

## **State Energy Program KICK-OFF WEBINAR**

**Narrators:** Stimulus Grants Coordinators, State Energy Conservation Office, CPA

### **Related Departments:**

#### *Contract Administration Office (CAO)*

CAO offers interpretations, guidance, and assistance regarding all facets of contract issues to provide a primary point of contact to CPA and its vendors for contract administration support.

David Bennett 512.463.7817

#### *Contract Monitoring Office (CMO)*

CMO monitors CPA contract status reports to ensure compliance with contract requirements. The CMO ensures oversight of contract compliance.

Maureen Vale 512.475.0531

**DOE Award Number:** EE0000116

**CFDA Number:** 81.041

# TOPICS

- I. Contract Scope and Summary
  - a. Deliverables and Budget
  - b. Standard Terms & Conditions
  
- II. Communication Protocol
  - a. Personnel authority
    - i. Primary point of contact
    - ii. Escalation
  
- III. Administrative Issues
  - a. Reimbursement Set-up Procedures
  - b. Getting Reimbursed
  
- IV. Federal Compliance
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  - b. NEPA (National Environmental Policy Act)
  - c. Davis-Bacon
  - d. Buy American
  - e. Reporting
  
- V. Question and Answer – Contact your Grants Coordinator

# SECO Stimulus Grants Coordinator Directory

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*For more information on energy related Texas Stimulus and the American Recovery and Reinvestment Act of 2009, please visit: <http://www.secostimulus.org>*

**I. Contract Scope and Summary**

**ATTACHMENT A**

**DELIVERABLES AND BUDGET**

**A. Subrecipient shall provide the following services during the period of this Agreement and all services reasonably related to them. The Comptroller may request additional records, information or reports related to the services hereinafter described and funded by the Comptroller.**

**The minimum deliverables and milestones are summarized as follows:**

	<b>Deliverables</b>	<b>Milestone/ Timeline</b>
1.		
2.		
3.		
4.		

**B. Budget**

<b>Equipment<sup>1</sup></b>	<b>\$ 0.00</b>
<b>Personnel<sup>2</sup></b> <b>(FOR PURPOSES OF IDENTIFYING THE PROJECT DIRECTOR IN THE CONTRACT)</b>	<b>\$ 0.00</b>
<b>Subcontract</b>	<b>\$ 0.00</b>
<b>Total</b>	<b>\$ 0.00</b>
<b>Funds Leveraged/Match</b>	<b>\$ 0.00</b>

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<sup>1</sup> Contractor shall not purchase any equipment or computer software for its performance under this Agreement without prior written approval from Agency. For this purpose, equipment is defined as tangible personal property having a useful life of more than one year and an acquisition cost of five hundred dollars (\$500.00) or more per unit. Title to and control over equipment or license of any software so purchased for Contractor's performance under this Agreement shall remain with Contractor so long as it is being used for the purpose for which it was intended under the terms of this Agreement.

<sup>2</sup> (PROJECT DIRECTOR), shall be Project Director for this project and shall be responsible for the overall supervision and conduct of the project on behalf of Contractor. Any Change of Project Director shall be subject to the prior written approval of Agency.

**STATE ENERGY CONSERVATION OFFICE  
STIMULUS DIVISION  
SUB-RECIPIENT CONTACT SHEET**  
EMAIL TO: [SECOSTimulus@cpa.state.tx.us](mailto:SECOSTimulus@cpa.state.tx.us) or FAX TO: 512-936-0042

**All fields must be completely filled out.**

Sub-Recipient (City or County) Name: \_\_\_\_\_

Executed Contract Number (CS or CLS No.) \_\_\_\_\_

**Check One**

SEP Grant       EECBG Grant

**SUB-RECIPIENT CONTACT INFORMATION**

**Primary Contact**

Name: \_\_\_\_\_

Job Title: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

**Secondary Contact**

Name: \_\_\_\_\_

Job Title: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

**Reporting Contact** *(This contact will receive the User ID and password for the SECO Stimulus Recipient Reporting Tool.)*

Name: \_\_\_\_\_

Job Title: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

**Grant Authority Contact** *(This contact is a direct employee of the city or county awarded the SECO Stimulus grant who has decision-making authority for the city or county.)*

Name: \_\_\_\_\_

Job Title: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

### **III. Administrative Issues**

#### **Reimbursement Setup Procedures**

##### **Getting Started**

##### **Step 1. Texas Identification Number (TIN)**

If you do not have a TIN, you must establish one in order to bill and receive reimbursements. Download and complete the application at the link below:

Payee Identification Number Application  
<http://www.window.state.tx.us/taxinfo/taxforms/ap-152.pdf>

If you need assistance completing the application, you may call the State Comptroller's office at (800) 531-5441, ext. 33660, toll free nationwide; in Austin the number is (512) 463-3660.

