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1. ELIGIBLE CLIENTS AND DWELLINGS

1.1. Eligibility

Eligibility determination between heating seasons:

Applications are available all year for weatherization services.

1. When determining eligibility for weatherization during the LIEAP non-heating season (May 1-September 30) agencies must follow the eligibility guidelines for the Low Income Energy Assistance Program (LIEAP).
2. Tribal weatherization clients must be determined eligible for the Tribal Low Income Energy Assistance Program or in accordance with the DOE approved state plan as if the applicant had applied during the Tribal heating season.
3. Agencies must determine the priority for weatherization-only applicants that apply during the non-heating season unless a primary heating or water system emergency exists..



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1.2. Priority for Weatherization Services

Agencies must prioritize the weatherization of dwellings based upon the following:

1. Households must be Low Income Energy Assistance Program (LIEAP) eligible to receive weatherization services.
2. Households must be on the priority list supplied by the Department. Prioritization for weatherization services is based upon the household's energy burden with preference given to households containing disabled or elderly members. Agencies that provide weatherization services for Tribal clients must use information provided by the Tribal Low Income Energy Assistance Program to determine the priority for weatherization services.
3. Households can apply for weatherization-only services during the non-LIEAP heating season (May 1 – September 30). These households will not be reflected on the Department generated priority list but the agency must determine the weatherization priority based upon the household's energy burden, unless the household is applying with a primary space heat or primary water heat emergency.

Determine the household's energy burden by dividing the household's twelve (12) month energy consumption (obtained from the fuel vendor) by the household's annual income for the twelve (12) months prior to the month of application. If there is a household member who is over the age of sixty (60) or disabled (determined under the federal Social Security Administration (SSA) Title II or Title XVI criteria), the energy burden is multiplied by 1.25. This gives a priority number preference to households that contain an elderly and/or disabled member. Take the household's energy burden and see where that would place them on the priority list. Assign the corresponding priority number to the household.

- **Example:** A disabled household has an annual energy consumption of \$2500 with an annual income of \$12,000.

Annual Energy Consumption ÷ Annual Income = Energy Burden

$$2,500 \div 12,000 = .21$$

$$.21 \times 1.25 = .26$$

26% is the household's energy burden. The household would receive the priority number just before the household with a 27% energy burden.

The agency then must compare the calculated priority number to the Department generated priority list to determine when the household will be weatherized.

The priority number is determined by dividing the household's annual income for the twelve (12) months prior to the month of application into the household's twelve (12) month energy consumption (obtained from the fuel vendor). This calculation determines the household's



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energy burden. If there is a household member who is over the age of sixty (60) or disabled (determined under the federal Social Security Administration (SSA) Title II or Title XVI criteria), the energy burden is multiplied by 1.25. This gives a priority number preference to households that contain an elderly and/or disabled member.

The agency then must compare the calculated priority number to the Department generated priority list to determine when the household will be weatherized.

4. Homes not weatherized or weatherized prior to September 30, 1994 are eligible for weatherization with Department of Energy (DOE) and Oil Overcharge (EXXON and STRIPPER WELL) funds.
5. Bonneville Power Administration (BPA) weatherization program does not have a re-weatherization date.
6. Homes not weatherized or weatherized prior to the date ten (10) years before to the eligible application date for the current heating season (October – September) are eligible for LIEAP weatherization funds and the NorthWestern Energy (NWE) Free Weatherization Program.
7. A household on the priority list will remain eligible for weatherization services until the new priority list is generated by the Department. The agency priority list is generated for eligible LIEAP households twice per program year.
8. Households must be weatherized in order of priority. Agencies can move up a household's weatherization priority based upon an emergency situation, travel considerations (e.g., agency's next weatherization project is out of town; another dwelling with a lower priority number in the same area would also be weatherized by the agency during the program year; both dwellings can be weatherized by the agency to save on travel costs) or due to co-funding a weatherization project with utility funding.
9. Determine if the household was previously weatherized.
10. Priority for weatherization on Tribal reservations will be based upon such factors as the number household members, the number of household members who are elderly and/or disabled, number of household members below the age of six (6), fuel type, emergency situations and type of dwelling.



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1.3. Eligible Dwellings

A. Policy

Agencies will perform weatherization services on single family dwellings where the occupants (owners or renters) have been determined eligible for the Low Income Energy Assistance Program (LIEAP) or weatherization programs. Eligible dwellings will be prioritized for weatherization as found in WAP 1.2.

Multi-family Dwellings:

Agencies may weatherize multi-family dwelling units from the weatherization priority list if not less than 66% (50% for duplexes and four unit buildings and certain eligible types of large multi-family buildings) of the dwellings in the building are eligible dwelling units.

When using American Recovery and Reinvestment Act (ARRA) funding to weatherize multi-family units that are five (5) stories or more, the agency is subject to the Davis-Bacon "Building Construction" prevailing wage requirements rather than the "Residential Construction" prevailing wage requirements.

Note: Agencies must receive permission from the Department to weatherize buildings larger than four (4) units.

Note: Montana DEQ sampling requirements apply to dwellings with more than 4 units, even if only a single unit is being weatherized.

Shelters or Group Homes:

Agencies may weatherize shelters or group homes. The number of dwellings that exist in a shelter or group home is based upon either eight hundred (800) square feet of the shelter/group home as a dwelling unit or each floor of the shelter/group home.

Note: When shelter or group home residents are residing in the shelter or group home for reasons associated with being low-income and the mission or purpose of the shelter or group home is to serve low-income people, there is no requirement for application for weatherization. As long as the agency documents that the shelter or group home meets this criteria, the shelter or group home can be weatherized.

For shelters or group homes that do not meet the above criteria, agencies must determine eligibility for weatherizing the shelter or group home based upon the occupants at the time of application. Each occupant must complete an application for assistance, including the manager if the manager lives in the dwelling. Eligibility is based upon the application and verification provided by each occupant.



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B. Residency Requirements

Dwelling for Sale:

No owner occupied residence shall be weatherized if it is being offered for sale.

No renter occupied residence shall be weatherized if it is being offered for sale unless it can be demonstrated that the residence will continue to be occupied by eligible tenants.

Owner/Occupant Move:

If the owner/occupant moves from the dwelling or passes away after weatherization work has begun, weatherization of the dwelling may be completed. The agency also has the option to walk away from the dwelling.

Owner/Occupant Refusal of Measures:

Before any work is started on the dwelling; all work that intends to be completed must be explained to the owner/occupant. If the owner/occupant refuses **any SIR related measure** from the Energy Audit, the agency must walk away from the dwelling. The agency must get a signature from the owner/occupant refusing the work and deferring the project. The dwelling would then be considered deferred for weatherization, however, the agency may need to provide the owner/occupant with a copy of the DPHHS-EAP-023 "Notice of Dangerous Conditions" form if a situation exists in the household that would normally be corrected through the weatherization process. A copy of the completed refusal form must be kept in the weatherization case file.

Note: It is recommended to have the owner/occupant sign a refusal form when any measure, regardless of the priority of the measure, is refused and retain the refusal form in the weatherization case file.



1.4. Lead Safe Weatherization and Mold

Lead Safe Practices:

Agencies and contractors performing renovation; repair and painting projects that disturb lead-based paint in homes built prior to 31 December 1977 must be certified and must follow specific work practices to prevent lead contamination. All Agencies and contractors performing renovation, repair, and painting projects that disturb lead-based paint in dwellings built prior to 31 December 1977 must be certified by EPA testing practices and demonstrate that they use certified renovators who are trained by EPA-approved training providers to follow lead-safe work practices.

The rule affects paid contracting renovators; maintenance workers in multi-family housing and painters who are contracted by the agency to work in dwellings built prior to 31 December 1977, including mobile home housing. The requirements apply to renovation, repair or painting activities. The rule does not apply to minor maintenance or repair activities where less than two square feet of lead-based paint is disturbed in a room or where less than 20 square feet of lead-based paint is disturbed on the exterior. **Window & glass replacement is not minor maintenance or repair.**

Agencies will determine the age of the dwelling to be weatherized at the time of the initial inspection. The age of the dwelling will be recorded in the weatherization case file. Any dwelling built prior to 31 December 1977 is suspect for lead based paint unless it has been certified as lead free. Lead-Safe Weatherization (LSW) practices must be followed in order to minimize exposure to lead dust and debris to the occupants of the dwelling, agency weatherization workers and family members. Lead poisoning can affect a person at any age.

Mobile Homes:

Agencies and contractors performing renovation; repair and painting projects in mobile homes built prior to 31 December 1977 must determine if the surfaces to be weatherized have not been previously painted. If it is determined that surfaces have not been painted; the mobile home can be determined exempt from LRRP practices. If it cannot be determined that the surfaces have been painted, LRRP practices must be followed. Determination documentation must be maintained in the client file.

Notification of the possible presence of lead based paint:

Agencies and or certified firms must provide the lead hazard information pamphlet, "The Lead Safe Certified Guide to Renovate Right" at least seven (7) days prior to weatherization work beginning on a dwelling to owners and occupants of dwellings built prior to 31 December 1977.



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Note: Agencies must maintain a signed copy of the “Confirmation of Receipt of Lead Pamphlet” form in the weatherization file or certification of mailing of the pamphlet from the post office at least seven (7) days prior to beginning weatherization.

Lead Testing Procedures:

Paint testing or an assumption of the presence of lead must be made prior to the renovation of all surfaces to be affected by the weatherization work. The agency can test the paint using the EPA-recognized test kits or they can elect to presume that the paint is lead based and LSW/LRRP practices must be followed.

LeadCheck is the only test kit that EPA has approved and the only current method authorized for use in determining the presence of lead in painted surfaces. Only certified renovators can perform the lead test.

Lead Safe Weatherization:

When an agency determines that weatherization work will be performed on a dwelling built prior to 31 December 1977 and not determined to be lead free, all work will be performed in a Lead-Safe Weatherization (LSW/LRRP) manner as found in the Montana Installation Standards; the Montana Lead-Safe Weatherization Jobsite Handbook and the Lead Safety for Renovation, Repair and Painting Manual.

Lead-Safe Weatherization (LSW/LRRP) practices will be followed when either the amount of disturbed lead-based painted surfaces exceeds two (2) square feet per room of interior surface, twenty (20) square feet of exterior surface, ten percent (10%) of a small component type (e.g. window) or the amount of lead-based paint dust that will be generated by weatherization work exceeds the Occupational Safety and Health Administration (OSHA) defined airborne levels for lead.

Reporting and Documentation:

When EPA-recognized test kits are used, the Certified Firm must provide a report to the client (in case of rental, both the client and the landlord) within 30 days after completion of the renovation. The following must be included in the report:

- The date of testing.
- Identification of and contact information for the Certified Firm and Certified Renovator performing the testing.
- Test kit manufacturer’s name and kit identification.
- Locations of surfaces tested, descriptions of the surfaces tested, and the results of the testing.
- Copies of the report and documentation of receipt by the client and landlord must be maintained in the client file.



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Any LSW/LRRP work performed on dwellings (including mobile homes) built prior to 31 December 1977 and not certified as lead free must be photographed and documented in the weatherization file. The photographs must show the LSW measures undertaken during the work performed on the dwelling, including set-up, safety barriers, and clean up. The photographs must include the visual inspection procedure and cleaning verification (CV) procedure, with the results of the clearance test performed by the certified renovator.

Record Keeping:

Records must be retained for three (3) years following completion of renovation.

During the renovation; the agency must ensure the following records are kept at the job site:

- Copies of Firm Certification.
- Certified Renovator Certification.
- Lead Based paint testing results.
- Proof of owner/occupant pre-renovation education.
- Non-certified worker training documentation.

Upon completion of the renovation project these records must all be maintained in the client file with the photographs of the LSW/LRRP work and clearance tests.

Appropriate Blood Lead Level (BLL) baseline tests for workers performing LSW/LRRP work should be maintained in the agency's files.

Mold:

For dwelling units where mold conditions have been identified, the agency must provide the occupant with a signed copy of the DPHHS-EAP-032 "Montana Mold Assessment and Release Form". A copy of the signed form must be maintained in the weatherization file.



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1.5. Access Agreements

No weatherization work will begin on a dwelling until the occupant and/or owner of the dwelling completes the DPHHS-EAP-013 "Montana Weatherization Assistance Program(s) Access Agreement". Copies of the signed DPHHS-EAP-013 must be provided to the occupant and/or owner of the dwelling and the original signed copy must be maintained in the agency's weatherization file.



