

Quality Contractor Network – Weatherization Membership Requirements

1. Purpose

The Quality Contractor Network (QCN) for weatherization contractors is a cooperative effort among the Tennessee Valley Authority (TVA), local power companies, and local HVAC contractors whose purpose is to promote the installation of energy efficient measures and HVAC systems in existing single-family or manufactured homes through the *energy right*[®] In Home Energy Evaluation.

2. Privileges

Membership for weatherization contractors in the QCN includes responsibilities and privileges. Responsibilities are covered in Section 5, “QCN Member Responsibilities.” QCN membership privileges include:

- QCN member listing with local power company. TVA maintains a master list of contractors that have qualified for QCN membership (QCN members) by complying with all necessary membership requirements. Each participating local power company selects QCN members from this master list for its local QCN member list which is provided to Participants interested in participating in the In Home Energy Evaluation
- QCN members receive prompt payment for approved weatherization and HVAC improvements with Participant use of *energy right*[®] Program financing or other financing offered through the local power company.
- TVA and local power companies promote QCN members.
- QCN members have access to promotional brochures, advertising, and collateral materials.
- QCN members may identify themselves with the QCN logo.
- QCN members are eligible to participate in special promotions designed to increase weatherization installations.
- Training is available to help QCN members who want to operate a more successful business.
- QCN members may receive support for cooperative advertising as funding allows.

3. Participation Criteria

Weatherization contractors who desire to become members of the QCN should refer to the “Regional Contact List” (in the Appendix or on the Website, www.energyrightpartners.com) for contact information in their area.

To be accepted into the QCN and maintain membership, the weatherization contractor must meet the requirements set out below and install weatherization measures in compliance with all applicable In Home Energy Evaluation Installation Standards.

3a. Membership Requirements and Recommendations

3a1. Initial Membership Meeting

Prior to QCN membership, interested weatherization contractors must attend an initial membership meeting that provides an overall discussion of the QCN and the In Home Energy Evaluation. Upon requesting QCN membership, a contractor will be notified of the date and time for the next initial membership meeting. The initial membership meeting will address QCN Membership Requirements, Performance Requirements (requirements for remaining in the QCN once listed), and In Home Energy Evaluation Standards and Procedures.

If an existing HVAC QCN contractor wishes to be placed on the weatherization list as a duct modification/sealing company, the contractor must request such designation and provide the following items:

- Proof of North American Technician Excellence (NATE) or HVAC Excellence certification. NATE certification requires passing the Core exam and one Specialty exam in Heat Pumps (Installation or Service). The accepted HVAC Excellence certification is the Professional Level Certification. Certification information can be found at www.natex.org or www.hvacexcellence.org.
- Proof of passing Air Conditioning Contractors of America (ACCA) Manual J training and testing.

Final QCN membership listing will follow successful completion and inspection of the contractor's first two projects under the In Home Energy Evaluation.

3a2. Credit Report

If the QCN Application cannot be satisfactorily completed to meet membership requirements, TVA may elect to obtain a credit report to supplement the applicant's information. A negative answer to any of the following questions (as listed on the QCN Weatherization Application) would constitute an unsatisfactory completion.

Do you have past due credit over 30 days old?

Do you have any losses or judgments or lawsuits filed against you in the last 5 years?

Have you been in bankruptcy or filed for bankruptcy within the last 7 years?

3a3. Establishment of Business

The applicant must have been in business as a weatherization contractor (or HVAC installer for duct sealing installations) for at least six months (applies through December 31, 2009).

Beginning January 1, 2010, the applicant must have been in business as a weatherization contractor (or HVAC installer for duct sealing installations) for at least one year.

The applicant must provide a current valid business license along with their business' prior year tax return (or other evidence of operations for the term listed above) before the initial membership meeting. Applicants with one year or more of experience but who may have had a break in their business operations (i.e. have not been active during the last 12 consecutive months) may be asked to provide additional evidence of experience.

3a4. References

The weatherization contractor requesting QCN membership must provide Participant references from three weatherization projects completed in the previous twelve months and a trade reference from their bank or other financial institution.