*Submit completed TIN application form to:*

Mail: David Schiller, Accountant  
State Energy Conservation Office – Stimulus  
Texas Comptroller of Public Accounts  
LBJ State Office Building  
111 East 17th Street, Room 146  
Austin, Texas 78774

##### **Step 2. Direct Deposit**

Entities are encouraged to sign up for direct deposit. Direct deposits provide access to funds in as little as 14 days for reimbursements under \$5,000.

*Submit the completed direct deposit information to:*

Fax: (512) 305-8855  
Email [claims.pin@cpa.state.tx.us](mailto:claims.pin@cpa.state.tx.us)  
Mail: Glenn Jennings, Accountant  
State Energy Conservation Office - Stimulus  
Texas Comptroller of Public Accounts  
LBJ State Office Building  
111 East 17th Street, Room 146  
Austin, Texas 78774



# COMPTROLLER OF PUBLIC ACCOUNTS, STATE ENERGY CONSERVATION OFFICE, STIMULUS PROGRAM

## **CONTRACT REIMBURSEMENT GUIDELINES**

All SECO Stimulus sub-recipients and vendors are required to submit a Voucher Information Summary Sheet (VISS) for each request for reimbursement. Documentation for all expenses claimed on the VISS should be attached to and submitted along with the form. Sub-recipients may submit reimbursements via fax or email (with scanned attachments) as often as needed to:

**Comptroller of Public Accounts  
Budget and Internal Accounting Division  
Accounts Payable  
secoinvoices@cpa.state.tx.us  
Fax (512) 936-9227**

Invoices must include the following, must be legible, and in the case of emailed invoices, must be in pdf format with 150dpi:

**VISS form  
Travel Reimbursement forms (if applicable)  
A scanned copy of a calculator tape showing the category expenses  
Signed invoices and/or receipts on company letterhead**

Invoices are approved by the appropriate Grants Coordinator and reviewed by management, then processed for reimbursement. If invoices are incomplete or there is a discrepancy with the invoice, the VISS form or any attached documentation; the Sub-recipient will be notified immediately for resolution. Incomplete invoices or invoices with discrepancies will not be processed. The Sub-recipient will have 10 days to resolve and resubmit as directed by the Grants Coordinator.

The following information should be included on the VISS:

**Sub-recipient Name  
Contract Number  
Vendor ID Number  
Grants Coordinator Name  
Period Covered by Claim  
Amount of Claim**

In the Budget Itemization section, the line items corresponding to the line items in the Budget of the contract should be completed.



A cover sheet should be placed before each section of documentation. The cover sheet should state the budget category and amount being claimed. A calculator tape showing the category expenses and total should be attached to each cover sheet. Budget category documentation should include the following:

**Personnel** – Payment records or time sheets for force accounts which reflect the name, time worked, salary, and benefits of the persons working directly on the project are required. To reduce the amount of paper submitted, a spreadsheet similar to the given example may be submitted. (See next page.) Copies or the actual time sheets should be kept by the sub-recipient and available upon request.

**Travel** - Reimbursement Forms and detailed receipts recording travel expenses, purposes, and activities are required for all travel expenses and should be attached to the form. A copy of the SECO Sub-recipient Out-of-State Travel Approval Form should be submitted along with the travel reimbursement form. **NOTE:** All travel expenses will be reimbursed according to the SECO Sub-recipient Travel Reimbursement Guidelines.

**Subcontract** - Subcontractor agreements, pay schedules, and detailed expense receipts are required. One copy of each subcontract agreement should be submitted to SECO upon execution. The subcontractor should have a copy of all SECO forms and guidelines as evidenced by an executed Exhibit from the contract attesting to knowledge of and agreement to comply with ARRA regulations to ensure compliance with all reporting requirements.