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1.6. Combustion Appliances in Rental Units

The Montana Residential Landlord and Tenant Act of 1977 (Montana Codes Annotated (MCA) 70-2425 states at 70-24-303 (1) 'A landlord:

(e) shall maintain in good and safe working order and condition all electrical, plumbing, sanitary, heating, ventilating, air-conditioning, and other facilities and appliances, including elevators, supplied or required to be supplied by the landlord;

(g) shall supply running water and reasonable amounts of hot water at all times and reasonable heat between October 1 and May 1, except if the building that includes the dwelling unit is not required by law to be equipped for that purpose or the dwelling unit is so constructed that heat or hot water is generated by an installation within the exclusive control of the tenant.

Unless a landlord can demonstrate that they are low-income or have some mitigating circumstances, the responsibility for the maintenance, repair or replacement of the combustion appliance in the rental unit is the responsibility of the landlord. Mitigating circumstances may include, but are not limited to:

- The landlord is absentee and the agency cannot contact the landlord and the maintenance, repair or replacement of the appliance is necessary to alleviate the health and safety related issue.
- The landlord refuses to maintain, repair or replace the appliance and the occupants of the dwelling have a health and safety issue with the appliance.
- The landlord cannot maintain, repair or replace the appliance in a timely manner to alleviate the health and safety issue.

All mitigating circumstances regarding the landlord not maintaining, repairing or replacing an appliance in a health and safety related circumstance must be documented in the client's case file. The agency can contact the Department for guidance for determining a mitigating circumstance.



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1.7. Dwellings for Sale

No residence shall be weatherized if it is being offered for sale.



2. WEATHERIZATION SERVICES

2.1. Computerized Energy Audit Requirements

A. Policy

The Montana Computerized Energy Audit (CEA) is an Internet-based application used by state and tribal weatherization agencies to initially determine the cost-effectiveness for weatherization measures that may be performed on a dwelling. The CEA also records the actual costs for weatherization measures performed on a dwelling and final cost-effectiveness calculations as part of the completion process.

After the initial inspection of a dwelling has been completed by the agency's certified weatherization inspector/auditor, information regarding the existing conditions in the dwelling is entered into the CEA. The CEA uses existing condition information gathered during the initial inspection and proposed weatherization-related changes to analyze the dwelling as a whole system. The CEA calculates interactions between the envelope of the dwelling, the heating and air exchange systems and the lifestyles of the occupants. The CEA uses information regarding the primary and secondary heat types, the efficiencies of the heat systems, annual energy costs, the number of occupants, the number of occupants who smoke, buffer factors, wind exposure and health and safety hazards. (For more detailed descriptions of the interactions of the components of the CEA and non-feasibility criteria for weatherization measures, see the Montana Weatherization Installation Standards.)

One of the primary objectives of an auditor performing an energy audit should be to strive to ensure the input values in the audit reflect the most accurate and realistic information available. The certified inspector/auditor enters into the initial CEA the proposed weatherization-related changes to the existing conditions that the agency may perform on the dwelling. (Please see part C. Changes to the Computerized Energy Audit.) The estimated or actual costs (Installation and Materials) associated with performing the proposed changes/services are also entered into the CEA for the respective measures and the CEA determines the cost-effectiveness Savings-To-Investment Ratio (SIR) for attic insulation, floor insulation, wall insulation, crawlspace/rim joist/basement insulation, windows, doors and infiltrative measures. Each of these measures must meet an Individual SIR (Currently 1.0) and the Overall SIR (Currently 1.0) in order to be performed by the agency.

Note: Agency crew/contractor travel costs, transportation costs or agency/contractor overhead costs are not to be entered into the computerized energy audit for any measure. These costs are considered overhead costs that are associated with the individual weatherization project to be expensed to the respective federal funding source. Overhead costs for federal contracts as well as computerized energy audit costs for federal and utility contracts are expensed to the respective contract program operations line item and are



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considered expenses for the average cost per dwelling. See WAP 6.8 for more detailed information.

Minor repairs costs are not required to meet the Individual SIR criteria, but the costs associated with energy-related Minor Repairs are used in the CEA for the Overall SIR calculation.

Amounts expensed in the CEA for performing inspections/repairs on the heat system, health and safety measures and the audit costs are not subject to the Individual or Overall SIR calculations, but are subject to contractual limitations and/or averages, i.e. Health and Safety Department of Energy (DOE), Oil Overcharge (EXXON and STRIPPER WELL) and NorthWestern Energy (NWE) expenditures are limited to a fifteen percent (15%) state average.

After the initial CEA is completed, the audit will prioritize, in descending order, the proposed measures by cost-effectiveness. The most cost-effectiveness measures must be completed first during the weatherization of a dwelling.

The CEA does not prioritize work on heat systems or health and safety measures. The Montana Administrative Rules of Montana (ARM) at 37.71.602 prioritizes work on heating system and water heaters higher than work on air infiltration, insulation, ventilation and moisture control, windows, doors and general repairs.

Note: If the proposed costs for the weatherization of a dwelling will exceed \$9,000, the agency must request and receive written permission from the Department before proceeding with the project. Prior written permission from the Department can be waived in cases of emergency or urgency determined by the agency. The Department still must be contacted for approval after the fact.

The completed CEA must be electronically available for review. The agency must, at a minimum, keep a copy of the final Summary Page in the client's case file. The agency also has the option to print out the entire CEA to be placed in the case file.

B. Buy-down

If the total material and labor costs to perform a weatherization measure brings the individual Savings-to-Investment Ratio (SIR) below 1.0, the owner/landlord/other non-federal funding source can "buy-down" or cost share to bring the SIR up to a 1.0 or greater cost-effectiveness.

For example, the total cost to insulate an attic is \$1,000. The CEA will only support \$800 to arrive at a 1.0 SIR. The owner of the dwelling is willing to pay \$200 as a "buy-down" or cost share. With the owner's contribution, the attic can be insulated. The \$800 will be subject to the SIR calculation and the \$200 will be recorded on the CEA as a contribution.



C. Changes to the Computerized Energy Audit

Heating System Seasonal Efficiency:

The Department sets certain parameters in the Computerized Energy Audit (CEA) based upon averaged information for heating system units existing in dwellings. As part of the weatherization of a dwelling, the heating system is inspected, tested and, if necessary, repaired or replaced.

If heating systems are going to be replaced during the course of weatherization work, the seasonal efficiency of **replacement units** (not the seasonal efficiency of units being replaced) must be reflected in the energy audit.

By requiring agencies to utilize seasonal efficiencies of heating systems that will be utilized to address on-going rather than past heating needs, we are ensuring that decisions regarding which measures to perform are determined based on accurate energy usage characteristics.

Fuel Cost Parameters:

The Department sets certain parameters in the Computerized Energy Audit (CEA) based upon averaged information for the state. Parameters for fuel costs for natural gas, electricity, propane, fuel oil, coal and wood are updated by the Department once per year at the start of a contractual time period.

In some instances, non-regulated fuel type prices can change during a contract time period within an agency's service area. If the agency can document a fuel type price change by averaging prices gathered from fuel vendors within the service area, the fuel price per unit for that specific fuel type can be changed by the agency on the individual CEA. The change in the fuel price used in the CEA must be documented in the comments section of the CEA and also in the weatherization case file.

Note: The costs for NorthWestern Energy (NWE) fuel types cannot be changed on the Computerized Energy Audit (CEA).

Units of fuel types are described as follows:

| | |
|----------------|---------------|
| Natural Gas | Dekatherm |
| Electricity | Kilowatt Hour |
| Propane/Butane | Gallon |
| Fuel Oil | Gallon |
| Coal | Ton |
| Wood/Hardwood | Cord |

Heating Degree Day (HDD) parameters are another change that an agency can make on the individual CEA based upon documented information.



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An averaged HDD amount is available for each agency's service area based upon a 30 year average compiled by the National Oceanic and Atmospheric Administration (NOAA). (For a more detailed explanation of Heating Degree Days, please see the Montana Installation Standards.)

Agencies have the option of using in the CEA, the average HDD information for its service area or the actual amount of HDD for localities within the service area. Both the agency's service area average and certain service area locality HDD information is available on the CEA. In some instances, an agency may have documentation of a more specific HDD amount for a specific location within the service area where a dwelling is to be weatherized. The agency can update the HDD information on the individual CEA that will be used in the cost-effectiveness calculations for that dwelling. The weatherization case file must contain the documentation for the use of the HDD information.

Note: If the Heating Degree Day (HDD) average is listed in the Computerized Energy Audit for the location where the dwelling is located and the agency has no additional documented information regarding the area's HDD average, the agency must use the location HDD and not the service area average.

D. Client Refusal of Cost Effective Weatherization Measures

If the client **refuses** installation of the most cost-effective measure(s), the agency must walk away from the weatherization project, unless the client provides reasonable justification for refusal of the measure.

If the agency determines the client has provided reasonable justification for refusal of the most cost-effective measure(s), the agency must request and receive written permission from the Department before proceeding with the weatherization project.

E. Self Help Towards Weatherization Measures

If the owner/landlord wishes to contribute self-help (other than simple low cost/no cost measures such as install of CFLs, low-flow showerheads, etc) the agency must execute a written, signed contract with the owner/landlord outlining:

- the specifications of the work to be performed;
- the supplies and materials to be provided;
- the deadline for completion;
- liability rests with the owner/landlord;
- if work not performed by the deadline all supplies/materials must be returned to the agency.

The agency must request and receive written permission from the Department before proceeding. If written permission is granted by the Department the agency must inspect the self-help work to insure proper installation as well as completion of the measure/work.



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2.2. Blower Door Requirements

A. Policy

The blower door is a diagnostic tool used by an agency to measure air leakage (Infiltration) in cubic feet per minute (CFM) and/or natural air changes (NAC) for a dwelling and to identify areas within the dwelling that are in need of air sealing. By using a blower door, the agency can measure air tightness (CFM/NAC) in a dwelling to determine the ventilation rate, energy loss due to infiltration and determine if the dwelling is too tight or too loose. (For a more detailed explanation of the use of a blower door, please see the Montana Installation Standards.) The blower door either pressurizes and/or depressurizes the dwelling to test the CFM/NAC infiltration rate. The blower door can also be used as a diagnostic tool for zonal comparisons and duct system analysis and repair.

The agency is required to document the dates and results of the pre- and post-weatherization blower door tests as well as the signature of the person performing the tests in the weatherization case file.

Weatherization contracts require that a pre- and post-blower test be performed on each dwelling weatherized. The pre-blower door test is usually performed during the initial inspection of the dwelling and the post-blower test is either performed during the agency's final inspection of the dwelling after all weatherization work has been accomplished or as part of actual weatherization infiltration work that is being performed on the dwelling. (See the Montana Installation Standards for the test conditions for performing the blower door tests.)

Target CFM/NAC infiltration rates for a dwelling is found in the Montana Installation Standards. Target infiltration rates are based upon the number of occupants in the dwelling, the number of smokers in the dwelling, the cubic volume of the dwelling and the British Thermal Units (BTU) input of the combustion appliances in the dwelling. The goal of performing weatherization measures, including infiltration reduction measures, is to reduce the CFM/NAC infiltration rate in the dwelling to the Target CFM/NAC infiltration rate.

The pre-blower door test results and the Target CFM must be recorded in the initial Computerized Energy Audit (CEA). The post-blower door test results must be estimated and input into the CEA based upon the dwelling type, the condition of the dwelling and agency's experience in reducing the CFM/NAC rate with all of the proposed weatherization measures to be performed on the dwelling. During the final inspection of the dwelling or at the completion of the proposed weatherization measures/services, the actual post-blower door test will be performed and the actual results must be entered into the weatherization case file and CEA.

When the pre-blower door test results from the initial inspection of the dwelling along with the Target and estimated post-blower door test results are entered into the Infiltration section of the initial CEA, the agency also must enter the estimated material and labor costs for performing



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infiltrative measure. This information allows the agency to have the CEA determine the cost-effectiveness of the proposed measures.

After the agency performs the post-blower door test, the agency must input the actual test results in the Infiltration section of the CEA along with the actual material and labor costs. When this information is input, the Savings-to-Investment Ratio (SIR) must still be 1.0 or greater.

B. Omission of performing blower door tests:

The pre- and post-blower door tests must be performed on a dwelling unless the circumstances within the dwelling meet the requirements found in the Montana Installation Standards for omitting the performance of a blower door test.

