



**TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER**

Texas Community Development Block Grant Program
2019 Beginner Administrator Workshop



Workshop Agenda – Day 1

TxCDBG Program Basics

Navigating the Implementation Manual

Chapter 3: Environmental Review

Chapter 4: Contract Special
Conditions

Chapter 5: Procurement

Chapter 1 & 2: Draws

Chapter 11:
Amendments/Modifications



TxCDBG Program

Assistant Commissioner: Dan Hunter

Trade & Business Division Administrator:

Karen Reichek

Sr. Director for Rural Economic Development:

Larry McManus

State Director for TxCDBG: Suzanne Barnard

Assistant Director: Chad Hinds

Lead Program Monitor: Del Serna

Lead Contract Specialist: Melissa Gonzales

Environmental Regulations Officer:

Pam Wozniak

Labor Standards Officer: Mary Davison



TxCDBG Staff & The Contract Lifecycle

Program
Staff

Application to contract
execution

Contract
Staff

Contract to closeout

Compliance
Staff

After project completion



Basics: Two Main Components

Federal (HUD)

- Entitlement Areas

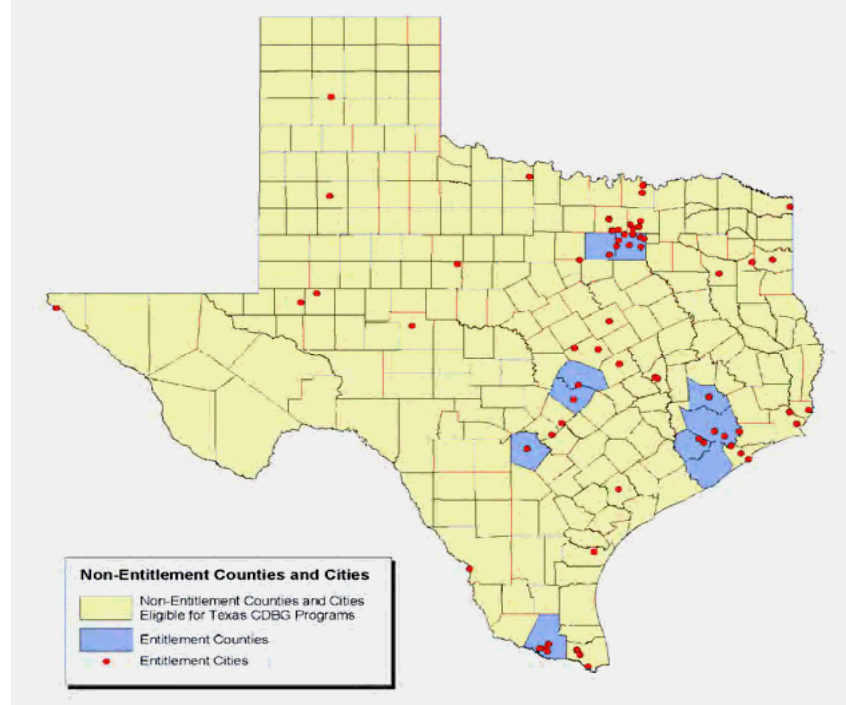
State (TxCDBG)

- Cities less than 50,000
- Counties less than 200,000
- Nonentitlement



Texas Community Development Block Grant (CDBG) Program

- Texas Department of Agriculture administers CDBG funds for non-entitlement cities and counties in Texas
- Serves 861 cities and 244 Counties
- Largest state CDBG allocation in the nation