3a5. Business Practices

- QCN members must maintain a permanent established place of business and provide evidence of its continuing existence and operation upon request. For example, the QCN member must have a business license for the business, the office and shop must not be mobile, and the main office (if branches exist) must be permanent and easily identified and located.
- QCN members must maintain all licenses, permits, authorizations, consents, or approvals of all appropriate governmental authorities and all public or private boards and bodies necessary to install, as applicable, recommended weatherization improvements and/or heat pumps in each area in which the QCN member does business.
- QCN members should have the tools needed to verify that the work performed meets TVA Weatherization Installation Standards located in the QCN manual or online at www.energyrightpartners.com.
- QCN members installing HVAC systems and/or thermal shell improvements are responsible for adherence to manufacturer's installation requirements and shall in no instance install a product in such a manner as would void the consumer's warranty.
- QCN members are responsible for adherence to local, state, and federal ordinances and codes as applicable.
- QCN members must provide a business phone number with an answering service and/or answering system available for Participants.
- For QCN weatherization members using the *energy right*[®] Financing Plan: payment for the amount financed will be directed only to an account owned by the contractor/business. For QCN weatherization members using other available financing options, please contact the local power company for payment method.

3a6. Promotion

- QCN members must promote energy efficiency. Promotion efforts may include displaying logos and materials provided by TVA and/or the local power company, making energy efficiency literature available to Participants, and providing information on the In Home Energy Evaluation upon request.
- QCN members must refrain from negative promotion against the QCN, TVA, or the local power company.
- QCN members must demonstrate a desire and willingness to actively participate in the QCN.

- QCN members may not offer their Participants any rebate promotion that does not come directly from TVA, the local power company, the manufacturer, or wholesaler. If the Participant receives a manufacturer's rebate or discount for approved measures, the invoice shall reflect the reduction and the incentive paid by TVA will be up to 50% of that reduced amount. However, this restriction does not apply to federal or state tax incentives.

3a7. Certificate of Insurance

All weatherization QCN members shall maintain a minimum of \$500,000 for general liability insurance, \$300,000 for each occurrence, and a minimum of \$300,000 for employee liability insurance. The QCN member must provide a certificate of insurance completed by its insurance carrier, agent, or broker certifying that at least the minimum insurance coverage as set out above is in effect and that the coverage should not be canceled or changed without thirty (30) days advance written notice to TVA. This certificate of insurance shall be provided to TVA upon initial membership, recertification, and upon request.

3a8. Workers' Compensation

QCN members shall maintain legally required workers' compensation insurance. The QCN member must provide TVA with written proof of this insurance coverage before it can become a QCN member.

3b. Performance Requirements

3b1. Installation Criteria

- QCN members must meet all installation requirements prescribed by the manufacturer and by the *energy right*[®] Program (set out in TVA's Weatherization Installation Standards as modified by the local power company).
- For HVAC installations:
 - If a heat pump is installed through the In Home Energy Evaluation, the heat pump installation guidelines located in the Quality Contractor Network Manual, must be followed. If a high efficiency air conditioner is installed as a result of the In Home Energy Evaluation, the QCN member shall use the latest version of the (ACCA) HVAC Quality Installation Specification manual.
 - If the QCN member is installing an HVAC system as a result of the In Home Energy Evaluation, the member must perform a heat loss/gain calculation for each system based on the ACCA Manual J for residential dwellings. The QCN member is responsible for this calculation but this load calculation may be completed by an employee of the QCN member or a wholesale distributor employee certified to perform such calculations to ACCA standards. TVA may periodically request verification of certification to perform load calculations for those individuals completing them for the QCN member. The load calculation must be submitted to the inspector before inspection.
 - QCN members must complete any forms required by the local power company for each project under the In Home Energy Evaluation. (Copies of forms are in the Appendix or on the Website, www.energyrightpartners.com.)
- QCN members shall install all weatherization measures in accordance with applicable laws (e.g., statutes, ordinances, codes, regulations, and governing body requirements).

3b2. Inspection Procedures and Corrections

- QCN members must repair any deficiencies in weatherization work performed, found by either the In Home Energy Evaluation inspection or by TVA's follow-up Quality Assurance (QA) inspections.
- QCN members are encouraged to have a representative of their company present during an inspection.
- QCN members must correct deficiencies identified during an inspection within the required response time (see Inspection Scoring Section 6) and notify the Participant and TVA or the local power company upon completion. Failure by the QCN to notify the local power company or TVA for possible re-inspection may adversely affect payment to the contractor and/or incentives to the Participant.

3b3. Training

- QCN members are responsible for their agents and employees, including the technical competency and qualifications of their salespeople, installers, service technicians, and any subcontractors. QCN members must have at least one representative attend all TVA mandatory training sessions. QCN members will be notified by TVA of mandatory training.
- It is recommended that weatherization QCN members who perform duct sealing or duct modifications as a result of the In Home Energy Evaluation successfully complete ACCA Manual D (Residential Duct Systems) training.