Note: The agency must explain the purpose and procedures for the pre-and post blower door tests. If the client refuses the blower-door testing the agency must defer the weatherization of the dwelling.

A **pre-blower door test** must be performed during the initial inspection of a dwelling unless one of the following criteria exists. All efforts must be made to perform the pre-blower door test if it is not performed, the auditor must use a reasonable estimated pre-blower door test result based upon experience and the condition of the dwelling.

- When a fireplace, coal or wood stove is in use.
- When the outside temperature at the time of the test is below 40 degrees Fahrenheit.
- When a household member is either sick, elderly, disabled or below the age of eight (8) years old.
- When the dwelling fails a 'worst case' draft test. A 'worst case' draft test determines the presence of gas leaks or back drafting of combustion appliances.
- When the blower door is out of order.
- When there is the possible presence of friable asbestos, lead paint, mold or any other potentially hazardous materials or conditions.

The **post-blower door** test must be completed by the agency to assure that weatherization measures have not compromised the air quality within the dwelling which may result in mold or moisture problems or limit combustion air for appliances. Post-blower door tests must be performed unless:

- the client moves from the dwelling before the weatherization of the dwelling can be completed,
- the client passes away before the weatherization of the dwelling can be completed

The reason for the non-completion of the post-blower door test must be documented in the case file and on the Computerized Energy Audit (CEA).

C. Target Blower Door Standards:



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Whenever the Target blower door standards cannot be reached by the agency during the weatherization of the dwelling, the reason must be documented in the weatherization case file and the Computerized Energy Audit (CEA).



2.3. Health and Safety Related Deferrals

A. Policy

The weatherization of a dwelling can be deferred (postponed until a later date) by the agency if providing weatherization services would pose a threat to the health and safety of the occupants, agency staff or contractors. The weatherization will be postponed until the conditions that pose a threat to health and safety have been resolved.

Note: If federal weatherization funds are expensed for any weatherization activities for a dwelling considered by the agency to be deferred or if the dwelling is counted as a completion in a federal contract time period, the re-weatherization dates for Department of Energy (DOE), Oil Overcharge (EXXON and STRIPPER WELL) and the Low Income Energy Assistance Program (LIEAP) weatherization programs apply to the dwelling.

Household eligibility must be verified and current prior to weatherization proceeding after deferral.

Also, under the NorthWestern Energy (NWE) Free Weatherization Program, dwellings where no additional work can be accomplished due to the presence of health and safety issues, the weatherization work on the dwelling is to cease but the agency may expense the NWE weatherization contract for: the installation of a water heater wrap; up to ten (10) feet of pipe insulation for the hot water distribution pipe; low-flow showerheads and faucet aerators; compact fluorescent lamps (CFL); gas appliance inspections and tune-ups; carbon monoxide (CO) alarm and one (1) energy education visit. NWE will reimburse the agency 100% of the costs of the above and providing these services does not subject the dwelling to the federal re-weatherization dates.

Health and safety circumstances that justify the deferral of weatherization services include, but are not limited to:

- The occupant has a known health condition that prohibits the installation of insulation or other weatherization materials.
- The building structure or the mechanical systems within the dwelling, including electrical and plumbing, are in such a state of failure or imminent failure and the conditions cannot be cost-effectively resolved.
- The dwelling has sewage or other sanitary problems that would further endanger occupants, agency staff or contractors if weatherization work was performed.
- The dwelling has been condemned or electrical, heating, plumbing or other equipment has been condemned ('red-tagged') by local or state building officials or utilities.
- There are moisture problems in the dwelling that are so severe they cannot be cost-effectively resolved under existing health and safety measures or minor energy-related repairs.
- Dangerous conditions exist due to high carbon monoxide levels in combustion appliances within the dwelling which cannot be resolved under existing health and safety measures.



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- The occupant/owner is uncooperative, abusive or threatening to agency staff and/or contractors who must visit the dwelling to perform weatherization-related measures or services.
- The extent and condition of lead-based paint, mold or asbestos located in the dwelling would potentially create further health and safety risks.
- In the judgment of the Department or weatherization agency, any condition exists which may endanger the health and or safety of the occupant, agency staff or contractor.

The reasons for the deferral of a weatherization project must be documented in the weatherization case file. The agency must provide the occupant/owner with a copy of a completed DPHHS-EAP-020 AGENCY HEALTH AND SAFETY AND WORK AGREEMENT. This form lists the health and safety conditions that must be addressed by the occupant or owner prior to weatherization work beginning or continuing on the dwelling. The form also lists the weatherization measures that are scheduled for the dwelling and requests that the agency be notified when these conditions have been corrected. A copy of this completed form is given to the occupant, a copy to the owner and a copy is retained in the weatherization case file.

B. Medical Marijuana Act

Agencies cannot refuse to weatherize a dwelling for an occupant who is otherwise eligible based on their use of medical marijuana. The Medical Marijuana Act provides that a person who possesses a registry identification card issued pursuant to 50-46-103 may not be penalized in any manner or be denied any right or privilege. See Section 50-46-201(1), MCA.

There is nothing illegal in going about weatherization activities in a dwelling where occupants are smoking or growing cannabis, there is no legal obligation to determine whether occupants are properly registered, and there is no legal obligation to report the smoking or growing of cannabis.

If agency staff and/or contractors have an allergy to smoke or a health condition such that the person's health or well being would be impaired by being exposed to smoke directly or indirectly, that person is not required to work in a dwelling where cannabis is used. However, weatherization services have to be provided. Non-health related reasons are not grounds for a person to be excused from working in a dwelling where cannabis is used if there is no one else available to do the work. Agency staff and/or contractors may ask the occupant not to smoke in the work area.

Note: Agency staff or contractors may not disclose the fact a person whose dwelling they have weatherized is registered in the Medical Marijuana Program or the fact that they saw the person using medical marijuana. Section 50-46-202, MCA, provides as follows:

Disclosure of confidential information relating to medical use of marijuana -- penalty. (1)
A person, including an employee or official of the department or other state or local government agency, commits the offense of disclosure of confidential information



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relating to medical use of marijuana if the person knowingly or purposely discloses confidential information in violation of 50-46-103. (2) A person convicted of disclosure of confidential information relating to medical use of marijuana shall be fined not to exceed \$1,000 or be imprisoned in the county jail for a term not to exceed 6 months, or both.



2.4. Health and Safety Related Repairs

A. Policy

The health and safety of weatherization clients, weatherization agency staff and weatherization contractors is a prime concern of the Department. It is important that weatherization agency staff and contractors be aware of the potential hazards of the weatherization process and minimizes risks to clients, workers and contractors.

Note: For more detailed explanations of weatherization agency requirements under the United States Department of Labor Occupational Safety and Health Act (OSHA); Hazard Communication Standards for Material Safety Data Sheets (MSDS); the Montana Safety Culture Act and Weatherization Safety Hazards, refer to the Montana Weatherization Installation Standards.

Each dwelling inspected or weatherized by an agency must be assessed to determine the existence of potential health and safety hazards to occupants and/or agency staff or contractors. When a health and safety hazard, situation or condition is determined by the agency that cannot be corrected with weatherization contract funds, the agency must defer the weatherization of the dwelling and provide the occupant and owner with a copy of the DPHHS-EAP-020 AGENCY HEALTH AND SAFETY AND WORK AGREEMENT. (See WAP 2-3 Health and Safety Related Deferrals.)

Health and safety funds can be expended for: electrical repairs/maintenance, minor plumbing repair, rain gutter installation or repair, vapor barrier installation or repair, exhaust equipment installation or repair, pressure relief valve installation, repair or modification, glass repair or replacement, fire barrier installation or repair when required by code, other combustion appliance testing and repair, safety equipment and/or instructional materials, space heat replacements and water heater replacements.

Note: Funds cannot be expensed to the NorthWestern Energy (NWE) Free Weatherization Program contract for natural gas space and water heater replacements unless there is condemnation ('red-tag') by a NWE service person. (See the NWE Service Order that is an attachment to the agency's NWE Free Weatherization contract.)

Health and safety circumstances that justify the deferral of weatherization services include, but are not limited to:

- The occupant has a known health condition that prohibits the installation of insulation or other weatherization materials.
- The building structure or the mechanical systems within the dwelling, including electrical and plumbing, are in such a state of failure or imminent failure and the conditions cannot be cost-effectively resolved.
- The dwelling has sewage or other sanitary problems that would further endanger occupants, agency staff or contractors if weatherization work was performed.



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- The dwelling has been condemned or electrical, heating, plumbing or other equipment has been condemned ('red-tagged') by local or state building officials or utilities.
- There are moisture problems in the dwelling that are so severe they cannot be cost-effectively resolved under existing health and safety measures or minor energy-related repairs.
- Dangerous conditions exist due to high carbon monoxide levels in combustion appliances within the dwelling which cannot be resolved under existing health and safety measures.
- The occupant/owner is uncooperative, abusive or threatening to agency staff and/or contractors who must visit the dwelling to perform weatherization-related measures or services.
- The extent and condition of lead-based paint, mold or asbestos located in the dwelling would potentially create further health and safety risks.
- In the judgment of the Department or weatherization agency, any condition exists which may endanger the health and or safety of the occupant, agency staff or contractor.

Note: The replacement of an electric domestic water heater (DWH) is not an allowable health and safety expenditure under the NorthWestern Energy (NWE) Free Weatherization program.

B. Limitation of Expenditures

The Department of Energy (DOE) and Oil Overcharge (EXXON and STRIPPER WELL) weatherization contracts limit the amount of funds available for health and safety related expenditures. This limitation is an averaged amount per dwelling which is set at fifteen percent (15%) of funds and this amount is designated as a line item in the respective contracts.

The Bonneville Power Administration (BPA) weatherization contracts also limit the amount of funds available for health and safety measures in a line item. The contract also specifies that repair costs, including costs to repair or replace electric heaters or furnaces if they are broken, not working or fail to properly heat the dwelling, cannot exceed an average of \$1,000 per dwelling weatherized.

Other weatherization contracts do not limit the amount of funds that can be spent on health and safety conditions.

C. Other sources of funding

In some instances the weatherization agency may determine that a health and safety hazard, situation or condition in a dwelling being weatherized meets the criteria for Emergency Assistance under the Low Income Energy Assistance Program (LIEAP) Contingency Revolving Fund (CRF).

The following is the LIEAP Emergency Assistance criteria:

“Emergency Assistance under the Low Income Energy Assistance Program (LIEAP) may be provided to an eligible household in the following circumstances only when such



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circumstances present an imminent threat to the health and safety of the household. **Note:** The household is responsible, at its own expense, for documenting that circumstances exist which present a serious, immediate threat to the household. The local contractor may in its discretion, assist the household in identifying and documenting such circumstances, if the local contractor has the expertise and resources to do so.

CONDITIONS OF EMERGENCY:

1. The household's primary supply of energy is interrupted because of weather conditions and another supply or a different type of energy is necessary.
2. Weather or other forces outside the control of the household damages the household's dwelling and causes the dwelling to suffer a severe loss of heat.
3. Hazardous or potentially hazardous conditions exist in the household's primary home water heating and/or space heating system, and safety modifications are required.
4. Any other home energy related conditions caused by severe weather conditions, fuel shortages and/or acts of God.

Note: The identification, removal and/or abatement of asbestos is not an allowable use of Emergency Assistance funds.

A household eligible for the Low Income Energy Assistance Program (LIEAP) which has an emergency as defined above is eligible for Emergency Assistance.

A household which would be eligible for the Low Income Energy Assistance Program (LIEAP) had the household applied and which has an emergency as defined above is also eligible for Emergency Assistance.

AMOUNT OF ASSISTANCE:

Emergency Assistance payments may be made on behalf of the eligible household for actual costs necessary to alleviate the emergency up to \$250 per program year. **Exceptions:** In situations where the costs of alleviating a life threatening emergency exceeds \$250, Emergency Assistance payments for actual costs may be made when the contractor determines before the services are rendered that the services are necessary to alleviate a life threatening situation.

Requests for Emergency Assistance payments for actual costs can be made after services are rendered. The request must be made within forty-eight (48) hours of the service and the contractor must determine that the services were necessary to alleviate a life threatening situation.

No Emergency Assistance payments will be made for costs which are the liability of a third party, unless the household assigns to the Department, in writing, its rights to such third party payments. (The household assigns the rights to third party payments when the application for assistance is signed.) In emergency circumstance call your Department of Public Health and Human Services (DPHHS) Field Supervisor for guidance.



