2018 TxCDBG Project Implementation Manual

Table of Contents

SECTION A- COMMUNITY DEVELOPMENT	
Program Overview	Page
Program Overview	ii
P.1 CDBG Basics	iii
P.1.1 National Program Objectives (NPO)	iii
P.1.2 Beneficiaries	iii
P.1.3 Eligible Activities	iv
P.1.4 Ineligible Activities	iv
P.1.5 Constitutional Prohibition	v
P.1.6 CDBG Expenditure Parameters	v
P.1.7 Performance Measures	v
P.2 The TxCDBG Program	vi
P.2.1 TxCDBG Funding Cycles	vi
P.2.2 Readiness to Proceed	vi
P.2.3 Recordkeeping/Administration	vii
P.2.4 Complaint Procedures	viii
P.3 The Implementation Manual Structure	viii

Chapter 1 Administration and Review	
1.1 Project Start-Up	1-2
1.1.1 Pre-Agreement	1-2
1.1.2 Contract Execution	1-3
1.1.3 Establish a Local Administrative Structure	1-3
1.1.4 Administrative Thresholds	1-4
1.2 Reporting and Recordkeeping	1-5
1.2.1 Establish a Recordkeeping System	1-5
1.2.2 Progress Report and Requests for Payment	1-6
1.2.3 Four Month Call/Meeting	1-6
1.2.4 Technical Assistance for Contracts Behind Schedule	1-7
1.2.5 Other Technical Assistance	1-7

Chapter 2 Financial Management	
2.0 Introduction Federal Cost Guidelines – 2CFR Part 200 Uniform Guidance	2-2
2.1 Accounting Procedures	2-2
2.1.1 Establish Internal Controls	2-2
2.1.2 Conflict of Interest	2-3

2.1.3 Establish/Maintain Document Files and Records	2-5
2.1.4 Establish Responsible Persons	2-5
2.1.5 Direct Deposit Authorization	2-5
2.2 Release of Funds	2-6
2.3 Drawdown Procedures	2-8
2.3.1 Submitting a Request for Payment (A203)	2-8
2.3.2 Minimum Drawdown Requests and Disbursement	2-9
2.3.3 Delays, Ineligible Costs, and Denial of Payment	2-9
2.3.4 Accounting Adjustments	2-10
2.4 Matching Funds	2-11
2.4.1 Acceptability of Matching Funds	2-11
2.4.2 Reducing the Commitment of Matching Funds	2-12
2.4.3 Matching Funds Provided by Other Funding Agencies	2-12
2.5 Program Income	2-13
2.6 Investigation of Fraud Allegations	2-14

Chapter 3 Environmental Review

3.0 Introduction	3-2
3.0.1 Basis of Environmental Review	3-2
3.0.2 Timing of the Environmental Review & Choice Limiting Actions	3-3
3.0.3 Option Contracts	3-3
3.1 Environmental Review Process	3-4
3.2 Environmental Laws and Regulations	3-13
3.2.1 Laws	3-13
3.2.2 Regulations	3-14
3.2.3 Resources	3-14

Chapter 4 Contract Special Conditions

4.0 Introduction	4-2
4.1 Special Conditions – Pre-Construction	4-2
4.1.1 Permit and Approval Certification	4-2
4.1.2 Temporary Project Signage	4-2
4.1.3 Direct Benefit Guidelines	4-3
4.1.4 Colonia Street Lighting Funds	4-3
4.1.5 Projects Involving Model Subdivision Rules/Ordinances (Colonia Fund only)	4-3
4.1.6 Projects involving First-Time Water or Sewer Service Beneficiaries	4-4
4.2 Special Conditions – Project Completion	4-4
4.2.1 Water Well Projects	4-4
4.2.2 Septic System Replacement Projects	4-4
4.2.3 Building, Parking Lot, and Sidewalk Projects	4-5
4.2.4 Projects in a Floodplain	4-5
4.2.5 Projects Requiring Designs/Plans/Specifications	4-5
4.2.6 Projects Requiring Permanent Signage	4-6
4.2.7 Texas Capital Fund Aggregate Benefit	4-6
4.2.8 Community Enhancement Fund Reporting	4-6