**Equipment & Other Direct Operating Expenses** – Detailed receipts for all purchases are required. If the receipt does not give an item description, indicate the description and purpose of the item. All equipment purchases not specifically approved in the contract budget must be approved by a SECO Grants Coordinator prior to purchase. Submit a memo to the Grants Coordinator at least two (2) weeks prior to the anticipated order or purchase date. The memo should state the item description, purpose, and direct benefit to the project. **NOTE:** Items specifically listed by name, Statement of Work, and/or Budget of the contract do not require written approval.

**Sub-recipient Provided Match** - Receipts and records for all expenses used to calculate sub-recipient match are required. The expenses should be broken out in the above categories according to the amounts listed in the Budget of the contract. To reduce the amount of paper submitted, a spreadsheet similar to the example below may be submitted. Copies of the actual receipts and records should be kept on file with the sub-recipient or vendor.

**Payment Process and Timeline**

1. Invoices under \$5,000 will be paid upon approval, approximately 14 days.
2. Invoices over \$5,000 will be upon approval, approximately 32 days.
3. If a payment notification request was made by an entity utilizing direct deposit, a notification will be sent to the entity one (1) business day prior to the posting to the bank.

**Basic Guidelines for Reimbursements**

1. Reimbursement can only be made for expenses incurred during the term of the grant, contract or agreement.
2. Reimbursements can only be made for eligible expenses covered in the agreement.
3. Equipment purchases submitted for reimbursement must include the procurement documentation for the purchase.
4. Out-of-state travel *must* be pre-approved by the Grants Coordinator.

**For questions, please contact SECO Stimulus at:**

PHONE: (512) 463-7392 E-MAIL: [secostimulus@cpa.state.tx.us](mailto:secostimulus@cpa.state.tx.us)

## IV. Federal Compliance

### COMPLIANCE WITH AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) PROVISIONS

In an effort to let ARRA SECO Sub-recipients know what the major federal contract requirements will be, SECO Stimulus is providing the following descriptions of federal contract requirements prior to contracting with Sub-recipients. When a Sub-recipient receives a contract, additional guidance will be provided by the SECO Stimulus staff through webinars, kickoff meetings and individual technical assistance. An implementation manual will be provided to Sub-recipients that will provide further guidance about the following topics with forms, websites and examples to use to comply with the requirements. If applicants have questions about any of the following information, they may contact SECO stimulus at [SECOstimulus@cpa.state.tx.us](mailto:SECOstimulus@cpa.state.tx.us).

Sub-recipients will be required to comply with several federal regulations including:

- Procurement regulations
- National Environmental Policy Act (NEPA);
- Davis-Bacon and related acts; and
- Buy American Act

Sub-recipients that expend \$500,000 or more in Federal awards annually will also be required to perform a Single Audit to comply with OMB Circular A-133. Those entities that are required to perform an A-133 audit must separately report the ARRA funds on their Schedule of Expenditures of Federal Awards (SEFA).

#### A. Procurement

Procurement is the process through which an entity obtains goods and services from vendors/contractors. The federal government has established a set of procurement rules that apply to ARRA-funded projects. These rules are in place to ensure that federal dollars are spent fairly and encourage open competition for the best level of service and price. In addition, the State of Texas has enacted a set of regulations that also apply to ARRA contracts. The Sub-recipient may also have its own procurement rules.

**NOTE:** If there is a conflict between federal, state and local laws regarding procurement, the more stringent law will apply.

The **competitive negotiation** procurement method applies to all professional service contracts paid in whole or in part with ARRA funds.

**Competitive negotiation** procurement is used when factors other than cost are an important part of selecting the vendor. Once proposals are received and rated/ranked, the Sub-recipient is free to negotiate with one or more respondents to arrive at the most advantageous terms and price. This negotiation is the main difference between this method and the **competitive sealed bids method**.

**NOTE:** Competitive Negotiation is required for purchasing professional services such as engineering on ARRA projects.

Construction services and materials contracts paid in whole or in part with ARRA funds must be procured using either the **small purchase** procurement method or the **competitive sealed bids** procurement method.