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Emergency Assistance benefits are available from October through September.

TIMELINES:

In life threatening situations, the Agency must provide some form of assistance to resolve the emergency within eighteen (18) hours from the request for Emergency Assistance if the household is financially and otherwise eligible to receive such assistance. In all other emergency situations, the Agency must provide some form of assistance to resolve the emergency within forty-eight (48) hours if the household is financially or otherwise eligible to receive such assistance. The Agency must document the request for Emergency Assistance and the resolution using the Low Income Energy Assistance Program (LIEAP) Emergency Assistance Request Form (DPHHS EAP-250) or its equivalent. (See copy in LIEAP 600-7.)

The above time limits do not apply in a geographic area affected by a disaster or emergency if the Secretary of the U.S. Department of Health and Human Services determines that the disaster or emergency makes compliance with the time limits impracticable. This exception to the time limits applies when the Secretary of the U.S. Department of Health and Human Services designates a natural disaster or if a major disaster or emergency is designated by the President under the Disaster Relief Act of 1974.”

The weatherization agency must work closely with the LIEAP program in the identification of health and safety hazards, situations and conditions that meet the LIEAP Emergency Assistance criteria. Expenditures under the LIEAP CRF are not considered federal weatherization funds and are not subject to weatherization contract averages and percentage limitations.



2.5. Fuel Switch Guidelines and Restrictions

A. Policy

Fuel switching is a weatherization measure to replace a dwelling's primary space and/or water heating source with a lower cost fuel primary space and/or domestic water heating source. The purpose of the fuel switch is to provide the low-income occupants with a safe and economical space and/or domestic water heating source and to decrease the energy burden on the household's income.

The agency uses the Fuel Switch Computerized Energy Audit (FSCEA) to determine if a fuel switch can be cost-effectively completed for either the primary space heat source or the domestic water heating source. The agency inputs data regarding the existing primary heat source and/or domestic water heating source and the proposed primary heat source and/or domestic water heating source and the FSCEA determines if the fuel switch meets the Savings-to-Investment Ratio (SIR) (Currently 1.0) to cost-effectively switch from the high cost fuel for space and/or water heating to the lower costing fuel.

The FSCEA takes into consideration the existing fuel type for space and/or domestic water heating appliances, the annual energy consumption costs for space and/or water heating, the fuel price of the existing primary space and/or domestic water heating fuel type, material costs, labor costs, the seasonal efficiency of the proposed replacement primary space heater and/or domestic water heating appliance, the Annual Fuel Utilization Efficiency (AFUE) rating if the replacement system is central, the proposed fuel type, the proposed fuel price, the approximate life of the appliance(s) to be replaced, and the number of Kilo Watts removed if the existing appliance is electric.

B. Restrictions

Fuel switches **are not to be expensed** or counted as completions under the Department of Energy (DOE), Oil Overcharge (EXXON and STRIPPER WELL) Weatherization Assistance Program.

Fuel switches are not to be expensed or counted as completions under the Bonneville Power Administration Weatherization Program.

C. Buy-down

If the total material and labor cost to fuel switch a dwelling's high cost primary fuel space and/or water heating source with a lower costing fuel primary space and/or domestic water heating source brings the Savings-to-Investment Ratio (SIR) below 1.0, the owner/landlord/other non-federal funding source can "buy-down" or cost share to bring the SIR up to a 1.0 or greater cost-effectiveness.



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For example, the total material and labor costs to fuel switch a domestic water heater from electricity to natural gas is \$1,000. The FSCEA will only support \$800 to arrive at a 1.0 SIR. The owner of the dwelling is willing to pay \$200 as a “buy-down” or cost share. With the owner’s contribution, the domestic water heater can be fuel switched.



2.6. Domestic Water Heater Repair and Replacement

A. Policy

Domestic water heaters (DWH) are appliances used to heat water for use by occupants of the dwelling. As part of the weatherization of a dwelling the DWH is inspected, tested and if necessary, insulated, repaired or replaced. (For a more detailed description of the materials and requirements for insulating a DWH, see the Montana Installation Standards.)

Combustion DWH must be tested for proper operation and the agency must complete the DPHHS-EAP-8 'Heating Worksheet' regarding the testing and operation of the unit.

The agency must verify the proper operation and/or repair or replace: vent pipes, draft hoods, vent dampers, gas valves, plumbing, heat exchangers and combustion air for the DWH appliance to assure air quality, fire danger or any other hazard does not pose a threat to the health and safety of the occupants, agency staff or contractors. (See WAP Health and Safety Requirements.)

Electric DWH appliances must be inspected for wiring or other electrical hazards.

B. Repairs

Costs for the testing, tuning and repair of the DWH are entered into the Computerized Energy Audit (CEA) in the Water Heater section. In certain instances, repairs made to the DWH may meet the criteria for use of the Low Income Energy Assistance Program (LIEAP) Emergency Assistance Contingency Revolving Fund (CRF) where there is a hazardous or potentially hazardous condition existing in the dwelling's primary water heating system and safety modifications are required. When repair conditions exist in the DWH that meet the Emergency Assistance requirements the agency can charge the repair expenses to the LIEAP CRF.

All repairs made to a DWH must be completed to applicable code. Any repairs not made to code are the responsibility of the agency.

C. Replacements

In some instances, adequate repairs cannot be made to a DWH or the DWH has been condemned ('red tagged') by the agency, utility service person or a fuel vendor and the unit must be replaced. (See WAP 2-4 Health and Safety Repairs)

Costs for the replacement of the DWH are entered into the Computerized Energy Audit (CEA) in the Water Heater Replacement section. The DWH being replaced may meet the criteria for use of the Low Income Energy Assistance Program (LIEAP) Emergency Assistance Contingency Revolving Fund (CRF) where there is a hazardous or potentially hazardous condition existing in the dwelling's primary water heating system and safety modifications are required. When a



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replacement condition exists for the DWH that meets the Emergency Assistance requirements the agency can charge the replacement expenses to the LIEAP CRF.

Costs for a DWH replacement cannot be charged to the NorthWestern Energy (NWE) contract funds unless a service person condemns ('red tags') the unit. The NWE condemnation number must be entered into the CEA when expensing NWE contract funds in the CEA.

All replacement DWH must be installed to applicable code, including applicable plumbing codes that may require the replacement to be performed by a licensed plumber. Any DWH replacement not made to code is the responsibility of the agency.

Note: The replacement of an electric domestic water heater (DWH) is not an allowable expenditure under the NorthWestern Energy (NWE) Free Weatherization Program.

The use of tankless water heater appliances as replacements under any of the weatherization and/or Low Income Energy Assistance Program (LIEAP) Contingency Revolving Fund (CRF) programs is allowable only with prior written permission from the Department.

D. Mobile Home Domestic Water Heaters

DWH appliances located in manufactured (mobile) homes must be certified for use in a mobile home.

Inside access DWH appliances that are not certified for use in a mobile home must be replaced by the agency as the unit does not meet code and poses a health and safety risk to the occupants.

Outside access DWH appliances that are not certified for use in a mobile home should be replaced by the agency as the unit does not meet code and potentially poses a health and safety risk to the occupants.

In some instances, the agency may determine that an outside access DWH appliance that is not certified for use in a mobile home does not pose a health and safety risk to the occupants. Any testing or repair work performed by an agency on the outside access DWH appliance that is not certified for use in a mobile home is the responsibility of the agency. The agency must provide the occupants/owner with a copy of the DPHHS-EAP-023 'Notice of Dangerous Condition(s)' form stating that the agency has identified a potentially dangerous condition existing with the DWH appliance that is not certified for use in a mobile home.

Pressure/Temperature (P/T) drain pipes attached to the P/T valves on inside and outside access DWH must extend through the flooring of the mobile home and also through the belly board area to allow for water discharge. This location requirement minimizes water damage to the floor area as well as the insulation under the floor and the belly board area.

The Uniform Building Code of 2003 requires that western Montana, which is considered a seismic (earthquake) zone, DWHs shall be anchored or strapped to resist displacement due to



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earthquake motion. All mobile home DWH appliances, either inside or outside access, must be secured to the dwelling using metal supports to minimize movement of the appliance.

E. Electric Water Heaters in Mobile Homes:

Electric Water heaters that have either an Underwriter Laboratories ANSI/UL 174 listing or the HUD Section 3280.707 listing stamped to the tank, meet mobile/manufactured home standards. Provided the tank is stamped mobile home approved; ANSI/UL 174 or HUD Section 3280.707 no hazardous condition form or replacement of the appliance is required.

Note: If electric inside or outside access DWH's are not mobile-home approved, agencies may still replace them since they are not up to code, but a notice of dangerous conditions form is not required.

F. Outside Access Water Heater Closets in Mobile Homes:

Water heater closets with an exterior wall addressed by one of the following measures:

- a. The exterior access door and associated exterior walls of closets containing electric, propane or natural gas water heaters shall be insulated, if possible. If the door and associated wall can be insulated, the water heater can also be wrapped with insulation.
- b. Cover air vents if they are present in the door or associated exterior wall.
- c. Bring combustion air from underneath the belly or through the skirting by installing an appropriately sized metal chute with a rodent barrier.

Note: If insulation work is to be completed on the water heater closet and the tank has to be removed to allow for access, the agency must ensure that the water heater is mobile home approved. The agency can replace the tank if it is not mobile home approved; but they cannot re-install a non mobile home approved tank.

If it is not possible to insulate the closet door and associated wall area:

The installation of water heater jackets on electric, natural gas and propane water heaters is recommended unless it will void the warranty. A water heater jacket must not cover the following:

- a. The temperature and pressure relief valve on an electric unit.
- b. The drain valve on an electric unit.
- c. The electrical line attaches to an electric unit.

Insulation must be kept at least two inches away from where the electrical line attaches to the water heater. The tank should be wrapped with an insulation jacket. Large holes in the closet walls that allow air leakage into the interior must be sealed. All plumbing within the closet that is susceptible to freezing must be insulated. An adequate amount of combustion air must be provided to gas water heaters.



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Note: If the closet cannot be insulated and a water heater jacket cannot be installed do to clearance space inside the closet, an insulation blanket can be attached to the closet door. The agency must meet clearance standards and all pipes, both hot and cold, must be insulated. (Refer to Standards Manual for Clearance requirements).

G. Earthquake Straps on Mobile Home Water Heaters

All Mobile Home DWHs in the state of Montana shall be anchored or strapped to resist displacement due to earthquake motion. All mobile home DWH appliances, either inside or outside access, must be secured to the dwelling using metal supports to minimize movement of the appliance.



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2.7. Installation of Carbon Monoxide and Smoke Detectors

Carbon monoxide (CO) detectors shall be installed in all homes with any combustion appliance unless the dwelling already contains a CO detector. CO detectors shall be installed and in locations specified according to manufacturer's instructions.

Agency personnel must inform occupants of the features of the detectors, instruct the occupants on use and testing of the detector and what course of action to take if the alarm sounds from the detector. Occupants will also be given the manufacturer's 800 telephone number for additional information and instructions and all questions regarding the detector's warranty should be addressed by the manufacturer through the 800 telephone number.

CO detectors installed under the NorthWestern Energy (NWE) Free Weatherization Program contract must meet the American Gas Association IAS 6-96, revised 10/15/1998 certification. The back of the detector must list that the detector meets IAS 6-96 2ND Edition for the detector to be installed through the NWE Program. (See the NWE Service Order which is an attachment to the NWE Free Weatherization contract for additional information regarding specifications and applicability of CO detector installations.) If a CO detector alarm is not installed in a client's dwelling under the NWE Free Weatherization Program, the agency must note the reason why the alarm was not installed in the Computerized Energy Audit (CEA).

CO alarms must be installed to the manufacturer's specifications by the agency and not left at the dwelling for the client to install.

The costs for the installation of a CO detector must be entered into the Computerized Energy Audit (CEA) in the CO detector section.

Smoke alarms shall be installed in all dwellings with any combustion appliance unless the dwelling already contains a smoke detector. Smoke alarms shall be installed and in locations specified according to the manufacturer's instructions.

Agency personnel must inform occupants of the features of the smoke alarms, instruct the occupants on use and testing of the smoke alarm and what course of action to take if the alarm sounds. Occupants will also be given the manufacturer's 800 telephone number for additional information and instructions and all questions regarding the smoke alarm's warranty should be addressed by the manufacturer through the 800 telephone number.