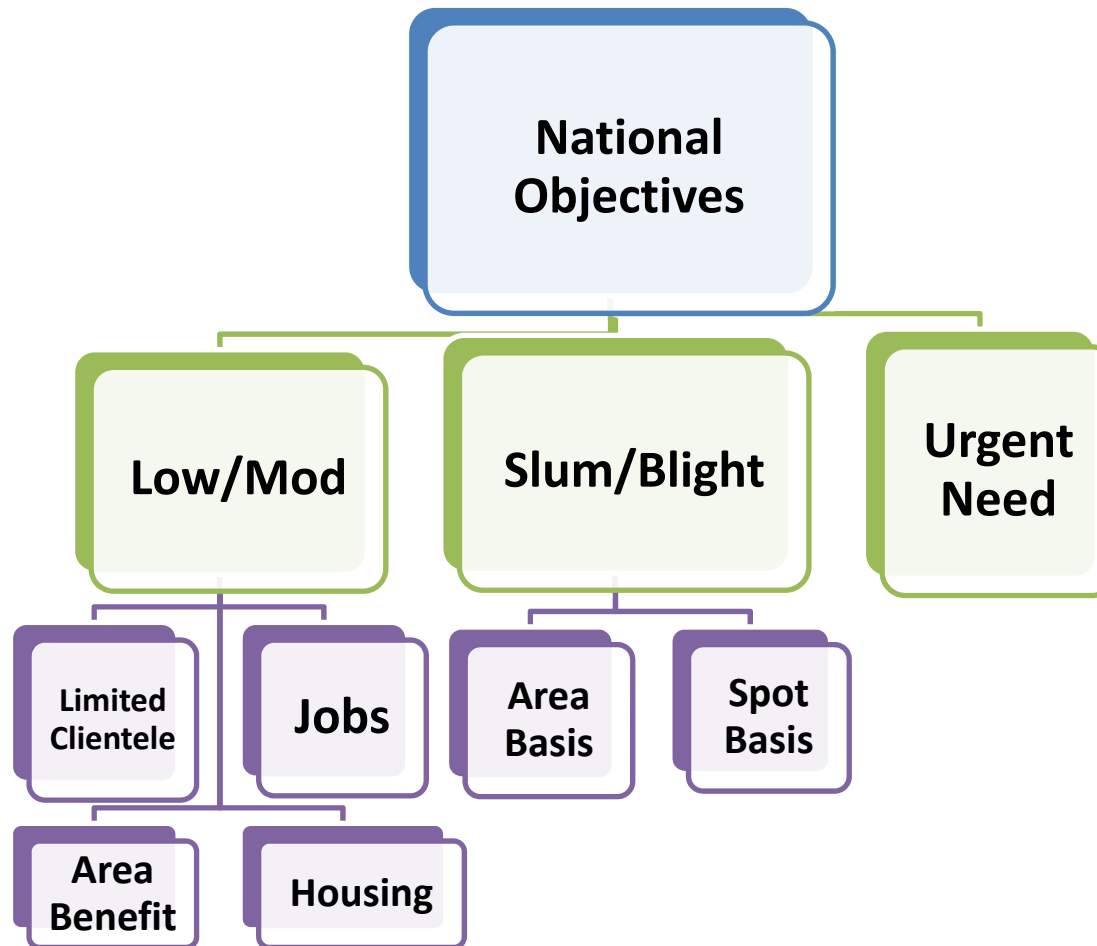
Community Development Block Grant Program (CDBG)

- Development of viable communities by providing:
 - Decent Housing
 - A suitable living environment; and
 - Expanding economic opportunities
- National Program Objectives:
 - Benefit to **low- and moderate-income persons**;
 - Elimination of slums or blighted conditions
 - Meet other community development needs of particular urgency which represent an **immediate threat** to the health and safety of residents.





National Program Objectives





Beneficiaries

- A **target-area** project benefit is an activity in which residents in the target area must be served by the activity
 - Water/sewer line replacement
 - Street reconstruction
- A **city-wide** benefit is an activity that will benefit the entire community
 - Water/sewer treatment plant improvements
 - Water storage tank
- TDA requires applicants to document and report beneficiaries of each activity regardless of the National Program Objective met.



Ineligible Activities

- Buildings for general conduct of government (except accessibility improvements for disabled populations)
- General government expenses
- Political activities
- New housing construction
- Income payments
- Operating and maintenance expenses
- Religious activities



TxCDBG Fund Categories

- Community Development
- Colonia Construction & Planning
- Fire, Ambulance, and Emergency Truck Fund
- Disaster Relief / Urgent Need
- Planning and Capacity Building
- Downtown Revitalization & Main Street
- Small & Microenterprise Revolving Loan Fund
- Texas Capital Fund Infrastructure/Real Estate



Application Pro Tips

- Always attend application webinars
- No empty/blank application fields
- Always include beneficiary documentation
- Clear & detailed project maps
- Be prepared to explain how the proposed activities meet the national program objective
- \$\$ amounts **MUST** be consistent throughout application
- Always print one-sided, no binders (except TCF), tab dividers in moderation, always include linear feet
- Unsure about eligibility? Reach out!