3b4. Recertification for Continuing Membership

- Each QCN member must recertify annually in January to remain a QCN member. This recertification process confirms those that still wish to work with the program meet the minimum participation requirements. QCN members must provide evidence that any required annual training hours have been completed.
- Weatherization QCN members who install HVAC as a result of the In Home Energy Evaluation must show there is still a staff member who has been certified in ACCA Manual J, and that a minimum of one staff member is NATE or HVAC Excellence certified. Each November TVA will send Weatherization QCN members notice of the need for recertification.
- A copy of the Application/Recertification form is in the Appendix and on the Website, www.energyrightpartners.com.

3b5. Follow-up Surveys/Questionnaires

QCN members must respond in a timely manner to any follow-up surveys or questionnaires from TVA or local power companies pertaining to the QCN or the In Home Energy Evaluation.

3b6. Business Entities/Ownership

The QCN member will be considered as an entity. Changes in name or ownership will not relieve the entity of QCN obligations. When QCN members merge, only one business entity may maintain membership in the QCN.

4. Forms

The following forms are relevant to the QCN. (Copies of these forms are in the Appendix and on the Website, www.energyrightpartners.com.) Additional forms may be required by the local power company.

- Quality Contractor Network Membership Application and Recertification
- *energy right*[®] In Home Energy Evaluation Loan Application
- *energy right*[®] Program In Home Energy Evaluation Agreement to Participate - Financing
- *energy right*[®] Program In Home Energy Evaluation Installation Inspection Checklist
- *energy right*[®] Program In Home Energy Evaluation HVAC Tune-up Checklist
- *energy right*[®] Program Contractor – Participant – Inspector Affidavit
- Lender Payment Authorization Form
- Rebate Authorization Form

5. QCN Member Responsibilities

Responsibilities include:

- Determining the local power company serving the Participant
- Confirming that the local power company is participating in the In Home Energy Evaluation and/or the *energy right*[®] Financing Plan
- Meeting all participation requirements as described in the Participation Criteria (Section 3)
- Determining the legal owner of the dwelling prior to the Participants applying for program financing
- Determining whether the home qualifies for financing. Financing is only available for single family residential dwellings and manufactured homes. If the property is a manufactured home on leased property, the landowner must cosign the loan.
- Understanding Attachment A: TVA In Home Energy Evaluation, Retrofit Incentive Schedule (A copy of this attachment is located in the Appendix and on the Website www.energyrightpartners.com.) QCN Contractor must be able to accurately describe Attachment A to his/her Participant.
- Determining if the dwelling is suitable for the installation of recommended weatherization measures or HVAC. This determination may include the condition of the structure. For example, a dwelling in obvious need of extensive structural repair might not be suitable. Or, if a homeowner lived only in a small section of the home, this might also impact how much work might need to be performed.
- Contacting the local power company about needed forms and any items on the forms needing clarification before work begins

- If work is to be performed, reviewing the “Agreement to Participate” to see that it is still valid (utilized within a 90 day period of being signed), accurate, and reflective of proper ownership (a copy of a deed may be necessary for verification) before any work is begun. Work should proceed only if a valid agreement exists. The local power company should be contacted if the agreement has expired. If Participant is financing and more than one contractor is performing work on the home, contractors should attempt to have work completed at the same time as only one loan will be originated. If work cannot be completed at the same time, TVA may elect to pay the leading contractor before the final inspection on a case-by-case basis. TVA’s Residential Trade Ally Manager should be contacted for additional direction as needed.
- Making Participants aware when work will be subcontracted and assuring that all work done by subcontractors complies with the In Home Energy Evaluation Installation Standards. Ensuring that the installation of any weatherization measure does not alter the structural integrity of the dwelling or present a hazardous condition
- Obtaining Participant approval of any changes (from the original estimate or installation design)
- Installing improvements to meet In Home Energy Evaluation Installation Standards for weatherization improvements
- Providing quality work performed with skill and good technique in accordance with generally accepted industry standards and in compliance with local codes, ordinances, and permit requirements and in compliance with the In Home Energy Evaluation Installation Standards
- Submitting a detailed invoice for the recommended weatherization installation, which itemizes costs. See appendix for Itemized Cost Attachment.

NOTE: In no event shall a rebate, discount, cash-back offer, or any other form of consideration be offered or provided to the Participants unless itemized on the invoice. Exception: Federal or state tax credits/incentives are not consideration unless such credits or incentives are available to the Participant at time of purchase or time of installation.