The costs for the installation of a smoke alarms must be entered in the CEA in the 'Other Combustion Appliance' section of the Health and Safety section.



2.8. Testing for Asbestos in Vermiculite Installation

A. Policy

Asbestos is a fibrous mineral occurring in natural deposits. Because asbestos fibers are resistant to heat and most chemicals, they have been mined for use in over 3,000 different products, including vermiculite. There are two families of asbestos, serpentine and amphibole. Chrysotile asbestos is in the serpentine family. Amosite, Crocidolite, Anthophyllite, Tremolite, and Actinolite asbestos are in the amphibole family.

Vermiculite is a mined material that when expanded has been used as insulation in millions of dwellings across the nation. Vermiculite is a loose fill insulation sometimes found in attic and wall areas of dwellings to be weatherized. Some vermiculite insulation contains amphibole asbestos fibers which are considered more harmful than serpentine fibers usually found in pipe insulation, siding, and other products. Dust containing asbestos can become airborne within a dwelling if contaminated vermiculite is disturbed.

Asbestos is a known carcinogen that can cause lung cancer and other lung related diseases.

Asbestos Procedures –

Note: Weatherization funding and the Low Income Energy Assistance Program (LIEAP) Emergency Assistance Contingency Revolving Fund (CRF) cannot be used for asbestos abatement, which includes baseline testing, cleaning, and post-weatherization testing. Referrals may be made to other funding sources such as the USDA Rural Development “504 Grant or Loan Program”.

Vermiculite Insulation:

- Whenever vermiculite insulation is discovered during the initial inspection of a dwelling to be weatherized, no blower door testing or any other weatherization measures should be performed until the vermiculite has been tested for the presence of asbestos. The agency has the option not to perform testing on the vermiculite and to assume that the vermiculite contains asbestos. The dwelling would then be considered deferred for weatherization, and the agency must then provide the occupants/owner with a copy of the DPHHS-EAP-023 ‘Notice of Dangerous Conditions’. A copy of the completed form must be kept in the weatherization case file.
- If asbestos levels in the vermiculite have been determined to be present, or if the agency assumes that the vermiculite contains asbestos, the weatherization of the dwelling must be deferred until the vermiculite has been removed by a certified asbestos abatement contractor and an air quality monitoring test has been performed on the dwelling to assure that there is no asbestos present in the ambient air that would be a health and safety risk to the occupants, agency staff or contractors. When the dwelling is deferred for weatherization, the agency must provide the occupants/owner with a copy of the



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DPHHS-EAP-023 'Notice of Dangerous Conditions'. The agency must also provide the owner with a copy of the vermiculite test results when testing is performed. A copy of the completed form(s) must be kept in the weatherization case file.

Non-Vermiculite ACM:

- If asbestos siding is present, whether or not it will be disturbed, the weatherization of the dwelling must be deferred until the asbestos has been removed by a certified asbestos abatement contractor and an air quality monitoring test has been performed on the dwelling to assure that there is no asbestos present in the ambient air that would be a health and safety risk to the occupants, agency staff or contractors. When the dwelling is deferred for weatherization, the agency must provide the occupants/owner with a copy of the DPHHS-EAP-023 'Notice of Dangerous Conditions'. A copy of the completed form must be kept in the weatherization case file.
- If thermal system insulation (asbestos-containing material applied to pipes, fittings, boilers, tanks, ducts, or other interior structural components that prevent heat loss or gain or water condensation) is discovered during the initial inspection of a dwelling to be weatherized, no blower door testing or any other weatherization measures should be performed until the insulation has been tested for the presence of serpentine asbestos. The agency has the option not to perform testing on the insulation and to assume that the insulation contains serpentine asbestos in excess of one percent (1%). The dwelling would then be considered deferred for weatherization, and the agency must then provide the occupants/owner with a copy of the DPHHS-EAP-023 'Notice of Dangerous Conditions'. A copy of the completed form must be kept in the weatherization case file.
- If asbestos levels in thermal system insulation (TSI) have been determined to contain serpentine asbestos in excess of one percent (1%), or if the agency assumes that the insulation contains serpentine asbestos in excess of one percent (1%), the weatherization of the dwelling must be deferred until the asbestos has been removed by a certified asbestos abatement contractor and an air quality monitoring test has been performed on the dwelling to assure that there is no asbestos present in the ambient air that would be a health and safety risk to the occupants, agency staff or contractors. When the dwelling is deferred for weatherization, the agency must provide the occupants/owner with a copy of the DPHHS-EAP-023 'Notice of Dangerous Conditions'. A copy of the completed form must be kept in the weatherization case file.
- If asbestos levels in the insulation have been determined to contain serpentine asbestos equal to or less than one percent (1%), then the insulation is considered non-asbestos containing material and weatherization may continue as long as other health and safety hazards do not prevent it.
- If thermal system insulation (TSI) containing asbestos is present in a large, multi-family dwelling, please call your field supervisor. Work done on large, multi-family heating



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systems may be allowed by DOE on a case-by-case basis. Department approval is required.

Note: Montana DEQ sampling requirements apply to dwellings with more than 4 units, even if only a single unit is being weatherized.

B. Testing

Initial weatherization inspections of dwellings are performed by the agency's certified energy auditor who is trained in the recognition of asbestos containing materials (ACM). Whenever an attic or wall area is inspected, the certified energy auditor must wear protective clothing and equipment and take precautions to prevent contamination of the living area.

Note: It is recommended that an auditor is trained in the recognition of ACM by completing the OSHA-approved Asbestos Inspector Initial Training.

When it is discovered that vermiculite is present in an attic or wall area, the agency must determine if the weatherization will be deferred or if the vermiculite will be tested by a *National Voluntary Laboratory Accreditation Program* (NVLAP accredited) laboratory to determine if asbestos is present. The agency must request the NVLAP accredited laboratory to use the Polarized Light Microscopy (PLM) Modified EPA/600/R-04/004 (Chatfield) method of testing.

If test results indicate that the serpentine asbestos level is equal to or less than one percent (1%), weatherization of the dwelling may continue.

If test results indicate that amphibole asbestos is present at any level, weatherization of the dwelling must be deferred.

Samples for testing must be taken by an individual trained in vermiculite sample gathering. A fit-tested air purifying respirator equipped with N, P, or R 100 filters, a disposable protective suit and Nitrile gloves are required. The respirator must meet the minimum assigned protection factor (APF) for asbestos. Along with PPE, procedures for sampling must include:

- Setting up a containment area to separate the attic/wall access from the rest of the living area. For thermal system insulation (TSI), contain the sampling area with 6-mil plastic;
- Sampling from at least three (3) different locations per area;
- Sealing the samples in containers adequate to protect the materials from disbursement;
- Leaving the testing and containment area clean by using a HEPA vacuum and wet wipes;
- Documenting where samples are taken and that they are taken at random;
- Sending samples to a NVLAP accredited laboratory for analysis using the PLM Chatfield method;
- Providing test results to the owner and keeping test results in the weatherization case file.
- Costs for the containment, sampling, and testing of the vermiculite are entered under "Asbestos" in the health and safety section of the energy audit.



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Special care must be taken to clean tools and equipment used in sampling (in accordance with OSHA standards) in order to prevent a false positive result of the next sampling.

These procedures pertain to the health and safety hazards of asbestos and the following:

- OSHA 1910.134(iii)
(http://www.osha.gov/pls/oshaweb/owadisp.show_document?p_id=12716&p_table=standards);
- DOE requirement to remedy health and safety hazards, which are necessary before, or because of, the installation of weatherization materials;
- Lack of weatherization funding for baseline asbestos testing of a dwelling;
- General asbestos removal not approved as a health and safety weatherization cost;
- Occupants at risk from work activities that would constitute a health or safety hazard will be required to leave the home during those work activities;
- Lack of weatherization funding for temporary shelter of above occupants;
- Results of the Montana Asbestos-Safe Weatherization Demonstration Project June 30, 2010 final report (<http://www.ncat.org/special/reach.php>);

C. Emergencies

In some instances an agency may defer weatherization on a dwelling due to the presence of vermiculite containing asbestos in the dwelling (or asbestos found in other parts of the dwelling). After the deferral, the household may have a health and safety related emergency with a furnace or domestic water heater (DWH).

The agency may address the health and safety emergency with weatherization and/or LIEAP CRF, but must make every effort to minimize exposure to any asbestos containing materials (ACM) for occupants, agency staff and contractors.

Note: It is recommended to use CRF when possible. If weatherization funds are used, you cannot return to weatherize for a specified number of years.

If the health and safety emergency work cannot be completed because of the potential risks to the occupants, agency staff or contractors, the asbestos must be removed by a certified asbestos abatement contractor and an air quality test must be performed before any work can begin. An alternate heat source must be provided (free-standing space heaters) to the client until resolved.

Note: The costs for the abatement and testing cannot be charged to any weatherization program grant, or to the Contingency Revolving Fund (CRF). Referrals may be made to other funding sources such as the USDA Rural Development "504 Grant or Loan Program".



2.9. Training and Certification Requirements

A. Policy

The Department contracts with Montana State University (MSU) to provide weatherization related training throughout the program year. Some training courses are offered every year for new agency hires or contractors and other courses are offered depending on agency needs.

In order to perform initial and final inspections of dwellings and to enter information on the computerized energy audit (CEA) the inspector/auditor must complete and pass a test for Basic Weatherization/Auditor Training. The inspector/auditor who successfully completes the Basic Weatherization/Auditor Course and passes the required test is considered certified.

When an agency decides to have an employee perform inspections, testing, cleaning, repair or replacement work on combustion appliances in a dwelling, the employee must complete the Basic Furnace and Water Heater course and pass an examination in order to be certified.

B. Courses

The following training opportunities are offered each program year:

- Basic Weatherization/Auditor – This course is offered two (2) times per program year for new agency hires, new contractors or as a refresher course.
- Basic Furnace and Water Heater – This course is offered two (2) times per program year for new agency hires, new contractors or as a refresher course.
- Lead Safe Weatherization, Mold, Occupational Safety and Health Administration (OSHA) and Asbestos.
- Management – Forms and Fiscal.
- Field Auditor with Computer Entry for Auditors and Managers.
- Oil Heating.
- Stick Built Insulation Clinic.
- Factory Furnace School (Coleman, Intertherm, 90 Plus Units, etc.).
- Gas Codes.
- Warm Hearts Warm Homes Training.
- Mobile Home Weatherization.

Training needs are taken into consideration when the schedule is proposed for the upcoming program year. Agencies may request insulation training for mobile homes or multi-family units, more specific managerial training, procurement training or specific furnace training for electric furnaces or wood stoves.

C. Certification

Weatherization personnel are required to complete certain courses and perform continuing education requirements in order to maintain certification. Each course is assigned a number of



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points that the individual will receive upon completion and a passing test score. The following is a listing for weatherization workers:

- Energy Auditor/Inspector – Must successfully complete the Basic Audit Course. The number of course hours for certification are 120 and the individual must complete 30 hours of continuing education in a 2 year period.
- Crew Worker – Recommended that the crew worker complete the Basic Audit Course.
- Furnace Technician – Must successfully complete the Basic Furnace Course. The point value for a certified furnace technician is 120 and the individual must complete 30 hours of continuing education in a 2 year period.
- Program Manager – Recommended that the Program Manager complete the Basic Audit Course and any managerial course work available through the Department.



2.10. Mobile Home Skirting

If the mobile home skirting is already insulated, enter the information into the audit. When entering the existing R-value take into consideration the condition of and existing R-value of the skirting. If the energy audit will allow for additional belly insulation based on the proposed SIR the belly insulation should be added.

Generally, the mobile home belly should be insulated. There are situations in which the belly cannot be insulated. Installation or repair of the foundation skirting or insulation of the skirting on a mobile home are not allowable weatherization procedures without written permission from the Department.

The request for approval for the installation or repair of mobile home skirting or the insulation of mobile home skirting must include the reason(s) why any other weatherization measure to insulate the floor area (belly insulation) cannot be performed on the dwelling.

The request must also show that the costs for skirting the mobile home meet an acceptable Savings-to-Investment Ratio (SIR) (Currently 1.0) in the Rim Joist/Crawlspace/Basement Wall section of the Computerized Energy Audit (CEA).

Written approval must be received from the Department prior to any procurement; repair or installation of the skirting can begin.

Closeable skirting vents should be used as needed to control moisture and airflow under the mobile.

