



Indiana's Weatherization Programs

The purpose of Indiana's weatherization programs are to:

- Provide energy conservation measures to the homes of Indiana's low-income population
- To preserve and create jobs and promote economic recovery

Important Upcoming Dates

• July 1- ARRA Hours Created/Retained Due

ARRA sub-grantees must submit job hours created and retained for June by Friday, July 1 at 5:00pm EST. *This is the end of a reporting period and records will lock after this date.*

• August 3- ARRA Hours Created/Retained Due

ARRA sub-grantees must submit job hours created and retained for July by Wednesday, August 3 at 5:00pm EST.

Conflicts of Interest— Puzler Answers:

If you think that each scenario covered in the puzzler was an example of a conflict of interest, you are correct! Each one of the scenarios listed is a considered a conflict of interest by IHCDAs monitors and DOE. Monitors will be investigating conflicts of interest in their DOE monitoring this summer and fall. Use this puzzler and the article in the April issue of *The WX* as quick guides to conflicts of interest, but examine procurement documents, contracts, and agency policies to ensure that conflicts of interest do not exist within your agency. If you have further questions, please consult IHCDAs monitoring staff.

If you did not answer that all the scenarios were conflicts of interest, reread the April issue of *The WX* for more information or contact a member of IHCDAs monitoring staff for further clarification on a specific case at your agency.

The Weatherization Xpress Issue 05 June 2011



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The Weatherization Xpress

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Letter from Paul Krievins:

Ahhhh, summer.

Finally.

It's taken us nine long months of rain, cold, wind, and ice to get here but we made it. For many, the mention of summer conjures up fond memories of garage sales, swimming pools, long nights, and lemonade. For those less fortunate, and for many of our clients, summer brings with it the harsh reality of skyrocketing electric bills, overworked air conditioners, or even worse, no A/C at all.

Working in a program that so often focuses solely on getting families through bitter winters, sometimes we forget what a blessing the work we do all year long can be in the summer time. Duct sealing and pressure balancing means kids sleep in their own bedrooms because the air conditioning keeps them cool. Properly vented bath and kitchen fans mean that families can cook and shower without having to worry about the insulation falling in on top of them or mold growing unchecked in their attics. Insulated attics and band joists mean a house stays cool for a couple more hours without kicking on the air conditioner.

So as you climb into hot attics to insulate and test high limit switches on hundred degree days, please know that every home you work on benefits from what you do in every season. Thanks for all the work you do.

-Paul

Multi-family Buildings— An Auditing TREAT!

You may recall receiving an email from Paul (and, possibly, a follow-up email from Chelsey) asking about the number of multi-family buildings your agency weatherized that were comprised of more than 25 units. This article explains why that information was needed and what it means for your program going forward.

What's going on: IHCDAs information request is in response to a recent inquiry by DOE regarding Indiana's compliance with multi-family audit protocol. The guidance in question can be found in DOE's Weatherization Program Notice 11- 1section 5.5 (www.waptac.org). The guidance says that in states without an approved multi-family waiver audit (Indiana falls under this categorization), properties with five to twenty-four units must use approved energy audit software for multi-family dwellings, such as NEAT. Properties with 25 or more units must use approved software for large multi-family projects, such as TREAT or EA-QUIP. Additionally, DOE requires that buildings with 25 or more units have an audit and work scope approved by the state's DOE Project Officer.

Why now: Prior to ARRA, Indiana weatherized very few multi-family buildings because we had such an extensive single family wait list. Also, larger multi-family projects were (and still are) very difficult to qualify and very expensive to complete. Since ARRA prompted more agencies to attempt these larger buildings, DOE increased their oversight on states adherence to multi-family protocol.

