

IOWA WEATHERIZATION PROGRAM NOTICE 25-01

TO: Executive Directors, Weatherization Coordinators

FROM: Christine Taylor, Weatherization Program Manager

DATE: May 21, 2025

RE: Change Orders, Flat Rate

Effective: June 1, 2025

Since January, contractor-based agencies have been using flat rate costs unique to their agency, for general weatherization work.

Effective June 1, 2025, all contractor-based agencies will use the new standard flat rate material and labor prices (attached) when contracting for general weatherization work. There will be no deviation in price from agency to agency, rather, all agencies will use the same material and labor prices.

Any homes with no work awarded (mechanical, electrical, weatherization, etc.), as of June 1, 2025, will be required to be re-run in the NEAT/MHEA Audit with the new flat rate prices.

See below for a new change order policy and new flat rate prices. The new required Weatherization Change Order Form will follow.

Iowa Weatherization Policy and Procedures Manual**5.77 Other Issues****Change Orders**

Any time the work being done differs from the work order, a change order must be completed.

The Weatherization Change Order Form **must** be used for all change orders.

Objectives

- Ensure precise cost tracking
- Uphold compliance with program funding requirements
- Establish clear change order approval procedures for agencies
- Emphasize the critical role of accurate energy audits

Measure Entry and Cost Compliance

- All measures intended to be installed in the home must be accurately entered into WAweb (NEAT/MHEA Audit).
- All work that is bid, must have the bid costs re-entered into the NEAT/MHEA Audit and the NEAT/MHEA Audit run again in order to determine which additional measures are cost-effective for the home. Once the NEAT/MHEA Audit has been re-run, the general weatherization work may be awarded.
- The agency may only charge the amount specified in the recommended measures report for each measure they install. The total from the recommended measures report will serve as the official job estimate.
- Best practice is for all heating unit and water heater work to be completed prior to general weatherization work. When completing general weatherization work first, an explanation regarding the need to do so must be in the file.

Change Orders for Cost Adjustments

- If the actual cost of an installed measure differs from the estimate, the adjustment (+ or -) must be documented on the Weatherization Change Order Form per program policy (with supporting photo documentation, as applicable).

Approval Requirements for Cost Overages

- When work order costs for a contractor/crew exceed the original anticipated costs for that contractor/crew, the following approvals must be obtained. This applies to all work done by contractors (plumbing and mechanical, general insulation, etc.).
- For flat rate installation of exhaust fans, additional electrician costs beyond the flat rate price are exempt from this policy.

	Overage Must Be
< 10.00%	approved by QCI, at a minimum
10.01-15.00%	approved by weatherization coordinator, at a minimum
> 15.00%	re-entered into NEAT/MHEA Audit and must be approved by the weatherization coordinator, at a minimum, and the grantee (will be reviewed within 3 business days)

Cost-Effectiveness and DOE Contract Restrictions

- If the final cost of a measure makes it no longer cost-effective, the additional costs of that measure may NOT be charged to a DOE contract.

9.40 FLAT RATE CONTRACTING – GENERAL WEATHERIZATION WORK

Flat rate contracting is a method of contracting for general weatherization work (only general weatherization work – not HVAC, plumbing, or electrical) without using the normal competitive bid process for each house or packet of houses. The flat rate method of contracting is based on predetermined fixed material and labor prices for the general weatherization work that is required by the Iowa Weatherization Program. ~~These predetermined labor and material prices are based on average costs reported to the Grantee. Average costs are subgrantee specific and~~ Material and labor prices are

provided by the grantee. By agreeing to work under the flat rate contract method, contractors must accept the fixed material and labor prices for their work.

The use of flat rate contracting eases the administrative burden on subgrantees and their contractors by eliminating the need for a competitive bid process for each house or packet of houses. Additionally, flat rate contracting will aid in controlling costs, thereby supporting the long-term sustainability of the program.

Contracting Under the Flat Rate Method

Subgrantees must have contracts with the contractors who are on the flat rate system (only general weatherization work – not HVAC, plumbing, or electrical). The only difference between contracting under the flat rate system and the competitive bid system is that the contractors using the flat rate system agree to perform the work for the predetermined flat rate prices rather than bid prices. The contracting requirements and recommendations, described in Subsection 9.30, apply to contracting under the flat rate method. Contracts with contractors under the Weatherization Flat Rate method must state the material and labor prices, which can be handled as an appendix to the contract with contractors.

CHANGE ORDERS

Change orders are allowed, using the established flat rate prices. [See Section 5.77 Other Issues – Change Orders, for more information.](#)

AWARDING JOBS

Once a home has been audited and the appropriate measures for installation have been determined by the NEAT/ MHEA audit, the subgrantee will present the contractor with a work order. The work order includes a flat rate spreadsheet of measures and the associated labor and material price for each measure. The flat rate spreadsheet is provided by the grantee and includes the subgrantees current average costs used in the NEAT/ MHEA audit.

Jobs are to be awarded to qualified general weatherization contractors (only general weatherization work – not HVAC, plumbing, or electrical) in a manner that ensures fair and equitable distribution, while maintaining the production levels necessary to expend funds and assist households. The method of awarding flat rate general weatherization jobs is determined by each subgrantee and must be approved by the grantee prior to implementation.

Iowa Weatherization Work Standards

1015 Work Order

- Agency auditors are to create their work order from the NEAT/MHEA Audit Recommended Measures material list. The work order is to include all insulation R-values, U-values, efficiencies of mechanical equipment, infiltration and duct sealing targets. The work order must also include all energy conservation measures, repairs, health and safety and general heat waste measures (faucet aerators, pipe wrap, etc.) that are going to be installed on the dwelling. The work order must clearly explain where measures are to be installed.

- Heating unit and water heater work bid prices must be re-entered into the NEAT/MHEA Audit and the NEAT/MHEA Audit run again in order to determine which additional measures are cost-effective for the home. Once the NEAT/MHEA Audit has been re-run, the mechanical and general weatherization insulation work may be awarded.
- Best practice is for all heating unit and water heater work to be completed prior to general weatherization work. When completing general weatherization work first, an explanation regarding the need to do so must be in the file.

2023.02 Heating Unit Safety

Energy Auditor/Inspector

- During the heating season, no weatherization work may be done until a non-operational or hazardous primary heating unit is repaired or replaced. Best practice is for all heating unit and water heater work to be completed prior to general weatherization work. When completing general weatherization work first, an explanation regarding the need to do so must be in the file.