Grants & Services > Rural Economic Development > Rural Community Development Block Grant (CDBG)

Community Development Block Grant (TxCDBG) Program for Rural Texas

The primary objective of the Community Development Block Grant program is to develop viable communities by providing decent housing and suitable living environments, and expanding economic opportunities principally for persons of low- to moderate-income.

Eligible applicants are non-entitlement cities under 50,000 in population and non-entitlement counties that have a non-metropolitan population under 200,000 and are not eligible for direct CDBG funding from HUD may apply for funding through any of the Texas CDBG programs.

Click [HERE](#) for more information about the TxCDBG program.

[TxCDBG Information Sheet](#)



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All CDBG Resources

- 🔍 [Announcements](#)
- 🔍 [Fair Housing in Texas](#)
- 🔍 [Implementation Manual, Forms and Appendices](#)
- 🔍 [Trade & Business Development Contact Information](#)
- 🔍 [Professional Administrative Services](#)
- 🔍 [Applicants, Awards and Success Stories](#)
- 🔍 [Beneficiary Documentation](#)
- 🔍 [Contract Assignments \(Updated 3.20.19\)](#)
- 🔍 [Contract Numbers for 2017 CD and PCB Award Recommendations \(Draft\)](#)
- 🔍 [Compliance](#)
- 🔍 [Environmental](#)
- 🔍 [Publications](#)
- 🔍 [Record Retention List](#)
- 🔍 [Regional Review Committees](#)

Fund Categories, Applications and Guides

- 🔍 [Community Development Fund \(CD\)](#)
- 🔍 [Colonia Funds](#)
- 🔍 [Downtown Revitalization / Main Street Programs \(DRP/MS\)](#)
- 🔍 [FAST Fund](#)
- 🔍 [Planning and Capacity Building \(PCB\)](#)
- 🔍 [Small and Microenterprise Revolving Loan Fund \(SMRF\)](#)
- 🔍 [Texas Capital Fund Infrastructure / Real Estate Programs \(INFRA/RE\)](#)
- 🔍 [Disaster Relief \(DR\) and Urgent Need Funds \(UN\)](#)

TxCDBG Training Page – Reference Materials

September 6, 2019	2019 Downtown Revitalization & Main Street (DRP/MS) Application Webinar	2:00 pm	YOU MUST DIAL IN FOR AUDIO Audio Dial-In: 866-487-5722 Conference ID: 6761238076 Click HERE to join webinar
September 11-12, 2019	TxCDBG Implementation Workshop for Beginners - 9:00am to 4:00pm (both days) <i>*Capacity: 75 participants</i>	9:00 am	HHSC - CO2 (DSHS Headquarters, DHB) PHR 164 909 W 45th St. Austin, Texas 78751 REGISTER HERE
Previous Training Materials			
2019 Implementation Manual Workshop Presentation Click here for a copy of the slides			
2019 Downtown Revitalization/Main Street Application Webinar Click here for a copy of the slides			
2019-2020 Colonia Fund Application Webinar Click here for a copy of the slides			
2019 Texas Capital Fund - Infrastructure/Real Estate Application Webinar Click here for a copy of the webinar slides			
CDBG Over Coffee - CDBG Outside the Box Click here for a copy of the webinar slides			
CDBG Over Coffee - Disaster Relief Documentation Click here for a copy of the webinar slides			
CDBG Over Coffee - Fair Housing Click here for a copy of the webinar slides			
CDBG Over Coffee - Conducting a TxCDBG Survey Click here for a copy of the webinar slides			
Administrative Services Procurement Using the Pre-Qualified List Webinar Click here for a copy of the webinar slides			

CDBG Over Coffee Presentations

CDBG Over Coffee is a series of short presentations on different aspects of the TxCDBG program. Each episode will begin with a ~15 minute presentation and conclude with an Q&A where callers are invited to ask questions on the topic. Each episode will then be posted below for future reference.