- Practicing good business ethics and ensuring Participant satisfaction to the best of the QCN member’s ability, including leaving the premises in a “broom clean” condition after the installation.
- Completing the *energy right*[®] Program In Home Energy Evaluation forms and any other forms required by the local power company. The QCN member shall submit this information to the appropriate local power company in whose area the project is completed.
- Ensuring that the Participant knows who to call by providing the QCN member company name and business phone number to the Participant.
- Honoring all service and warranty commitments made to Participants. All consumer warranties are to be left with the homeowner in writing.
- If a QCN member or representative has any questions about weatherization measures, installation criteria, inspection procedures, or forms, the local power company should be contacted prior to the installation. (For the Regional Contact List see the Appendix or the Website, www.energyrightpartners.com.)

6. Inspection Scoring

For each project, TVA or the local power company will perform an inspection of rebated efficiency measures. These inspections will verify proper installation of installed measures. Inspections occur either with a representative of the QCN member present (usually at the end of a project) or at some point after the job is completed (typically without the QCN member). The time frame for any corrective actions needed following the inspection will vary depending on the severity of the problem. QCN members will receive, in writing, corrections needed and time frame for completion. For inspections, results are scored into the following four sub-categories:

6a. F2 - House Failed - Urgent Priority Response Needed

The inspector is not to leave the installation site until the issue is addressed. With respect to any safety issues, corrective actions must be implemented as necessary.

Conditions in this category may include:

- Contractor was aware of a problem and left home in unsafe condition. Unsafe conditions might include improper installation of insulation that could result in fire or structural damage to the home.
- Measures included in the scope of work as costs to the Participant but not installed
- Severe moisture issues
- Other health and safety related problems that may or may not pose an immediate risk to the building occupants

6b. F1 - House Failed - Normal Response Needed

The contractor is to be given instructions for making repairs and a timeline for completing those repairs.

Conditions in this category may include:

- Below standard insulation installations
- Windows not meeting program standards
- Failing to conform to program administrative procedures (failing to obtain pre-approvals, change order approvals, etc.)
- HVAC equipment not installed to manufacturer's specifications or is not operating properly
- Quality of installation issues observed for measures installed

6c. P2 - Passes Program Standards with Technical Assistance

The work performed passed In Home Energy Evaluation Standards, but the inspector had to provide technical assistance to correct deficiencies before project was complete.

6d. P3 - Passes Program Standards:

The work performed passed the In Home Energy Evaluation Standards.

7. Removal Standards

7a. Removal Consequences

QCN members may be removed from QCN membership in accordance with the criteria presented in this Section 7. Contractors removed from QCN membership will no longer be QCN members, will relinquish all QCN membership privileges, and will no longer be included on the master list of QCN members.

7a1. Removal Criteria

TVA may remove any participating QCN member from membership for a minimum of ninety (90) calendar days when TVA determines that the QCN member has caused or allowed any of the following to occur:

- Misrepresentation: Providing materially false information to TVA, a local power company, or a Participant, including misrepresentation of employment by TVA or a local power company.
- Liens: Failure to prevent a supplier or a subcontractor from placing a lien against a Participant's property because the supplier or subcontractor is unpaid for equipment, material, or labor for an installation under the In Home Energy Evaluation.
- Unacceptable Behavior: Engaging in behavior of the following sorts against a customer, any TVA or local power company personnel, or any person cooperating in any investigation, dispute resolution attempt, or other activity involving a program dispute:
 - Intimidation
 - Harassment
 - Retaliation
 - Bribery
 - Attempted Bribery

Note: This list is illustrative and not exhaustive. These are examples only and not a complete list.

- Negative Promotion: Making any advertisement or promotion negatively impacting the In Home Energy Evaluation, the QCN, TVA, or local power company
- Repeated Failures: Two consecutive failures to have the same measure pass inspection for reasons enumerated in a prior inspection
- Untimely Corrections: Failure to remedy after notification, without charge, in accordance with Section 6.0: (a) any failure to satisfy In Home Energy Evaluation Installation Standards, or (b) any damage to a Participant's property resulting from an installation under the In Home Energy Evaluation
- Failure to follow-up on Leads: Failure to provide timely follow-up on leads (prospective customers) identified through the In Home Energy Evaluation
- Failure to Comply with:
 - A provision of law
 - A TVA rule, regulation, guideline, or instruction generally applicable to all QCN members of the same class
 - A TVA policy, standard, or criterion approved by the TVA Board of Directors
 - Any QCN membership requirement
 - Purpose of QCN by discouraging a Participant from participating in the In Home Energy Evaluation or other *energy right*[®] Program other than the dwelling not being suitable for the *energy right*[®] Program.