RV Campers and pull-trailers will normally not be considered for skirting based on the mobility of the dwelling.

Note: Department of Energy (DOE) weatherization funds cannot be used for mobile home skirting.



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2.11. Refrigerator Replacements

The replacement of a refrigerator is an eligible weatherization measure. Non-Energy Star rated refrigerators can be replaced, at the discretion of the agency, using Low Income Energy Assistance Program (LIEAP) weatherization funding.

- Non-Energy Star rated refrigerators can be replaced only at the time a dwelling is being weatherized.
- The replacement of a non-Energy Star rated refrigerator is presumed to be cost effective and a cost-effectiveness test is not required.
- Refrigerators will be replaced for eligible homeowners and renters. The Weatherization Assistance Program(s) Access Agreement (DPHHS-EAP-013) has been revised to include the statement informing clients, landlords and/or owners that replacement refrigerators are to remain with the dwelling.
- Only the primary refrigerator can be replaced.
- Disposal of the non-Energy Star rated refrigerator is mandatory. The Agency is responsible for the disposal of the inefficient refrigerator. (Usually the Agency can arrange for the refrigerator vendor to dispose of the inefficient refrigerator.)
- The replacement refrigerator must be a similar style and capacity to the one being replaced.
- The occupant/owner/landlord shall not be allowed to upgrade the style or capacity of the refrigerator.
- The Agencies must follow all applicable Office of Management and Budget (OMB) Circulars and the agency's procurement policies and procedures when procuring for refrigerator replacement and disposal services.

2.12. Individual Measures – Specific Policy Statements

Doors:

1. Residence Primary Door - Door replacement follows the Montana Weatherization Installation Standards for doors. Solid core replacement doors **without windows** are to be used. Auditors should use care in completing the door section of the Computerized Energy Audit such that doors with windows **should not** be treated as solid-core doors.
2. Outside Access Water Heater Doors – If the agency elects to address an outside access water heater door the costs may be identified in the CEA under Health and Safety, Minor Repairs, or Infiltration.

Windows:

1. Existing U Value - Window replacement follows the Montana Weatherization Installation Standards for windows. The agency can input existing U values of up to 1.2 without department approval. To use an existing U value of greater than 1.2; the agency must request and receive written permission from the Department before proceeding. The Department can approve an existing U value of up to 1.5 on a case by case basis.



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Copper Piping: The replacement of any natural gas fueled furnace or water heater copper piping is an allowable health and safety measure with written permission from the Department. Continual flaking of copper sulfide caused by the amount of hydrogen sulfide within the natural gas has the potential to thin the pipe and eventually cause pinholes and leaks. Continual flaking of the copper sulfide, causing the flakes themselves to fall and be carried into the appliance could possibly block burners or be deposited into gas valves causing the valve to foul. This rule applies to only natural gas fueled copper piping. Any replacement costs associated with this measure must be charged to the LIEAP WX fund.

Note: Replacement is allowed from the natural gas source to the appliance(s) only. No other replacement lines will be considered; whole house line replacement is not an allowable cost.



3. WEATHERIZATION PROGRAM MANAGEMENT

3.1. Program Management, Administration and Reporting

3.1.1. Equipment:

A. Policy

1. Local agencies are required to maintain an inventory of equipment with a purchase price of \$5,000 or more. The agency is required to send to the Department on an annual basis a copy of the inventory of equipment purchased for \$5,000 or more.
 - a. If a local agency has no need for equipment purchased with weatherization funds, for a purchase price of \$5,000 or more, the local agency must do the following:
 - (1) If purchased with Department of Energy (DOE) funds, offer the equipment to local agencies with weatherization programs.
 - (2) This process is coordinated through local agency representative wishing to dispose of the equipment.
 - (3) Equipment will be given to local agencies on a first come first serve basis
 - b. If not purchased with DOE funds, equipment may be used as trade-in for newly purchased equipment.
2. If no local agencies want the equipment purchased with DOE funds, the agency may, with written Department approval, sell or dispose of the equipment.
 - a. The local agency must sell or dispose of the equipment in compliance with the agency's fiscal policies.
 - b. If the equipment is sold the agency must use the income in the program or programs which originally purchased the equipment.
 - c. Proceeds from equipment sales must be tracked and reported as program income.
 - d. All equipment purchased for use in the weatherization program, regardless of acquisition costs, must be maintained on the agency's perpetual inventory until disposed of or no longer used in the program.

B. Procedure

1. Agency files must include the following documentation regarding disposal of equipment purchased for \$5,000 or more:
 - a. Copy of written notification to the Department regarding intent to dispose of weatherization equipment.
 - b. Copy of written Departmental approval to sell the equipment.
 - c. Equipment disposal documentation.



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C. Client file documentation:

Client files must include the following documentation:

1. Priority number clearly displayed on the Job Order and/or Worksheet (or reason for deviating from the priority list).
In the absence of the Department-supplied priority list:
 - a. A completed, signed application for weatherization.
 - b. A signed Release of Confidential Information form for all adult (Over sixteen (16) years of age) household members.
 - c. Priority number based upon elderly/disabled status, fuel consumption (energy burden) and/or emergency.
2. Completed Montana Computerized Energy Audit Summary, or sufficient information to access the electronic version of the entire audit.
3. A completed Job Order, Contract, and worksheet (or an acceptable substitute).
4. Records showing work completed and cost of each weatherization measure with a total for all measures completed.
5. Documentation of health and safety measures to be installed as part of the weatherization process.
6. Documented use of the Blower Door including pre- and post-weatherization test results, dates performed and worker sign off.
7. Copy of the LIEAP Worksheet (DPHHS-EAP-003) or equivalent documentation confirming eligibility.
8. Copy of the "Weatherization Assistance Program(s) Access Agreement" (DPHHS-EAP-013) form
9. A complete and signed confirmation of receipt of the "Renovate Right – Important Lead hazard Information for Families, Child care Providers and Schools" pamphlet for dwellings built prior to 31 December 1977 that have not been determined to be lead-free and the amount of disturbed lead painted surfaces will exceed two (2) square feet per room of interior surfaces or twenty (20) square feet of exterior surfaces.
10. Documentation of compliance with lead safe weatherization (LSW) protocols in the weatherization installation standards for dwellings built prior to 31 December 1977 that have not been determined to be lead-free and the amount of disturbed lead painted surfaces will exceed two (2) square feet per room of interior surfaces or twenty (20) square feet of exterior surfaces. The case file must contain photographic documentation of lead safe weatherization procedures for all dwelling built prior to 31 December 1977 where the agency performs window and/or door replacement or repair.
11. Landlord/Owner's signature acknowledging receipt of the "Protect Your Family from Lead in Your Home" pamphlet.
12. Completed Heating Worksheet (DPHHS-EAP-008) – including worker, contractor and client signatures.
13. Worker and/or contractor signatures in each weatherization file stating the work performed on the dwelling has been completed.
14. Documentation of the final inspection date.
15. Central Database System (CDS) Energy Audit Number.



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16. Age of the dwelling.
17. Signed completion forms with dates, client and inspector signatures.
18. Asbestos bulk sampling documentation.

3.1.2. Counting funding source completions:

A. Policy

At the end of a contract period, local agencies must claim as completed units only those that have been inspected as completed.

Units must be counted in the contract period in which they are completed

Units may only be counted to the proportionate sources of funding used for that unit, if more than one fund was used in the weatherization process for that unit.

On the Energy Conservation Status Report (DPHHS-EAP-009), only one household can be counted per unit completed.

All goods, services, and equipment must be purchased by the last day of the contract to be charged to that contract.

B. Procedure

Local agency fiscal files must include copies of final closeout reports for each funding source.

3.1.3. Inventory control:

Property and equipment:

1. Local agencies will maintain their inventory and capital asset records in accordance with OMB A-110 *Property Standards* (Subpart C.30-.37) and OMB A-122 *Equipment and Other Capital Expenditures* principals (Attachment B - 15).
2. When acquiring tangible personal property (equipment, tools, etc.), procedures concerning purchasing, prior approval, bids, grant allowability and compliance, etc. will be followed.
3. Equipment and tools with a value established by the Federal regulations will be placed on the local agency's inventory.
4. As equipment is added to the local agency's inventory, the following information will be recorded in the inventory records:
 - a. Acquisition date.
 - b. Acquisition cost.
 - c. Description (including color, model, and serial number or other identification number).
 - d. Source of the equipment, including all Federal award numbers, if applicable.



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- e. Whether the title vests in the local agency or the Federal Government.
 - f. Information to calculate the Federal share of the cost of the equipment, if applicable.
 - g. Location of the asset.
 - h. Depreciation method, if applicable.
 - i. Estimated useful life, if applicable.
5. A physical inventory of all assets on inventory will be taken on an annual basis, at a minimum, by the local agency or at any other time required by grantors. The physical inventory shall be reconciled to the property log and adjustments made as necessary.

3.1.4. Inventory of materials:

Description of Inventory:

1. The local agency will maintain an inventory of materials used for home weatherization.

Examples of such items include:

- Door knobs.
- Roof vents.
- Bags of insulation.

3.1.5. Accounting for Inventory:

1. The local agency will establish a written inventory policy. The written policy must include the coordination of all functions – including scheduling, completions, purchasing, storage, and cash flow.
2. The local agency will maintain records, perform inventories, and maintain control systems to prevent loss, damage, or theft of equipment, materials, and supplies.
3. All materials received must be accounted for by invoices from vendors which describe the material(s), number of units, total costs, shipping charges, if any, and sales tax.

3.1.6. Usage of Inventory:

A daily usage system must be a central feature of the inventory system. The agency must maintain records showing materials put into and removed from inventory to be installed as part of the weatherization services.

A physical count of inventory will be performed every fiscal year at a minimum.



4. RESERVED

4.1. Reserved

Reserved...



5. RESERVED

5.1. Reserved

Reserved...



6. ALLOWABLE COSTS

6.1. General Standards for Allowable Costs

A. Policy

Allowable weatherization costs must be:

1. Reasonable for the performance of the contract and of benefit to the program for which the funds are provided.
2. Allocated to the contract under these policies.
3. Conform to any limitations or exclusions set forth in these policies or in the contract as to type or amount of cost of items.
4. Consistent with policies and procedures that apply uniformly to other activities of the organization and are accorded consistent treatment.
5. Determined in accordance with generally accepted accounting principles.
6. Adequately documented.

B. Procedure

1. Local agency files must include all required expenditure documentation.
2. See funding source contract for specific terms and conditions, policies and procedures, or policies and guidelines for allowable costs specific to each funding source.
3. See funding source contract for allowable weatherization measures and fund source limitations and allowances.



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6.2. General Standards for Fiscal Responsibility

A. Policy

1. Method of Compensation:

The Department will reimburse local agencies for all allowable costs upon receipt of authorized requests for reimbursement.

Local agencies are responsible for complying with all applicable guidelines and procedures, demonstrating responsible management of cash flow, inventory control, equipment purchase, and administrative costs.

- a. If a local agency wants to subcontract work under this program, the agency's subcontract template must be reviewed and approved by the Department. Once the template has been approved, the agency can use the contract for all subcontracts.
- b. Subcontractors must be selected using competitive procedures among potential bidders for weatherization services.
- c. Local agencies must keep records that fully disclose the following:
 - (1) Amount and disposition of funds received.
 - (2) Total cost of a weatherization project.
 - (3) Source and amount of funds used from all funding sources.
- d. Records must be retained for three (3) years from the last financial audit or the completion of the contract, whichever is later.

2. Reports:

Local agencies will provide reports or answers in writing to specific questions, reports or surveys requested by the Department or its funding sources by the specified deadline.

- a. Requests for vehicles purchased with DOE funding require prior written DOE approval. Allow ninety (90) days for DOE review.
- b. See WAP-6-12 for additional policies, including procurement with multiple fund sources and equipment sharing with non-weatherization programs.

3. Inventory Control:

Local agencies are required to maintain an inventory of materials and non-expendable tools and equipment.

4. Authorized Expenditures:

OMB (Office of Management and Budget) Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, and OMB Circular A-122, Cost Principles for Nonprofit Organizations, are used as general guidelines for determining which weatherization costs are allowed.



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- a. Exceptions exist where costs conform to specific categories in the applicable contract, policies and procedures, weatherization budget, state law, or local ordinance.
- b. The Department determines the proper interpretation of the federal or state procedures as they relate to costs allowed or prohibited under this program.

