

Vendor Management

Division of Energy Assistance
Office of Community Services
Administration for Children & Families
U.S. Department of Health and Human Services



ADMINISTRATION FOR
CHILDREN & FAMILIES



Vendor Agreements

- Vendor agreements should be entered into with the LIHEAP grantee, not local administering offices or CAAs
- Agreements need to ensure LIHEAP participants are not treated differently from other customers
- Should be renewed every 1-2 years

* In-depth training on vendor agreements is available at <https://www.acf.hhs.gov/ocs/resource/liheap-trainings>



Vendor Agreement Renewal / Approval

- Vendor agreements need to be created/updated with input from your legal team to ensure compliance with state/federal laws and LIHEAP assurances
- Check vendor EIN against state/federal debarment lists to ensure vendor is in good standing
- Check for new ownership, mergers, and territory changes

* In-depth training on vendor agreements is available at <https://www.acf.hhs.gov/ocs/resource/liheap-trainings>



Vendor Training

- Provide vendor training before each LIHEAP season
- Training should include:
 - Updates to program including policies for crisis and heating/cooling
 - Required forms and paperwork for processing a LIHEAP benefit
 - How to handle refunds or overpayments
- Vendor training should include local administering agencies if applicable

Vendor Oversight

- Vendor agreement should include language giving LIHEAP office the right to audit payments or address issues pertaining to LIHEAP customers
- Set up regular monitoring or audit process for all vendors. Grantees with a large number of small vendors should determine reasonable process/frequency of monitoring
- In addition to monitoring, LIHEAP offices can spot check vendors:
 - Follow-up on LIHEAP customer complaints about benefits or improper charges
 - Conduct analysis of samples of LIHEAP customer files
 - If multiple complaints or irregularities discovered, grantee should set up an on-site monitoring of vendor to determine if there are larger issues
 - Send out a LIHEAP customer feedback survey each year that includes questions about issues with vendors



Vendor Issue: Improper Charges

Example: Propane company adding pressure testing charges for LIHEAP customers and additional charges for customers with bad credit

Resolution: Require vendor to refund improper charges, notify vendor that charging LIHEAP customers differently from other clients is violation of vendor agreement and LIHEAP assurances.

Prevention:

- Require vendor to provide updated list of potential additional charges and dollar amounts
- Ensure vendor agreement spells out policies for additional charges and requirement for equal treatment of LIHEAP customers



Vendor Issue: Supply Shortages

Example: Wood vendor received payment for LIHEAP customers but ran out of wood before servicing customers

Resolution: Vendor returned funds and LIHEAP customers were served by other local vendors

Prevention:

- Establish in vendor agreement that vendor will be paid upon receipt
- Require in vendor agreement that vendor source wood from other supplier to fulfill delivery
- Call vendor prior to payment to ensure inventory (particularly for new vendor)



LIHEAP Vendor Management Missouri Example

Heather Jones
LIHEAP Manager
May 2, 2018

LIHEAP Virtual Library

- ▶ <https://liheappm.acf.hhs.gov/assessment/#nbb>



Vendor Agreements

LIHEAP Virtual Library

The LIHEAP Virtual Library allows grantees to locate resources based on their unique needs. This tool not only provides basic T/TA resources for each area, but also highlights those areas where Performance Management and the everyday administration of LIHEAP intersect. To begin, select an area of interest. The tool will allow you to select and review multiple program areas before generating resources.



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Vendor Agreements

What is a vendor agreement? You are expected to have vendor agreements in place assure that vendors comply with [basic LIHEAP guidelines](#). Vendor agreements should also include language that allows for Performance Measure data collection and Program Integrity practices.

Need a brief overview?

[Get the Vendor Agreement Snapshot](#)

...or dig a little deeper:

Expand the categories below and check the items you'd like to add to your toolbox.

I'm creating or updating vendor agreements and would like to have a list of elements I should be including (or at least thinking about).

[expand/collapse](#)

I'd like to see examples of LIHEAP vendor agreements.

[expand/collapse](#)

I'd like to know how I can use vendor agreements to increase program integrity.

[expand/collapse](#)

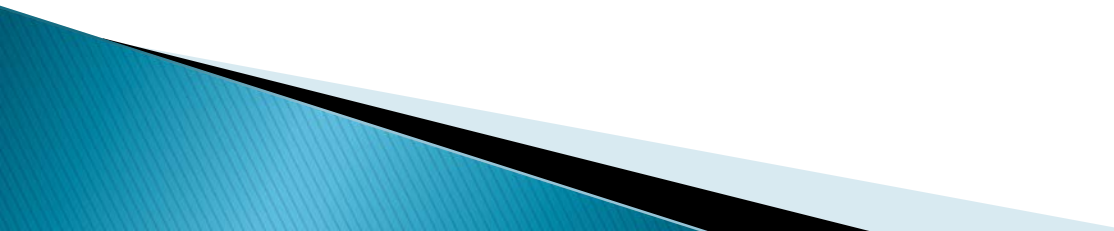
I'd like to know how I collaborate with other grantees to develop vendor agreements (e.g., multi-state energy suppliers).

[expand/collapse](#)

I need to know what I should be updating in my vendor agreements to meet LIHEAP Performance Measure requirements.



Vendor Policy

- ▶ LIHEAP Policy and Procedures Manual
 - ▶ <https://dss.mo.gov/fsd/energy-assistance/pdf/liheap-manual-2018.pdf>
 - ▶ Supplier Section
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Stakeholder and Vendor Relationships

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Stakeholder/Vendor Relationships

Stakeholders are parties that have an interest or stake in LIHEAP. These can include LIHEAP customers, staff, sub grantee staff, utility companies, municipalities, coops, deliverable fuel suppliers, vendor profession associations, public utility commission.

Need a brief overview?

[Get the Stakeholder/Vendor Relationships Snapshot](#)

...or dig a little deeper:

Expand the categories below and check the items you'd like to add to your toolbox.

I need to know how to identify LIHEAP stakeholders.

[expand/collapse](#)

I'd like some ideas and strategies for building stakeholder relationships.

[expand/collapse](#)

I'd like some ideas and strategies for developing a customer engagement process.

[expand/collapse](#)

I would like some ideas and strategies for collaboratively working with public utility regulators.

[expand/collapse](#)

I'd like some ideas and strategies for building relationships with vendors and vendor associations.

[expand/collapse](#)



Collaboration and Communication

- ▶ Metro Meetings
- ▶ Webinars
- ▶ Local Supplier Meetings
- ▶ Local Agency Relationships



Supplier Relationships

- ▶ Knowing Supplier Contacts
- ▶ Having staff dedicated to assisting suppliers.
- ▶ Sharing data from system and the Performance Management Web Site.
- ▶ Being as transparent as possible.
- ▶ Building trust.



Missouri Example

- ▶ Pre-Certification Process Change
- ▶ Supplier Meeting
- ▶ Implementation Workgroup



Vendor Monitoring

- ▶ Performance Management Data
- ▶ Usage and Consumption
- ▶ Future Plans

Contact Information

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<https://dss.mo.gov/fsd/energy-assistance/index.htm>