TxCDBG Implementation Manual

- Manual provides information about how to implement TxCDBG project
- Updated annually
 - TxCDBG Certified Admin
- Available on the TDA website



Grants & Services > Rural Economic Development > Rural Community Development Block Grant (CDBG)

Community Development Block Grant (TxCDBG) Program for Rural Texas

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[TxCDBG Information Sheet](#)



[Edit Content](#) ⚙

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All CDBG Resources

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- Implementation Manual, Forms and Appendices**
- Trade & Business Development Contact Information
- Professional Administrative Services
- Applicants, Awards and Success Stories
- Beneficiary Documentation
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- Publications
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- Regional Review Committees

Fund Categories, Applications and Guides

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- Colonia Funds
- Downtown Revitalization / Main Street Programs (DRP/MS)
- FAST Fund
- Planning and Capacity Building (PCB)
- Small and Microenterprise Revolving Loan Fund (SMRF)
- Texas Capital Fund Infrastructure / Real Estate Programs (INFRA/RE)
- Disaster Relief (DR) and Urgent Need Funds (UN)

Implementation Manual, Forms and Appendices

[Manage](#)

Click [HERE](#) for a letter from the Director regarding the 2019 Revisions to the TxCDBG Project Implementation Manual.
Click [HERE](#) for an updated chart of changes to the 2019 manual - 8/15/2019 FINAL.

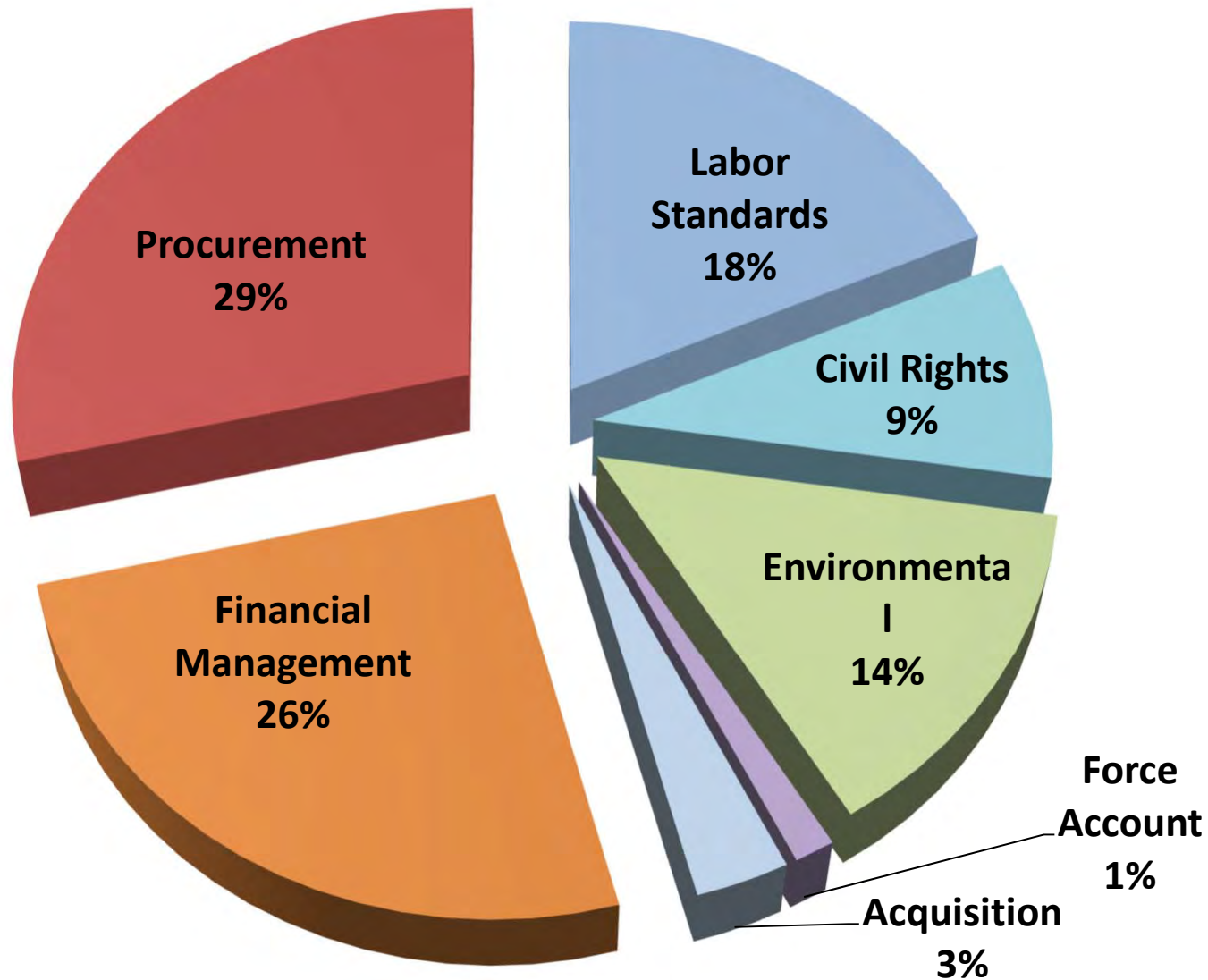
Some browsers do not correctly display or open PDF files. If you have trouble opening the below files, please first try a different browser or download the form to your computer before opening. If you continue to have issues, contact TDA staff for assistance.