The Local Government Code, Sec. 262.023 (c) and Sec. 252.062 (a) specifically prohibits the use of the **small purchase** procurement method to make separate, sequential, or component purchases of items or services, with the intent of avoiding the competitive bidding and competitive proposal requirements. For example:

- A water line job should be one purchase, rather than individual purchases of pipe, fire hydrants, valves, and fittings.
- A water storage tank should be bid as one purchase, rather than separate purchases of site preparation, foundation, piping, valves, welding, etc.

**NOTE:** Small Purchase Procurement applies to contracts or “jobs” that cost less than \$50,000.

Prior to beginning small purchase procedures, the Sub-recipient should get an estimate of the cost of the construction from the engineer. If the estimated cost is greater than \$50,000, small purchase procurement is not appropriate.

Procurements of equipment, non-professional services, and construction contracts whose total cost is more than \$50,000 must formally advertise using **competitive sealed bids** and hold a public bid opening in a newspaper of general circulation.

Sealed bids are publicly solicited and a firm, fixed-price contract (lump sum or unit price) is awarded to the responsible respondent whose bid, conforming to all the material terms/conditions of the invitation for bids, is lowest and best in price.

## **B. National Environmental Policy Act (NEPA)**

[http://apps1.eere.energy.gov/state\\_energy\\_program/doe\\_guidelines\\_nepa.cfm](http://apps1.eere.energy.gov/state_energy_program/doe_guidelines_nepa.cfm)

The National Environmental Policy Act (NEPA) was enacted in 1969 to ensure that federal agencies consider and address any environmental impacts that result from the activities and projects they sponsor. The U.S. Department of Energy (DOE) enforces these regulations to ensure that projects do not pose a negative impact on the environment, or create environmental conditions that would negatively impact the persons served by the project.

SECO Stimulus projects may require environmental impact statements, environmental assessments, or be categorically excluded from further NEPA review.

The SECO office has already received NEPA guidance from DOE regarding several of the SECO programs it will administer. The following projects have been categorically excluded from preparation of an environmental assessment:

### State Energy Program:

- Building Efficiency and Retrofit
- Transportation Efficiency
  - Traffic signals
  - Alternative Fuels

- Installation of energy efficient traffic signals and street lighting
- Installation of distributed energy technologies including combined heat and power and district heating and cooling systems
- Installation of Distributed Renewable Energy Technology on government buildings
  - Solar Electricity/Photovoltaic – appropriately-sized system or unit on existing rooftops and parking shade structures; or a 60 kW system or smaller unit installed on the ground within the boundaries of an existing facility
  - Wind turbine – 20 kW or smaller
  - Solar Thermal – system must be 20 kW or smaller
  - Solar Thermal Hot Water – such as appropriately sized for small buildings
  - Ground Source Heat Pump – 5.5-ton capacity or smaller, horizontal/vertical, ground, closed-loop system
  - Combined Heat and Power System – boilers sized appropriately for the building in which they are located
  - Biomass Thermal – 3 MMBTUs per hour or smaller system with appropriate Best Available Control Technologies (BACT) installed and operated.

Energy Efficiency and Conservation Block Grant Program:

- Energy Audits and Retrofits
- Installation of insulation
- Installation of efficient lighting, heating, ventilation, and air conditioning (HVAC) and high-efficiency shower/faucet upgrades
- Weather Sealing
- Purchase and installation of ENERGY STAR appliance(s)
- Installation of solar powered appliances with improved efficiency
- Replacement of windows and doors

Sub-recipients that have projects that are not listed above must check with their SECO Stimulus Grants Manager to determine the level of review that the project must complete to be in compliance with the NEPA regulations. Sub-recipient projects that are not categorically excluded **must** receive NEPA clearance from the Controller/SECO/DOE staff before **any** work on the project may start. DOE will be responsible for completion of any environmental assessment or environmental impact statements that are required. Sub-recipients will be required to assist DOE by providing information for their projects, if necessary.

### C. Davis-Bacon and Related Acts

ARRA requires the payment of Davis-Bacon Act prevailing wage rates (which are determined by the U.S. Department of Labor) to all **contracted** workers on all construction, alteration, or repair of a public building or public work projects in excess of \$2,000 (29 CFR, Parts 1, 3 and 5). States and local governments that use their own employees to perform work required by the ARRA contract **do not** have to pay Davis-Bacon wage rates to those employees, but must document the hours worked performing those duties.