7b. Removal Process

TVA will have responsibility for removing QCN members from QCN membership. Local power companies participating in the In Home Energy Evaluation may choose to incorporate removal standards in addition to TVA's standards. They may remove QCN members from their local list when their local standards for continued participation are not met. Please consult with the local power company for local requirements.

When TVA determines that adequate grounds exist for removal, the QCN member involved will be notified of the proposed removal by certified mail. The notice will provide:

- Fifteen (15) calendar days from the date the removal letter is mailed as the date of proposed removal
- A description of the grounds for the proposed action

Additionally, by the date of proposed removal, the QCN member must provide TVA with:

- A list of all work in progress under the In Home Energy Evaluation where there is a signed project agreement between the QCN member and a Participant dated on or before the notice date
- Any extenuating circumstances which should be considered
- Any request that a conference be scheduled to present information and explanations on the proposed removal

7b1. Conference

If TVA does not receive a request from the QCN member for a conference within fifteen (15) days from the date the removal letter is mailed, the QCN member will be removed from QCN membership as of the date of proposed removal. To request a conference with TVA, the QCN member should contact the TVA representative listed on the Regional Contact List, providing an explanation of the actions in question.

If TVA receives a request for a conference by the date of proposed removal, the QCN member will not be removed from QCN membership as of the date of proposed removal. Instead, TVA will schedule a conference with the QCN member and the QCN member will or will not be removed from QCN membership in accordance with the outcome of this conference.

At the conference a TVA decision maker or his/her representative will meet with the QCN member. Information and material providing the basis for the removal will be presented to the QCN member and the QCN member will be given the opportunity to present information and explanations relevant to the removal. At the conference, a reasonable time, not less than seven (7) days, may be set within which additional written material may be submitted by the QCN member and, in exceptional circumstances, additional sessions may be scheduled to allow further oral presentations. Based on consideration of the presentations at the conference and any timely-submitted additional written material, the TVA decision maker or his/her representative will make a final decision. A copy of the final decision will be sent to the QCN member detailing the action to be taken, if any, and an effective date of removal, if applicable. By the date of removal, the QCN member will be required to complete in a timely manner all outstanding work previously listed in progress or for which a signed contract existed on the notice date.

7b2. Emergency Removal

Notwithstanding the normal notice provision, TVA may remove a QCN member from QCN membership effective immediately upon making a determination that not to do so would pose an imminent danger to life, health, or property. TVA will notify any contractor so removed by certified mail of the date of removal, the grounds for the action, and the opportunity to request a conference. If TVA receives a request from the contractor for a conference within fifteen (15) days from the mailing date of the notice of immediate removal, TVA will schedule a conference with the contractor. After the conference, TVA will promptly either confirm the removal or reinstate the contractor as a QCN member.

7c. Reinstatement Standards

After any minimum removal period has expired, a contractor may apply for reinstatement to QCN membership. A contractor may not be reinstated until all of the following conditions have been met:

- The contractor must meet “Membership Requirements and Recommendations” (see Section 3a).
- The contractor must provide evidence satisfactory to TVA that any problems that led to removal have been remedied.
- All outstanding work must have been completed in accordance with In Home Energy Evaluation requirements.
- In some cases the contractor may be required to provide additional assurances of responsibility satisfactory to TVA (e.g., adequate assurances of timely payment to suppliers, satisfactory completion of additional training, etc.).

Itemized Cost Attachment

Attic insulation	R-value added/square feet installed	type insulation added	total cost
Added attic ventilation	square feet added	location	total cost
Floor insulation	R-value added/square feet installed	type insulation added location of insulation	total cost
Floor ventilation		number vents added	total cost
Floor vapor barrier	Square feet covered	thickness (mil) installed	total cost
Storm windows	number installed and brand	square footage installed	total cost
Doors (primary)	Type & number installed	percent glass	total cost
New Thermal pane or Double pane windows	Brand & model number number installed	U-value/ SHGC value square footage installed	total cost
Caulking	Number windows and doors type caulk used	Other applications and/or locations	total cost
Weather stripping	Number windows/doors	location of installation	total cost
Rehabilitation work (local power company must approve any rehab work to be done)		description of work completed including quantity or area	total cost
Tune-up		description of work performed	total cost
Heat pump or high efficiency A/C installation		(refer to Heat pump installation manual for invoice detail requirements)	
Promotional discounts or rebates			
Other applicable and acceptable costs		See Section 3a6 for limitations	