How this affects my agency: If you are doing any multifamily projects between five and twenty-four units, you will need to run the building (not individual units) through NEAT in order to get a building specific scope of work. As always, the scope of work determined by NEAT trumps IHCDAs waiver audits. NEAT-produced work scopes must be adhered to in these cases and those measures with a Savings to Investment Ratio (SIR) of 1 or better must be installed. If your agency wants to work on a building with 25 or more units, you must first notify IHCDAs. On these properties, IHCDAs must collect additional information on the building structure, measures, diagnostic tests, utilities, and Water/HVAC systems. This information is collected and submitted to a firm contracted by IHCDAs for analysis using TREAT software.

What happens if measures change from those already installed: At this time, IHCDAs is evaluating options for covering the cost associated with additional work. If work was done that does not meet the cost effectiveness test, it could be considered disallowable costs. A final determination will be made by Indiana's DOE Project Officer, Shawn Green.

What about smaller multi-family buildings: For properties with 4 or less units, agencies should continue to use IHCDAs approved site-built waiver audit or NEAT software.

Additional questions? Contact Ray Judy to discuss your individual case.



CLIENT FILES: Warming Homes and Hearts

In this issue of *The WX*, we hear from the Executive Director of a shelter participating in the Shelter Repair and Weatherization Project.

“Gentlemen,

I just wanted to take a second to thank both of you for your time and interest in the project being started at Life Choices. I was initially excited about hearing about the weatherization funds, but after meeting with you and better understanding the scope and nature of the work I’ve quickly moved to EC-STATIC! This project stands to be the single most impacting event from a cost saving perspective that could have ever happened. The long term savings for this agency is mindboggling as all resources not directed toward utilities is immediately available for services/clients—the reason we exist. I’m really taken aback when I consider the grand scheme.

I also appreciate the care and thoughtfulness with which you approach your work and your willingness to educate and inform me along the way. I feel like I received a master’s class yesterday. And, although I wouldn’t assert I have an in depth level of knowledge regarding everything that will take place; I do believe I now understand the why and how! Thanks so much.

Eric N. Freeman
Executive Director
Life Choices Maternity & Youth Home

Send your success stories to:
chwininger@ihcda.in.gov



The Monitoring Report:

A Conflict of Interest Puzzler!

As you recall, the April issue of *The WX* included an article about conflicts of interest. In this issue, we test your knowledge of conflicts of interest with a quiz!

First, a refresher:

A conflict of interest occurs when an individual or company is in a position to exploit a professional or official capacity in some way for their personal or corporate gain. To better illustrate what a conflict of interest could be, consider the types below:

- *Self-dealing*, in which a person in the official capacity of his or her job enters in to a deal that benefits that person. In other words, the person making the deal is on both sides of it.
- *Family interests*, in which a spouse, child, or other close relative is employed by, or has a stake in, a company that does business with a relative.

Think you understand conflicts of interest? Take our quiz to test your knowledge!

Conflicts of Interest Quiz

- An auditor has just finished an inspection when the contractor working on the same client’s home asks the auditor to join him for lunch. When the lunch bill comes, the contractor insists on paying the whole bill. The auditor agrees to the contractor’s offer.
- A contractor performs a clean-and-tune on a furnace. During the course of his clean-and-tune, he calls the sub-grantee’s program manager and says that the furnace needs to be replaced. The program manager approves the furnace replacement with no additional verification and the contractor that condemned the furnace installs a new one.
- An auditor conducts an audit on a client’s home and the auditor’s brother works for the contracting company that performed the weatherization work. The brother works on the home the auditor inspected.
- An auditor conducts an audit on a client’s home and the

- auditor’s uncle owns the company that performs the weatherization work.
- A married couple work at a community action agency. The wife supervises the work of her husband.
- A weatherization program manager hires his girlfriend to manage data entry.
- An employee at a sub-grantee needs to purchase supplies for the agency. Her father owns a store that sells the supplies she needs to buy, so she purchases the needed supplies from him.
- It’s time for a sub-grantee to renew contracts with contractors and suppliers. Because the sub-grantee is getting such great deals now, they decide to extend their current contracts rather than soliciting new bidders.

Which one of these eight scenarios constitutes a conflict of interest? Find out your score on the back page!