To comply with this regulation, a wage determination for the type of work being proposed must be made available to all prospective contractor/bidders. Wage determinations may be found at <http://www.wdol.gov/dba.aspx#0>. Once a contractor has been chosen, weekly certified payrolls must be submitted to the Sub-recipient by the contractor. The Sub-recipient will submit the payrolls to the SECO Stimulus Grants Manager. A certified payroll form may be found at <http://www.dol.gov/whd/forms>. The form number is WH-347. The Sub-recipient is required to ensure that the wages paid are consistent with the wage classifications listed on the wage determination. This is accomplished through on-site interviews of the contractor's workers and a weekly review of the submitted payrolls.

#### Other resources:

- State Energy Program Frequently Asked Davis-Bacon Questions:  
[http://apps1.eere.energy.gov/state\\_energy\\_program/davis\\_bacon\\_faqs.cfm](http://apps1.eere.energy.gov/state_energy_program/davis_bacon_faqs.cfm)
- Energy Efficiency and Conservation Block Grant Program Frequently asked Davis-Bacon Questions:  
<http://www.eecbg.energy.gov/davisbacon.html>

### D. Buy American Provision

[http://www1.eere.energy.gov/recovery/buy\\_american\\_provision.html](http://www1.eere.energy.gov/recovery/buy_american_provision.html)

The Buy American provision in the ARRA of 2009 (section 1605 of Title XVI), provides that, subject to three listed exceptions, none of the funds appropriated or otherwise made available by the Act may be used for a project for the construction, alteration, or repair of a public building or public work **unless** all the iron, steel, and manufactured goods used are produced in the United States. The three exceptions are:

1. Applying the Buy American provision would be inconsistent with the public interest;
2. The iron, steel and manufactured goods are not produced in the U.S. in sufficient and reasonably available quantities and of a satisfactory quality (“nonavailability”); and
3. The inclusion of iron, steel and manufactured goods produced in the U.S. will increase the cost of the overall projects by more than 25 percent (“unreasonable cost”).

Compliance with this provision is mandatory unless a request for a waiver using one of the above reasons is applied for and approved by DOE.

On February 11, 2010, Cathy Zoi, Assistant Secretary for Energy Efficiency and Renewable Energy at the U. S. Department of Energy issued a Memorandum of Decision of inapplicability (categorical waiver) under section 1605 of the American Recovery and Reinvestment Act (ARRA) of 2009 for:

1. Traffic lights, arrows and crosswalk signals (covers the LED light and any adjacent wires and electronic parts necessary for the functionality of the lights themselves but excludes the metal or plastic fixtures);
2. Fluorescent electronic lighting ballasts, and
3. Screw-base and pin-base compact fluorescent lamps (CFLs).

The determination of inapplicability under ARRA section 1605 for these three products is based on extensive market research and a thorough investigation of the domestic manufacturing landscape. This research revealed that these three products are manufactured almost exclusively in China and Mexico. As a result, these three products do not have to be purchased in America. These determinations of inapplicability (categorical waivers) apply to all projects using EERE Recovery Act funds for the construction, alternation, maintenance and repair of public buildings or public works.

The specific products detailed below will remain subject to the Buy American provisions because some domestic manufacturing capacity does exist:

1. Electronic dimming ballasts for fluorescent lamps;
2. Plug-in CFLs longer than 10 inches, and
3. Traffic light fixtures (also referred to as the “housing” or “shell”).

In order to comply, Sub-recipients will certify, through an attachment to their contract with the Comptroller, that they will comply with the Buy American provisions. The certification will include a flow-down requirement to each of their vendors and contractors. Sub-recipients will be required to obtain from their contractors/vendors all invoices for goods used in the construction, alteration or repair process for their projects. Such invoices should indicate that the goods were manufactured in the U.S. and shall be kept in the project files.

#### **E. Monthly Reporting**

The *Monthly Progress Report* is due to the Comptroller’s Office by the last day of each month. Monthly Progress Reports must be submitted on the Comptroller’s website and submitted electronically. Reports may be submitted via e-mail to [SECOstimulus@cpa.state.tx.us](mailto:SECOstimulus@cpa.state.tx.us) or faxed to (512) 936-0042 ONLY if the report CANNOT be submitted on-line. A User Name and Password will be e-mailed to your reporting contact after you have completed the kick-off webinar.