Chapter 5 Procurement Procedures

5.1 Introduction	5-2
5.1.1 Methods of Procurement	5-3
5.1.2 Conflict of Interest	5-4
5.2 Competitive Proposals (Administration/Professional Services Contracts)	5-6
5.2.0 Procurement – Admin. Services and the Professional Services of Engineering/Architectural/Surveying	5-6
5.2.1 Choosing a TDA Pre-Qualified Grant Administrator	5-8
5.2.2 Step by Step Selection Procedures for Competitive Proposal	5-11
5.2.3 Contract Provisions	5-17
5.3 Micro-Purchases	5-18
5.4 Construction Services & Materials Contracts	5-18
5.4.1 Small Purchase Procurement	5-19
5.4.2 Step by Step Small Purchase Procedures	5-19
5.4.3 Sealed Bid Procurement	5-20
5.4.4 Step by Step Sealed Bid Procedures	5-20
5.4.5 Required Contract Provisions	5-22
5.4.6 Workers' Compensation Requirements	5-23
5.4.7 Bonding Information	5-24
5.4.8 Changes to a Construction Contract	5-25
5.5 Non-Competitive Proposal Procurement	5-26
5.6 Recordkeeping Procedures	5-27
5.6.0 Records and the Financial Interest Report (FIR)	5-27
5.6.1 Micro-purchases	5-27
5.6.2 Competitive Proposal – Professional Services/Administration Services	5-27
5.6.3 Construction & Material Purchases	5-28
5.7 Federal & State Laws Governing Procurement of Services, Supplies and Non-Real Property	5-28
5.7.1 State Laws & Regulations	5-28
5.7.2 Federal Laws & Regulations	5-29

Chapter 6 Acquisition

6.0 Introduction and Purpose	6-2
6.1 Terms and Definitions	6-3
6.2 Methods of Acquisition	6-5
6.3 Step By Step Procedures	6-5
6.3.1 Determining Voluntary or Involuntary	6-5
6.3.2 Step by Step – Voluntary Acquisitions	6-6
6.3.3 Step by Step Procedures - Involuntary Acquisitions	6-8
6.4 Acquisition and Other Program Requirements	6-11
6.5 Best Practices	6-11
6.6 References and Guidance	6-12

Chapter 7 Davis-Bacon Labor Standards

7.0 Introduction	7-2
7.1 Objectives of Davis-Bacon	7-2
7.2 Procedures for Labor Standards Compliance	7-3

7.2.1 Restitution for Underpayment of Wages 7-8
7.2.2 Labor Disputes 7-9
7.3 Exemptions 7-10
7.4 Recordkeeping Requirements 7-11
7.5 Laws and Regulations 7-11
7.5.1 Laws Regarding Labor Standards 7-11
7.5.2 Davis-Bacon Regulations 7-11

Chapter 8 Force Account Labor
8.0 Introduction 8-2
8.1 Definition of Force Account 8-2
8.2 Allowable Force Account Costs 8-3
8.2.1 Wages 8-4
8.2.2 Fringe Benefits 8-4
8.2.3 Material Costs 8-4
8.2.4 Equipment Costs 8-5
8.2.5 Other Force Account Costs 8-6
8.3 Force Account Record Keeping 8-6

Chapter 9 {Reserved}

Chapter 10 Civil Rights Requirements
I. SYNOPSIS 10-3
Part A. Step by Step Civil Rights Requirements **at** Project Start-Up 10-3
Part B. Step by Step Civil Rights Requirements **after** Project Start-Up 10-6
II. APPLICABLE REQUIREMENTS 10-8
10.1 Citizen Participation Requirements 10-8
10.2 Civil Rights Procedures 10-9
10.2.1 Equal Opportunity (EO) & Non-Discrimination Provisions 10-10
10.2.2 Section 3 Requirements 10-10
10.2.3 Participation by Small, Minority, and Women-Owned Businesses 10-12
10.2.4 Excessive Force Policy 10-13
10.2.5 Section 504 Requirements 10-14
10.2.6 Affirmatively Furthering Fair Housing 10-16
10.2.7 Limited English Proficiency (LEP) Standards 10-17
10.3 Monitoring of Discrimination 10-19

Chapter 11 Contract Amendments
11.0 Introduction 11-2
11.1 Performance Statement Changes 11-3
11.1.1 Performance Statement Modification 11-3
11.1.2 Performance Statement Amendment requiring Citizen Participation 11-4
11.2 Budget Changes 11-5
11.2.1 Budget Modification 11-5
11.2.2 Budget Amendment 11-5
11.3 Contract Period Extensions 11-6