B. Procedure

1. Local agency files must include the following documentation:
 - a. Description of agency subcontracting process and copies of pertinent contracts and procurement procedures.
 - b. All necessary records that disclose fiscal accountability.
2. Inventory Control.
3. See funding source contract for allowable weatherization measures and fund source limitations and allowances.
4. See OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments.
5. See OMB Circular A-122, Cost Principles for Nonprofit Organizations.



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6.3. Administrative Costs

A. Policy

1. Administrative costs are costs associated with those functions of a general nature not clearly identifiable with a program. These functions may include, if identified, planning, budgeting and accounting, and establishment and direction of local agency policies, goals, and objectives.
2. Allowable administrative costs include costs associated with functions such as:
 - a. General board/committee meetings.
 - b. Executive Director.
 - c. General staff meetings.
 - d. Office management.
 - e. Accounting, auditing, and budgeting.
 - f. Corporate legal services.
 - g. Personnel management.
 - h. Purchasing and distribution of supplies.
 - i. Insurance and bonding.
 - j. Receptionist, switchboard, mail distribution, filing, and other central clerical services.
 - k. Word processing and computer services.
 - l. Computer equipment used for administrative functions.
 - m. Organizational and procedure studies.
 - n. General record keeping.
 - o. Office space/facilities lease or rental – including outstations.
 - p. Utilities in the office space/facilities.
 - q. Postage.
 - r. Duplicating/copying.
 - s. Telephone equipment and services.
 - t. Administrative staff training.
 - u. Applicable state and local taxes.Department of Energy (DOE) allows general personal liability and property insurance to be charged to the liability line item of the contract.
3. Charge direct supervision of program services to those functions, not to administration. Personnel typically identified as administration may relate, at times, more directly to program activities than to administration. Even some hours of “management staff” may be properly allocated to program costs, but only if the positions are not included in an indirect cost pool.
4. Indirect Rates
 - a. Local agencies may apply an approved indirect cost rate to charge administrative costs only if both of the following conditions are met:
 - (1) The agency has an approved indirect cost agreement with a cognizant federal agency.
 - (2) ii. The application of indirect cost charges may not result in exceeding applicable contract budget limits.



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B. Procedure

1. Local agencies may gain approval of cost allocation plan.
2. Local agency files must include the following documentation:
 - a. All applicable costs.
 - b. Indirect cost agreement approval letter.



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6.4. Program Costs

A. Policy

1. Program costs are costs that can be clearly identifiable with a program. Program costs include material and labor costs associated with installing weatherization measures, making energy-related health and safety or weatherization-related repairs, and other costs directly related to the installation of weatherization measures (often referred to as “program support or program operation”). See Materials, Installation and Direct/Audit Costs WAP 6.9 for costs that must be included in the computerized energy audit to be charged to the Program Support/Operations line item of the contract.
 - a. Allowable material costs include:
 - (1) Material costs charged by a subcontractor.
 - (2) Purchase and delivery of materials. (See WAP-6.5, for procurement guidance for recycled insulation materials.)
 - (3) Payment of staff involved in purchasing, inventory, and distribution of weatherization materials.
 - (4) Payment for labor involved in fabricating materials.
 - (5) Purchase of supplies and equipment associated with installing energy measures on homes.
 - (6) Purchase of materials provided to a household during the inspection of a dwelling or for client education purposes.
 - b. Allowable labor costs include:
 - (1) Labor costs charged by a subcontractor.
 - (2) Local agency weatherization crew costs (salary and all fringe benefits).

Note: The Weatherization Assistance Program is exempt from any provision of the Davis-Bacon Act except for weatherization projects funded under the American Recovery and Reinvestment Act (ARRA).

 - (3) Installation costs. See Material, Installation and Direct/Audit Costs WAP- 6.9.
2. Dwelling Unit Cost Control Records:
 - a. Local agencies must keep records that track costs for each weatherized dwelling unit and provide information for all weatherization work performed on a unit according to the specific allowances of the different funding sources used separately and in combination with other funding sources.
 - b. The fiscal records for all dwelling unit expenditures must be traceable and costs charged to each funding source must have supporting documentation.
 - c. Specific Limits:

When weatherization services are provided with Department of Energy (DOE), Oil Overcharge (EXXON and STRIPPER WELL) and Bonneville Power Administration (BPA) funding, the agency must adhere to the average cost per weatherized dwelling unit established by DOE. DOE adjusts that average limit annually. Average cost limits for other federal and/or utility weatherization projects are contained in the contract with the Department.



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3. Weatherization-related Repairs and Health and Safety Repairs

All labor and material costs for weatherization-related repairs and energy-related health and safety repairs must be charged to the applicable budget category. Related expenditures may not exceed the average expenditure limits established for each contract fund source. See funding source contracts for average expenditure limits.

4. Low-Cost/No-Cost Weatherization Activities

a. Low-cost/no-cost services may be provided to an eligible household, even when other measures are not provided.

(1) Low-cost/no-cost measures, water-flow controllers, furnace or cooling filters, or items that are primarily directed toward reducing air infiltration (weather-stripping, caulking, and glass patching, etc.). Labor to install low cost/no cost measures are not an allowable cost.

b. Do not count a unit that receives only low-cost/no-cost services as a completed unit on the Quarterly Status Report (DPHHS-EAP-9.1/9.2).

c. Specific Limits and Exclusions

(1) Low-cost/no-cost materials are limited to \$75 per dwelling unit.

(2) No funds may be used for labor costs to install low-cost/no-cost materials.

(3) Low-cost/no-cost weatherization measures are excluded from the following requirements:

(a) Re-weatherization dates.

(b) Average cost per unit expenditure.

5. Liability Insurance

a. Liability insurance is a program cost.

b. Costs for liability insurance covering personal injury and property damage for on-site work may be charged to the liability insurance line item of the contract.

B. Procedure

1. Local agencies must organize all bookkeeping and production records systems to account for the different cost allowances and budget categories of the various funding sources involved.

2. Local agencies must report program expenditures to the Department as required.



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6.5. Compliance with Federal Rules for Use of Recycled Insulation Materials

A. Policy

1. The Department and local agencies must comply with Environmental Protection Agency (EPA) regulations regarding the use of recycled materials: 10 CFR 247.12, Comprehensive Procurement Guideline for Products Containing Recovered Materials (www.epa.gov/).
 - a. Local agencies are required to make good faith efforts to procure insulation products that contain recycled materials.
 - b. Exceptions to this policy may be made only if the following conditions can be documented:
 - (1) Inability of the product to perform its intended purpose.
 - (2) Unavailability of the product at a reasonable price.
 - (3) Inability to obtain the product within a reasonable period of time.
 - (4) Inadequate number of vendors for obtaining and verifying estimates of recovered materials content to insure a satisfactory level of competition at the time of procurement.
2. In addition to meeting procurement specifications, local agencies must establish an affirmative procurement program consisting of four items.
 - a. Preference program for purchasing designated items.
 - (1) EPA regulations provide three general approaches:
 - (a) Minimum content standards that identify the minimum content of recovered materials that an insulation product must contain.
 - (b) Case-by-case procurement, allowing competition between insulation products made of new materials and those with recovered materials.
 - (c) An alternative approach that accomplishes the same objectives as (a) and (b).
 - (2) EPA regulations recommend that the procuring agency use minimum content amount for commercially available insulation products that may contain recovered materials. These include:
 - (a) Cellulose, loose fill, and spray-on (75 percent post-consumer recovered paper by weight).
 - (b) Perlite composite board (23 percent post-consumer recovered paper by weight).
 - (c) Rock wool (50 percent recovered materials).
 - b. Promotion program.
 - c. Procedures for obtaining estimates and certifications of recovered materials content and for verifying the estimates and certifications.
 - d. Annual review and monitoring of the effectiveness of the program.

B. Procedure

1. Local agencies must allow the Department access to all affirmative procurement program documentation upon request.
2. Local agency files must contain the following documentation:



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- a. Procurement conditions that prohibit compliance with 10 CFR 247.12.
- b. Verification the agency is in compliance with EPA's affirmative procurement program.



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6.6. Training and Technical Assistance

A. Policy

1. Expenditure of contract funds awarded specifically for training and technical assistance (T&TA) purposes are subject to the following conditions:
 - a. Agency must submit a T&TA Workplan and Budget to the Department for written approval prior to any expenditures being made to the Department of Energy (DOE) contract T&TA line item.
 - b. Training must have direct application and benefit to local agency weatherization programs and assigned staff.

If the training is not strictly for the benefit of the weatherization program staff, local agencies must document how other programs will share the training costs.

- c. Priority is to be given to direct training opportunities for staff, crews, and subcontractors.
 - d. Equipment and materials related to training may also be purchased with these funds.
 - e. Salaries may not be paid with T&TA funds unless to cover time spent attending or providing training.
 - f. T&TA funds may not be used to purchase vehicles or equipment for local agencies to perform weatherization services. The cost of these vehicles or equipment to support the program must be charged to the program costs budget category.
 - g. Local agencies must keep T&TA expense documentation on file for review.
2. The Department may occasionally reimburse local agency costs for providing, or travel to receive, training and technical assistance through the Peer Exchange Program or special projects.
 - a. Prior Department approval is required for this reimbursement.
 - b. Local agencies must submit a form designated by the Department.

B. Procedure

Local agency files must include the following documentation:

1. Cost-sharing plan if training is not strictly for the benefit of weatherization program staff.



6.7. Vehicles and Equipment

A. Policy

1. Vehicle Purchases:
 - a. All purchases of vehicles with values exceeding \$5,000 require Department written approval.
 - (1) Local agencies must submit a request for the purchase of vehicles over \$5,000 to the Department.
 - (2) The Department will review each request for approval and provide the agency with a written decision.
 - b. Requests for vehicles purchased with Department of Energy (DOE) funding require prior written DOE approval. Allow ninety (90) days for DOE review.
 - (1) Vehicles should be acquired with grant funds from DOE only after all other options or funding sources have been explored.
 - (2) Lease vs. purchase should be evaluated carefully.
 - (3) New vs. used vehicle purchases should be evaluated carefully.
 - c. In some instances, purchases made with more than one fund source may be the only way to acquire needed equipment. If the equipment to be purchased for use in the local agency's weatherization program will also be used by other local agency programs, there should be a proportionate share in the purchase cost.
 - d. Equipment Allowance
 - (1) For the purposes of determining the average cost per dwelling limitation, costs for the purchase of vehicles or other certain types of equipment as defined in 10 CFR part 600 may be amortized over the useful life of the vehicle or equipment.
 - (2) If, at the time of purchase, there are no plans to share equipment with a non-weatherization program, but it is deemed desirable in the future, then a rental fee based on proportionate use of the equipment must be applied.

B. Procedure

1. Local agency files must include the following documentation:
 - a. Competitive bid documentation for the purchase of equipment.
 - b. DOE approval for vehicles purchased with DOE or Oil Overcharge (EXXON and STRIPPER WELL) funds.
 - c. Certificates of Title for motor vehicles.



6.8. Material, Installation and Direct/Audit Costs

A. Policy

1. Material Costs are the costs associated with energy conservation materials installed on an eligible dwelling. Only weatherization materials that meet or exceed the standards listed in Appendix A of 10 Code of Federal Regulations (CFR) 440 may be installed on an eligible dwelling. Materials used for insulation, windows, doors and infiltration must be included in and meet the cost-effectiveness calculations of the computerized energy audits. Material costs for minor repairs, heat systems, health and safety, miscellaneous measures and client education must be included in the respective sections of the computerized energy audits.

Material Costs include the following:

- Material costs charged by a contractor.
 - Purchase and delivery of materials.
 - Payment of staff involved in purchasing, inventory and distribution of weatherization materials.
 - Transportation costs of materials.
 - Payment of labor involved in the fabrication of materials.
2. Installation Costs are all the non-material costs associated with energy conservation measures installed or services performed on an eligible dwelling. Installation costs must be used in the insulation, windows, doors and infiltration sections of the computerized energy audit and must meet and be included in the cost-effectiveness calculations. Installation costs for minor repairs, heat systems, health and safety, miscellaneous measures and client education must be included in the respective sections of the computerized energy audits.

