perform a cost analysis of its current price list. Written procedures and documentation must be maintained at the sub-grantee's office and provided to IHCD or DOE upon request.

Whether the sub-grantee chooses to bid out each job or work off of an established price list, sub-grantees must establish in their written procedures whether their process for accepting contractors is open year-round, once per year or multiple times per year. If each home is individually bid, copies of all bid packets must be included in the client file.

The following procedures must be included in Contractor Procurement and Establishment of a Price List:

- Must be publicly bid with advertising using newspapers, websites or hard copy and be available for at least 3 business days.
- Fair and open competition must be provided.
 - The process must take place annually unless the sub-grantee's written procedures manual specifies every 2 years.
 - If bid packets will be mailed or emailed to existing contractors, a list must be kept of interested contractors.
 - The solicitation must include a clear and accurate description of the service or material being procured.
 - Written selection procedures must be established and available for review.
- Deadlines must be established and adhered regarding responses to packets.
- A cost or price analysis must be performed for each procurement process or the sub-grantee may establish an annual price list.
- Materials and labor are the most common items to be bid out for a price list.

Miscellaneous items are optional price list items. If they are not included on a price list, the sub-grantee must demonstrate that prices paid for both labor and materials are reasonable based upon market prices.

Responsible Contractors

All contractors awarded contracts by weatherization sub-grantees must annually review their contractors against the Federal contractor debarment list accessed, with instructions, at SAM's Records. If a

contractor is listed on the Excluded Parties List System website, sub-grantees should not enter into a contract for goods or services paid with DOE or LIHEAP funds. Contractors are required to supply their DUNS number to Subgrantees.

Removal or Suspension of Contractors

Contractors that provide weatherization assistance services are required to be qualified, to be competent and must demonstrate a high degree of professionalism. IHEDA and sub-grantees may remove or suspend a contractor or contractor employee if deemed necessary. This policy shall apply to any contractor or contractor employee who provide weatherization services for the sub-grantee. Violations that may result in suspension or debarment include but are not limited to the following:

- Repeated occurrences of failed Combustion Appliance Zone (CAZ) testing
- Repeated occurrences of failing to properly complete required heating systems forms
- Repeated monitoring findings related to the contractor/contractor employee;
- Repeated incidents of unsatisfactory, sub-standard work performance
- Repeated incidents of sub-grantee having to repay funds related to poor work performance by contractor
- Repeated incidents of violating IHEDA and/or Federal program requirements
- Fraudulent activity or charges
- Negligent work performance that leaves clients or other workers in imminent danger

Consequences

- Remedial Training- A contractor/ contractor employee who is required to participate in remedial training will be denied participation in WAP until remedial training is completed
- Denial of Participation- Can be up to 2 years as determined by IHEDA
- Permanent Debarment- From providing weatherization services funded through IHEDA's Weatherization Assistance Program

Sub-grantees are advised to make sure that contracts with sub-contractors specify remedies for breach of the provisions of the contract including termination. In addition, sub-grantees should provide a copy of this policy to its contractors. MyIHEDA's [Program Partners](#). *Appendix Z - Policy for Removal or Suspension of Contractor*

11.1 Multi-Family Policy

The following multi-family policy applies to both DOE and LIHEAP funded weatherization buildings containing five or more units. Multi-family buildings less than five units do not require prior IHEDA approval and are not subject to this policy.

IHEDA will retain 10% of BIL production funding to develop, implement, and execute a supplemental multi-family fund. Sub-grantees may not perform multi-family projects with their BIL allocation. Sub-grantees are not prohibited from participating in this multi-family program, though other entities will also be able to participate.

Sub-grantees or their contractors are responsible for performing an audit using the multi-family tool MulTEA for buildings containing five or more units. Sub-grantees must contact IHEDA to request access to MulTEA. A NEAT/MHEA audit must only be performed on buildings that's units are individually heated or cooled. Sub-grantees are responsible for all costs associated with performing this audit.

If the sub-grantee is proposing to weatherize a HUD building, the sub-grantee must refer to [WPN 22-5](#).

Sub-grantees on QIP will not be eligible to participate in the Multi-Family fund. Once placed off QIP, they may be eligible to participate.