Chapter 12 Contract Closeout

12.0 Introduction	12-2
12.1 Final Public Hearing	12-2
12.2 Closeout Report	12-3
12.2.1 Part I General Reports	12-3
12.2.2 Part II Performance Report	12-6
12.2.3 Part III Beneficiary Report	12-9
12.2.4 Part IV Final Financial Interest Report (FIR)	12-9
12.2.5 Conditional Project Completion	12-10
12.3 Acceptance of Closeout Reports	12-11

Chapter 13 Monitor Review

13.0 Introduction	13-2
13.1 Monitor Review Methods	13-3
13.1.1 Self-Monitoring Review	13-3
13.1.2 Desk Review	13-4
13.1.3 On-Site Review	13-4
13.1.4 Monitor Checklist	13-5
13.2 Results of the Monitor Review	13-5
13.2.1 Decision Categories	13-5
13.2.2 Non-Compliance Procedures	13-6
13.2.3 Administratively Complete	13-6
13.3 CDBG Contract Support Documents	13-7

Chapter 14 Audit Requirements

14.0 Introduction	14-2
14.1 Types of Audits	14-2
14.1.1 Program Specific Audit	14-2
14.1.2 Single Audit (SA)	14-2
14.1.3 Annual Financial Statement Audit	14-2
14.2 Conducting the Audit & Preparing the Report	14-3
14.3 Audit Tracking & Resolution	14-6
14.3.1 Single Audit Review	14-6
14.3.2 Sanctions for Delinquent Single Audit Requirements	14-8
14.3.3 Audit Costs	14-8
14.4 Laws and Regulations	14-10

SECTION B- PLANNING

B.0 Introduction	B-2
B.1. Planning Procedures – Step by Step	B-3

SECTION C-Housing Rehabilitation

C.0 Introduction	C-2
C.1 Eligible Activities	C-2
C.1.1 Property Eligibility	C-2
C.1.2 Eligible Activities	C-3
C.2 Ineligible Activities	C-4
C.3 Special Requirements	C-4
C.3.1 Beneficiary Report	C-4
C.3.2 Costs	C-4
C.3.3 Required Improvements	C-5
C.3.4 Rehabilitation vs Reconstruction	C-5
C.3.5 Change Orders	C-6
C.3.6 Historic Preservation	C-6
C.3.7 Environmental Review	C-6
C.3.8 Age of Property/Lead-based Paint	C-6
C.4 Steps in Housing Rehabilitation	C-8

SECTION C- Part II - On-Site Sewer Facility (OSSF)

C.0 Introduction	CII-2
C.1 Steps in OSSF Project Delivery	CII-2
C.2 Beneficiary Report	CII-5

SECTION D- Texas Capital Fund

D.0 Introduction	D-2
D.1 Infrastructures & Real Estate Programs	D-2
D.1.1 LMI (Low/Mod) Jobs National Program Objective	D-2
D.1.2 Quarterly Job Creation Reporting Requirements	D-4
D.1.3 Contract Special Conditions Prior to Release of Funds	D-4
D.1.4 Funds Committed by the Business	D-5
D.1.5 Evidence of Business Occupancy	D-6
D.1.6 Repayment Requirements	D-7
D.1.7 Contract Special Conditions Prior to Close-out	D-8
D.1.8 Closeout	D-8
D.2 Downtown Revitalization & Main Street Programs	D-9
D.2.1 Slum/Blight National Program Objective	D-9
D.2.2 Closeout	D-10

SECTION E- SELF HELP CENTERS

E.0 Introduction	E-2
E.1 Colonia Self-Help Center (SHC) Administration	E-2
E.2 Eligible Activities	E-3

SECTION F- STEP FUND

F.0 Introduction	F-2
F. 1 Eligible Activities	F-2

F.2 STEP Procedures	F-3
F.2.1 Allowable Costs	F-3
F.2.2 Force Account	F-5
F.2.3 Pre-Construction STEP Meeting	F-5
F.2.4 Amendments and Modifications	F-5
F.2.5 Closeout	F-5
F.3 Record Keeping and Reporting	F-5
F.3.1 Local Contribution	F-6
F.3.2 Progress Report	F-6
F.3.3 Volunteer Time	F-6