These forms may be updated as needed.

			2018 Effective 9/1/2018	FINAL 2019 Effective 9/1/2019
Complete TxCDBG Implementation Manual (Select forms are ONLY available below)			Download	
Chapter	Form No.	Form Description	Availability	
Table of Contents			Download	
Acronym List			Download	
Section A Community Development Program Overview			Download	Download
Chapter 1 Administration and Reporting			Download	Download
1 Admin. and Reporting	A102	Administrative Activities Checklist	Download	
1 Admin. and Reporting	A103	Filing System	Download	
1 Admin. and Reporting	A104 DR	Disaster Relief Quarterly Report (1 Year)	Download	
Chapter 2 Financial Management			Download	Download
2 Financial Management	A201	Sample Signatory Resolution	Download	Download
2 Financial Management	A202	Depository-Authorized Signatories Designation	Download	Download
2 Financial Management	A203	Request for Payment	Download	Download
2 Financial Management	A206	Balance Adjustment Notice	Download	
2 Financial Management	A207	Backup for Eligible Costs	Download	Download
2 Financial Management	A208	TxCDBG Match Calculator	Download	
2 Financial Management	A209	Direct Deposit Form 74-176	Download	
Chapter 3 Environmental Review			Download	Download
3 Environmental Review	A301	Request for Exemption from SHPO Review	Download	
3 Environmental Review	A302	Full Environmental Assessment (EA) Checklist	Download	
3 Environmental Review	A303	Exempt or Categorical Exclusion Not Subject to 58.5	Download	
3 Environmental Review	A304	Categorical Exclusion Subject to 58.5	Download	
3 Environmental Review	A305	Sample NOI / RROF	Download	
3 Environmental Review	A306	Sample Notice of FONSI	Download	
3 Environmental Review	A307	Floodplain Early Notice and Explanation Sample	Download	
3 Environmental Review	A308	Sample Request for Release of Funds (RROF)	Download	
3 Environmental Review	A309	Summary of Levels of Environmental Review & Documentation Required in ERR	Download	
3 Environmental Review	A310	Sample Affidavit of Posting - Environmental (NEW!)		Download
Chapter 4 Contract Special Conditions			Download	Download
4 Contract Special Conditions	A401	Certification of Pre-Construction Approvals	Download	
Chapter 5 Procurement Procedures			Download	Download
5 Procurement Procedures	A503	Financial Interest Report (FIR)	Download	Download
5 Procurement Procedures	A504	Small Purchase Procurement Record	Download	
5 Procurement Procedures	A505	TDA Construction Contract Change Order	Download	Download
5 Procurement Procedures	A506	Request for Project-Specific Proposal Form	Download	
5 Procurement Procedures	A507	Response from Service Provider Form	Download	Download
5 Procurement Procedures	A508	Evaluation of Proposals Form	Download	
5 Procurement Procedures		Frequently Asked Questions (FAQ) TxCDBG Conflict of Interest Provisions	Download	



