

## Questions #1 – Posted to Contracting Website 04/21/20

1. Does Delaware provide a lead distribution system to local weatherization providers, such as a listing of qualified applicants to its energy assistance programs or other referrals? Currently, there is a list of LIHEAP-eligible clients provided to the Subgrantee and the Subgrantee can mine that list for possible WAP clients. Later this year, the state LIHEAP contractor will be required to conduct client intake for weatherization for all eligible LIHEAP clients. The client data (income calculation, scanning of ID documents, intake forms, etc) will be placed directly into the Hancock Software. In Delaware, all LIHEAP-eligible clients are categorically eligible for WAP.

2. We would like a more detailed explanation of the financial reimbursement system for local providers, specifically:

A. A 12% maximum for certain expenses (“extra administrative expenses”) is mentioned on page 59. What types of expenses are subject to this limitation? Does this limitation apply to what would be characterized as “indirect expenses” (the grant’s share of accounting, HR, and other expenses for the organization as a whole) or do they also include “direct administrative expenses” such as salaries and benefits for staff members working directly on the weatherization program? This 12% administrative expense is allowed to be calculated on the administrative overhead (salaries, benefits, rent, insurance, etc.) and program operations (auditor salaries, vehicle expenses (gas, maintenance, insurance, etc.) that are billed monthly.

B. Would fees to subcontracted energy auditors and inspectors be included in this category? Yes, these are categorized as program operations. The 12% administrative expense includes almost everything except the labor and materials put into the homes and T&TA expenditures.

C. Are any payments under what DOE characterizes as “administrative expenses” included in the 12 percent limitation? Or is this category wholly separate from administrative expenses? What is the limit for “administrative expenses”? The cost categories of liability insurance and fiscal audit are included in the 12% calculation. Refer to the example monthly administrative bill below and see how the 12% administrative expense is calculated.

3. It is our understanding that this RFP covers services provided under Delaware’s DOE WAP program, but that other funding may be available from LIHEAP, RGGI, and utility programs. Does the same expense reimbursement system and limitations cover all funding sources? If not, what is the system for each funding source? Could you provide a breakdown of expected funding from each source? Do the rules that apply to the DOE program regarding cost effectiveness of measures, health and safety definitions and limits, etc., apply equally to these other funding sources, or does each funding source have its own set of requirements?

A. Does the same expense reimbursement system and limitations cover all funding sources?

Yes, the Delaware WAP uses 4 funding sources to support WAP operations and the same limitation covers all of the funding sources.

B. If not, what is the system for each funding source? No separate set of limitations for other funding sources.

C. Could you provide a breakdown of expected funding from each source? The funding is assigned to pay expenses on a case-by-case basis, and this is done by DNREC.

D. Do the rules that apply to the DOE program regarding cost effectiveness of measures, health and safety definitions and limits, etc., apply equally to these other funding sources, or does each funding source have its own set of requirements?

WAP uses the DOE limitations when using federal funds (DOE/WAP and HHS/LIHEAP) but will use other funding sources to fill gaps outside the limitations of federal funding. For example, the federal average

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cost per unit is \$7,669 for program year 2020. If there is a unit that had weatherization measures installed that cost \$6,000 and H&S installed that cost \$2,000, and a heater replaced at a cost of \$4,000. The unit would have funds applied in the following manner: federal funds would be \$6,169 assuming that \$1,500 is for admin for each home, so \$1,500 is taken off the top of the \$7,669 leaving a total of \$6,169 for federal funds to be spent. The 15% allowed on the \$6,169 is \$925, so the program operations portion of federal funds is \$5,244. The remaining amount of the \$12,000 invoice of \$5,831 would use either RGGI WAP or Utility funds.

**What's more important is that DNREC assigns the funds for every invoiced unit. The Subgrantee is not required to do any fund assignments; just submit the invoices for the units.**

4. Does Delaware have an “advance payment” program in place to provide local providers funds in advance of actual expenditures? Yes, Delaware can pay funds in advance. This is usually done as a Subgrantee is starting their operations and needs to get “off the ground”. As part of regular operations, federal funds must be made available to Subgrantees if they request advance funds as per 2 CFR 200.35. You will also find in Section 4.9 of the WAP Manual the guidelines for advance funding.

A. If so, does it apply solely to DOE funds, or to the other miscellaneous funding sources as well? This has not been initiated in the Delaware WAP to date. It isn't seen as being necessary if DNREC is assigning the funding sources for each invoice and directly pays the Subgrantee. In addition, the same is so for paying the administrative bills monthly for all operating costs.

5. Are there other documents in place that would be beneficial to read in conjunction with the preparation of this proposal? Perhaps we could be directed where to find the DOE state plan, state field guide, or a program operations manual, as appropriate.

A. The program year 2020 State Plan has recently been approved and has not been posted to the DNREC website yet. The WAP Manual and all other general guidance can be found on the state website at: <http://de.gov/wap> under resources for professionals. The Delaware Standard Work Specifications is also the state's Field Guide. The SWS is too large to post on the website so we post it on Dropbox for the Subgrantees and subcontractors to use and hard copies are provided to each Subgrantee to disseminate to their network.

6. Is the projected \$1.5M for both counties combined or for each county? The \$1.5M is combined for both counties.

**Example Monthly Administrative Bill**

Name of Subgrantee  
 Weatherization Program  
 Address of Subgrantee

Invoicing to DNREC Weatherization  
 DNREC address

Administrative invoice for : April 2019  
 Invoice date: 05/15/2019

Expense Description	Program Operations	Subgrantee T&TA	Liability Insurance	Fiscal Audit	Subgrantee Admin	Total Amount
Payroll	17,000.00					17,000.00
Taxes & Benefits	7,000.00					7,000.00
Travel and related expenses	1,600.00					1,600.00
Office Supplies	12.99					12.99
Postage	15.00					15.00
Advertising	0					0
Field Supplies	1,000.00					1,000.00
Program Audit Fees				5,000		5,000.00
Vehicle Insurance	900.00					900.00
Property Liability Insurance			325.00			325.00
Rent	1,500.00					1,500.00
Training		400.00 <sup>^</sup>				400.00
Subtotal						34,752.99
Administrative Fee (12%)					4,122.36	4,122.36
Totals	29,027.99	400.00	325.00	5,000.00	4,122.36	38,875.35

<sup>^</sup> Note that the T&TA is removed from calculating the 12% admin.

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Signature of Subgrantee Director of Program or the Program Manager

Date