Installation Costs include the following:

- Labor costs charged by a subcontractor (insulation, furnace, electrician, plumber, etc.).
- Weatherization crew costs (labor, fringe, payroll taxes, accrued leave (liability), vacation, sick leave, employer's share of benefits, such as, but not limited to, life/health/dental/disability insurance and retirement, flexible spending accounts).
- Payments permitted under the federal Workforce Investment Act (WIA) (formerly the Job Training Partnership Act (JTPA)) to supplement wages paid to training participants and public service employment workers under that program.
- Direct supervision of program services and other direct program management/oversight responsibilities.
- Testing costs for the presence of lead based paint or asbestos.
- Lead safe weatherization measures.
- Transportation of crews, tools and equipment to and from weatherization sites (includes gas, maintenance and insurance of vehicles).



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- Tools (saws, drills, hammers, etc.).
- Installation of in-kind (donated) materials.
- Building permits for the installation of weatherization materials.
- General supplies (glass cleaner, towels, etc. used for the installation of weatherization materials).
- Any other costs directly associated with the installation costs for the weatherization of a dwelling.

The amount of the Installation Costs varies by agency.

Note: Administrative expenses are not an allowable Installation Cost.

3. Audit costs are averaged costs directly associated with the pre-inspection of a dwelling (including the time involved for the inspection of the dwelling (including the pre-blower door testing), hourly rate for data input into the computerized energy audit, case documentation, printing work orders, etc., the time involved in the final inspection of the dwelling after the weatherization work is completed (including the post-blower door testing) and the finalization of the computerized energy audit. Audit costs are separate charges that must be charged to each computerized audit.

Note: Changes to the agencies' total audit cost must be approved by the Department prior to implementation.

4. Production Overhead costs are agency-related expenses associated with the number of contractual completions for the weatherization of dwellings that are not directly attributable to the installation of a cost-effective material or service performed during the weatherization of the dwellings. Production Overhead costs are expenses that include office space, clerical support, utilities, postage, warehouse, etc.

Production Overhead costs consist of the following:

- Labor costs for intake and outreach staff (labor, fringe, payroll taxes, accrued leave (liability), vacation, sick leave, employer's share of life/health/dental/disability insurance and retirement, flexible spending accounts).
- Off-site supervision for procurement and program management.
- Office space rent for use in Program Operation functions including direct applicant services.
- Telephone (including office and cell phones) and utility.
- Postage (direct costs).
- Clerical support (direct costs).
- Depreciation/Amortization expenses for:
 - Use of buildings (Excluded is the cost of land or any portion of the cost of buildings and equipment paid by or donated by the federal government or contributed by or for a non-profit organization in satisfaction of a statutory matching requirement.)



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- Capital improvements.
- Equipment on hand (Excluded are vehicles purchased outright with weatherization funds).
- Fixed assets (buildings, office equipment, computer equipment, etc.).
- Dues/subscriptions (magazines, journals, etc.).
- Equipment maintenance and repairs (tools, equipment in to get repaired, etc.)
- Obsolescence (discarded tools moved from equipment to obsolescence).
- Photocopies (per copy price/send out/given to applicant/recipient).
- Printing (print shop, logos, etc.) related to materials used in energy conservation education or outreach.
- Taxes and licenses.
- Consumable supplies (office and cleaning supplies).
- Supplies/Uniform Cleaning (coveralls for crews).
- Non-consumable supplies defined as:
 - Non-capitalized computer equipment.
 - Computer software.
 - Expenditures for supplies for the operation of the weatherization program such as desks, tables, chairs, electronic equipment, cabinets, and any supplies that are not consumed and do not meet capitalization policy.
- Vehicle maintenance (oil, tires, repairs, etc.)
- Vehicle insurance.
- Warehouse costs (not included in material costs).
- Non-capital equipment (personal computers, insulation blowers, trailers, blower door machines, etc.)
- Purchase, lease or rental of tools/equipment/vehicles.
- Lodging, per diem, salary and travel costs associated with attending Department sponsored training.



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6.9. Audits

A. Policy

1. All program funds made available to local agencies will be audited annually in accordance with the following:
 - a. Generally accepted accounting principles.
 - b. Governmental Auditing Standards ("The Yellow Book") issued by the General Accounting Office (GAO).
 - c. The Office of Management and Budget (OMB) Compliance Supplement for Single Audits of State and Local Governments.
 - d. OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.
 - e. Department of Energy (DOE) 10 CFR 600, Financial Assistance Rules.
 - f. All state and federal laws and regulations governing the programs in which local agencies participate.
2. Costs of audits will be incorporated into Department contracts, charged to the local agency's Financial Audit category of expenditure.
3. Local agency auditing will be conducted by a single independent Certified Public Accountant (CPA) firm selected by the local agency.
4. All auditors employed must provide positive assurance to local agencies that they meet independent CPA provisions defined in the Yellow Book, including annual training.

B. Procedure

Local agencies must provide the Department with a copy of all audit reports and audit-finding action plans.



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6.10. Procurement

Procurement is the methodology used by an agency to obtain goods and services from vendors or contractors.

The standards for procurement are outlined in the Office of Management and Budget (OMB) Circular A-110 and 10 Code of Federal Regulation (CFR) 600. These standards are furnished to ensure materials and services are obtained in an effective manner and in compliance with applicable federal statutes and executive orders.

All procurement activities shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. It is up to each agency to determine how the standards will be implemented.

Agencies must:

Establish written procurement procedures to provide, at a minimum, that:

- Agencies avoid purchasing unnecessary item.
- Where appropriate, a lease versus purchase analysis is made to determine the most economical and practical procurement.
- Solicit bids that provide for:
 - A clear and accurate description of the technical requirements for the material, product or service to be procured. This description must include the functions to be performed or the performance required, including a range of acceptable characteristics or minimum acceptable standards.
 - Requirements which the bidder must fulfill and all other factors to be used in evaluating proposals.
 - The specific feature of brand name or equal descriptions that bidders are required to meet when such items are included in the solicitation.
 - The acceptance, to the extent practicable and economically feasible, of products, of products and services dimensioned in the metric system of measurement.
 - Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources, protect the environment and are energy efficient.
 - Positive efforts, whenever possible, to utilize small businesses, minority owned firms and women's business enterprises.
- The type of procuring instrument used (e.g. fixed price contract, cost reimbursable contract, purchase orders and incentive contract) shall be determined by the agency but shall be appropriate for the particular procurement and for promoting the best interest of the program and project involved. "Cost plus a percentage of cost" methods of contracting shall not be used.
- Contracts shall be made only with those subcontractors who possess the potential ability to perform successfully under the terms and conditions of the procurement.



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Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources. Contracts may not be made with those persons listed as “debarred or suspended”.

- Agencies shall make available for review any Request For Proposal (RFP) or procurement document when any of the following apply:
 - Procedures fail to comply with the standards found in OMB Circular A-110 or 10 CRF 600.
 - The procurement is expected to exceed the small purchase threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation.
 - The procurement which is expected to exceed the small purchase threshold specifies a brand name product.
 - The proposed award which is greater than the small purchase threshold is to be awarded to other than the lowest bidder under a ‘sealed bid’ procurement.
 - A proposed contract modification changes the scope of a contract or increases the contract amount by more than the amount of the small purchase threshold.
- Large purchases are those made in an amount that is greater than the small purchase threshold found in OMB Circular A-110.
- There are two ways for an agency to procure – Sealed Bids and Requests for Proposals (RFP). RFP’s are also known as “Competitive Bids or Proposals”.
 1. Sealed Bids:
 - A preferred method of procurement for construction type projects.
 - Requests for sealed bids are advertised publicly.
 - Bids call for a firm, fixed price contract, lump sum or unit price.
 - Awarded to the responsible bidder whose bid is lowest in price.
 - Bids must be publicly opened at a prescribed time and place.
 - Any and all bids may be rejected for a sound reason.
 2. Request For Proposal (RFP) or Competitive Bid/Proposal:
 - Generally used when sealed bids are not appropriate, such as when qualitative factors must be considered and scored for professional services.
 - Prices and “other factors” are considered.
 - Requests must be publicized and must identify all evaluation factors and their relative importance.
 - Agencies must have a method for conducting technical evaluations.
 - Awards are made to the respondent whose proposal is most advantageous to the program with price and other factors considered.
- Noncompetitive proposals are those where only one bid is received or only one source is solicited.

Noncompetitive proposals may only be used when it is not feasible under small purchase procedures, sealed bids or competitive proposals and one of the following applies:

- Material or service is only available from a single source.
- Emergency exists.



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- Awarding agency authorizes noncompetitive proposal.
- Bid package:

The agency's contract or purchasing officer shall prepare a bid package which includes:

- Cover sheet.
- Statement of work specifications or materials to be purchased.
- Minimum requirements.
- Evaluation criteria.
- Work quality standards.
- Proposal format.
- Sample contract.
- Date of bidder's conference, if applicable.
- Right of the agency to accept or reject all bids.
- Period of contract.
- Affirmative action statement.

The agency shall make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of proper procurement. Consideration must be given to contractor integrity, compliance with public policy, record of past performance and financial and technical resources.

Minimum requirements cannot be unreasonable or excessive.

Solicitation of sealed bids and Requests for Proposals (RFP):

The establishment of a standard method of advertising procurement activities assures maximum open and free competition. The agency must:

- Prepare the advertisement newspapers.
- Prepare a notice to be posted.
- Submit the advertisement to the newspapers and post the announcement.
- Secure documentation of the advertisement from the newspapers.
- Notify all individuals on the agency's bidder's list of the solicitation, if applicable.
- Record the names of the individuals, firms or businesses requesting bid packages, the date the request was received and the date the bid package was sent.
- Prepare technical information for bidder's conference.
- Facilitate bidder's conference.
- Document attendance at bidder's conference and record minutes.

No information about the solicitation will be provided to anyone until the bidder's conference. If the agency does not conduct a bidder's conference, any information provided to prospective bidders must be forwarded and maintained by the agency's Contracts Officer.

Receipt of bids or proposals:



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The agency must establish procedures which will be followed to assure equal treatment to all prospective bidders.

- All sealed bids or requests for proposals will be logged into a bid/proposal control sheet.
- When the bid or proposal is received by the agency the bid or proposal will be date stamped and the time of receipt will be documented by the person receiving the bid or proposal.
- The received bids or proposals will be maintained in a secured location until time of opening.
- Return all bids or proposals received or submitted after the closing date. The late bids must be returned unopened with a letter of explanation for the reason of the return.

Evaluation of bids or proposals and contract award:

The agency must evaluate the bids or proposals submitted, select a contractor and award the contract. The agency must assure that the agency's Personnel Policies and Procedures manual provides standards of conduct for employees, officers or agents to avoid conflicts of interest or the appearance of conflicts of interest. The agency will:

- Conduct the bid opening (public or private).
- For public bid openings, the bid amounts will be announced at the opening. The contract is not awarded at a public bid opening.
- Schedule a meeting of the evaluation panel.
- Evaluate bids or proposals for compliance with all requirements.
- Evaluate responsive bids or proposals based on cost criteria established in the bid package. A responsive bid meets all requirements identified in the bid package.
- Prepare a written summary of points and costs for all responsive bidders or proposers.
- Submit the name, bid amount and the justification for the selection of the successful bid or proposal for the contract award to the agency's Contracts Officer.
- Notify the selected contractor and secure:
 1. Certificate of insurance, if applicable.
 2. Copy of required licenses or permits as applicable.
 3. Certification regarding suspension or disbarment.
- Verify insurance coverage for successful bidder or proposer meets requirements.
- Secure a fully executed contract with successful bidder or proposer.
- Provide written notification to unsuccessful bidders.
- After the contract award, unsuccessful bidders or proposers may be informed of the points received and the dollar amounts of the successful bidder.

Protest procedures:

The agency must provide specific actions to be taken should a protest be filed by an unsuccessful bidder or proposer.

- The protester must file a written complaint using the agency's specific format within ten (10) working days after the notice of rejection is mailed. The protest must contain the following:
 1. Notice of protest and the specific reasons for filing.



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2. Statement stating the letter is a protest.
 3. Detailed statement of the grounds for the protest.
 4. A specific request for a ruling by the agency's protest committee and a statement of the relief requested.
- The agency must notify the successful contractor that a complaint of protest has been filed.
 - The agency must schedule a meeting of the agency's protest committee to review the complaint. The meeting must be held within ten (10) working days of the filing of the protest and the minutes of the meeting must be recorded. The individuals who sit on the protest committee must be identified in writing prior to the commencement of all procurement activities. The agency's Contracts Officer should not be involved in the protest procedures other than to provide technical support.
 - The protest committee must issue a decision within five (5) working days from the date of the meeting.
 - The agency must notify the protester of the decision of the protest committee.