Compliance Findings



Chapter 3

Environmental Review



TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER



Overview

- Basic Information and Some changes for 2018
- Environmental Review (ER) Required for all projects.
- Analysis includes:
 - ✓ How the project affects the environment
 - ✓ How the environment can affect the project, site and end users
- Include clearance of Administration and Engineering in Project Description: **“to include Administrative and Engineering work.”**
- **ER BEFORE OBLIGATION OF FUNDS**
- Environmental Review Record (ERR) Must be maintained – Contains All
- **ERR must be available for public review**



HUD Guidebook





Value of Environmental Review

- Required by Law
- Secures the value of public investment
- Results in higher quality projects
- Avoids or mitigates environmental impacts that harm:
 - Our beneficiaries
 - Our projects
 - The surrounding environment
 - Helps avoid litigation that could stop project
 - Grant Recipients avoid monitoring findings and sanctions



Timing of the Review

TDA uses the date of the **resolution** as the earliest date of “projected use” of HUD funds.

24CFR§58.30(b)



Choice-Limiting Actions

- An environmental review must be completed **BEFORE** any funds, regardless of source, are committed.
- **“Choice-limiting actions”**
 - **Physical activity**
 - **Acquisition**
 - **Rehabilitation**
 - **Construction**
 - **Contracting for or committing to these actions**



Limitations on Activities

- Prior to Receiving Environmental Clearance a Recipient Must Not Commit:
 - HUD Funds, or
 - Non-HUD funds if the activity would:
 - have an adverse environmental impact, or
 - limit the choice of reasonable alternatives
- This limitation is rooted in all NEPA related authorities – *Don't take action until compliance is achieved !*

Activities Prior to Clearance -
§58.22(a)?





When does this kick in?

- Discuss Project Federalization



Timing of the Review

TDA uses the date of the **resolution** as the earliest date of “projected use” of HUD funds.

24CFR§58.30(b)



Limitations on Third Parties

Part 58.22 extends this prohibition to third parties, including:

- Recipients, **and**
- Participants in the development process
 - Public or Private Nonprofit
 - For Profit Entities
 - Contractors





9 Step Process

- **Step 1 – Project Description**
- Step 2 – Determine Level of Review
- Step 3 – Complete Checklists and **worksheets**
- Step 4 - Publish Notice of Intent to Request Release of Funds, and FONSI if applicable (Local Comment period)
- Step 5 – Prepare RROF and Certifications
- Step 6 – Submit Request for Clearance to TDA
- Step 7 – State Objection Period (15 days)
- Step 8 – State's Post-Release Review
- Step 9 – Re-Evaluation of the Environmental Determination



Step 1: Project Description

Project Description must be detailed and:

- Be complete and clear:
 - What is there
 - What will be there
 - How will this happen
- Capture maximum possible scope;
- Provide location specific information (Actual Streets, not what might be there in the future) ;
- Geographical boundaries (Not the entire county/ city);
- Existing conditions of the site;
- The Environmental Project Description will be more detailed than the Performance Statement.
- Include at the end of the project description, **“to include Administrative and Engineering Services.”**



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Step 2: Determine the Level of Review

- Determine the most appropriate level of review
Use Checklist and HUD website for guidance
(What checklist do I use?? A302, A304??)
- All forms should be completed and signed by the **Chief Elected Official** of the Responsible Entity.
- Samples provided by TDA/HUD are usually Word based.



Step 2: Determine the Level of Review

Admin and Eng. Exemption

- Included in project description.

Exempt and Categorically Excluded Not Subject to §58.5:

- Compliance Checklist for 24 CFR §58.6, Other Requirements
- Exemption Determination under 24CFR58.34
- Categorical Exclusion Determination under §58.35(b)

Categorically Excluded, Subject to §58.5:

- Compliance Checklist for 24 CFR §58.6
- Categorical Exclusion Determination under §58.35(a)
- Statutory Checklist for compliance with 24CFR58.5 and related Worksheet
- Request for Release of funds HUD 7015.15

Environmental Assessment:

- Compliance Checklist for 24 CFR §58.6, Other Requirements
- Statutory Checklist
- Assessment Checklist
- All related Worksheets
- Request for Release of Funds HUD 7015.15