Federal Audit Results for Indiana

Over the past 15 months, IHCDA and three sub-grantees— REAL Services, Hoosier Energy, and the Indiana Builders Association, have undergone a comprehensive audit by the Department of Energy’s Office of the Inspector General (OIG). Two weeks ago, IHCDA received a preliminary draft of their findings, concerns, and recommendations. We want to share those results with the network.

The Government Accountability Office (GAO) and federal agencies’ OIGs were tasked with overseeing funds allocated through the American Rein-

vestment and Recovery Act (ARRA) to ensure they were spent as prescribed by Congress and in a forthright manner. For ARRA weatherization funds, the GAO and the OIG audited programs in a combined 35 states. Indiana was one of those selected for this audit because of our total funding level, the increase in our funding from pre-ARRA levels, and the risk for fraud, waste, error, and abuse.

This audit was exhaustive; two separate audit groups reviewing three sub-grantees and IHCDA and reviewed everything from procurement, to record keeping, to accounting procedures. In addition, each audit group conducted physical inspections on a sample of

each sub-grantee’s completions and reviewed state-level policies, procedures, and records.

IHCDA received the first copy of our draft report and it included no findings, no concerns and only two recommendations for improvement. We’re not counting our chickens yet, as the final report must still be issued, but we are confident it will be one of the best reports issued by OIG to-date. A huge thank you is owed to the tremendous work of everyone in the network, especially REAL Services, Hoosier Energy, and the Indiana Builders Association for their cooperation with the auditors’ requests.

Governor’s Public Service Achievement Award

Each year, Governor Mitch Daniels presents Governor’s Public Service Achievement Awards to state employees who stretch taxpayer dollars and save the state money. This year Chelsey Winger, Paul Krievins, and Deb Hepler were among the 85 state employees who received such an award from the Governor.

They were nominated for their work in creating and implementing a centralized purchasing system for weatherization sub-grantees, which saved the state more than \$1.4 million dollars in materials to-date. The savings realized with the centralized purchasing system allowed sub-grantees to weatherize an additional 285 homes.

When Indiana was awarded \$132 million through the federal stimulus program to weatherize homes, Governor Daniels charged IHCDA and the Department of Administration to use the state’s bulk buying power to secure aggressive prices on high-dollar, high-volume materials. The team devised a system by which steeply discounted furnaces and fiber-

glass insulation were held at a central location until a sub-grantee needed the products. This state-of-the-art supply chain solution ships the materials purchased by sub-grantees to all 92 counties within 24 hours of order placement and streamlines material tracking by providing real-time delivery information.

The \$1.4 million saved through the centralized purchasing system was part of the more than \$20 million saved by the other state employees honored with a Governor’s Public Service Achievement Award. Chelsey and Paul thank IHCDA Executive Director Sherry Seiwert for the nomination and will continue embrace the culture of performance encouraged by IHCDA and the Governor.

BY THE NUMBERS: HEC Program Progress Report

- Homes weatherized: **17,636**
- Hoosiers served: **40,557**
- National ranking, total units produced: **11th**
- National ranking, percent of total award spent: **9th**
- Percent of total award spent: **75.60%**
- Estimated product savings with Centralized Purchasing: **\$1,504,222.96**

New Faces: Meet Kyle!

IHCDA welcomes Kyle Bias to the weatherization team! Kyle is conducting additional technical monitors on ARRA homes and will be helping Ray, Steve, and Justin finish the real-time monitoring of DOE homes after ARRA production concludes this fall. Kyle comes to IHCDA from CAECI in Richmond, where he was a weatherization auditor and lead risk assessor.

As a monitor on IHCDA’s staff, Kyle looks forward to meeting network staff and serving as another technical resource for agencies. He says the biggest reward of the job is helping our clients in need live in suitable, safe, and more energy efficient homes.

When he’s not crawling through attics or crawlspaces, Kyle cheers for his kids at their sporting events and for the Indianapolis Colts. Please join IHCDA in saying “welcome aboard, Kyle!”