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Step 3: Complete Checklists

Complete TxCDBG Implementation Manual (Select forms are ONLY available below)			Download	
Chapter	Form No.	Form Description	Availability	Availability
Table of Contents			Download	
Acronym List			Download	View
Section A Community Development Program Overview			Download	View
Chapter 1 Administration and Reporting			Download	View
1 Admin. and Reporting	A102	Administrative Activities Checklist	Download	
1 Admin. and Reporting	A103	Filing System	Download	
1 Admin. and Reporting	A104	Quarterly Progress Report	Download	Discontinued
1 Admin. and Reporting	A104 DR	Disaster Relief Quarterly Report (1 Year)	Download	
Chapter 2 Financial Management			Download	View
2 Financial Management	A201	Sample Signatory Resolution	Download	
2 Financial Management	A202	Depository-Authorized Signatories Designation	Download	
2 Financial Management	A203	Request for Payment	Download	View
2 Financial Management	A206	Balance Adjustment Notice	Download	
2 Financial Management	A207	Backup for Eligible Costs	Download	
2 Financial Management	A208	TxCDBG Match Calculator	Download	View
Chapter 3 Environmental Review			Download	View
3 Environmental Review	A301	Request for Exemption from SHPO Review	Download	View
3 Environmental Review	A302	Full Environmental Assessment (EA) Checklist	Download	
3 Environmental Review	A303	Exempt or Categorical Exclusion Not Subject to 58.5	Download	
3 Environmental Review	A304	Categorical Exclusion Subject to 58.5	Download	
3 Environmental Review	A305	Sample NOI / RROF	Download	
3 Environmental Review	A306	Sample Notice of FONSI	Download	View
3 Environmental Review	A307	Floodplain Early Notice and Explanation Sample	Download	
3 Environmental Review	A308	Sample Request for Release of Funds (RROF)	Download	
3 Environmental Review	A309	Summary of Levels of Environmental Review & Documentation Required in ERR		View

[http://www.texasagriculture.gov/GrantsServices/RuralEconomicDevelopment/RuralCommunityDevelopmentBlockGrant\(CDBG\)/Forms.aspx](http://www.texasagriculture.gov/GrantsServices/RuralEconomicDevelopment/RuralCommunityDevelopmentBlockGrant(CDBG)/Forms.aspx)

Historical Preservation

- Must have concurrence from the State Historic Preservation Office (SHPO)
- TDA Programmatic Agreement with Texas Historical Commission (THC)
- Request for Exemption from SHPO Review Project Determination Form (Form A301)

Categorical Exclusion Converted to Exemption §58.34(a)(12)

- Under rare circumstances a Category Excluded project falls under Exempt status under §58.34(a)(12) and that none of the statutory requirements under §58.5 apply. Grant Recipient will determine if the project can be converted to Exempt under §58.34(a)(12).

Tiered Review

- Projects with multiple, non-contiguous locations (ex. housing rehab)
- Complete a Broad-Level Tiered Environmental Review using format provided on HUD website
- Document compliance for each specific site
- Site specific review must be completed prior to obligating funds for each site
- **Publication must explain the criteria and review process for the project.**

Environmental Review - HUD Exchange - Google Chrome

Secure | https://www.hudexchange.info/programs/environmental-review/

Apps | ORACLE | Google Calendar | Stock Markets, Busin | ACFE Login | TDA Home | Inbox (1) - david.dbb | System Award Mana | Wage Rates | HUD Labor Standard | One CPD Environmer | 24CFR58 | 24CFR55

Resources and assistance to support HUD's community partners

HUD EXCHANGE
Secretary Ben Carson

Programs ▾
Resources ▾
Trainings
Program Support ▾
Grantees ▾
News

NEED HOUSING ASSISTANCE?
Email Updates
Log In

Home > Programs > Environmental Review

Environmental Review

Welcome to the official website for the Department of Housing and Urban Development's (HUD's) Office of Environment and Energy. The Office of Environment and Energy (OEE) manages the environmental review process for HUD.

An environmental review is the process of reviewing a project and its potential environmental impacts to determine whether it meets federal, state, and local environmental standards. The environmental review process is required for all HUD-assisted projects to ensure that the proposed project does not negatively impact the surrounding environment and that the property site itself will not have an adverse environmental or health effect on end users. Not every project is subject to a full environmental review (i.e., every project's environmental impact must be examined, but the extent of this examination varies), but every project must be in compliance with the [National Environmental Policy Act \(NEPA\)](#), and other related Federal and state environmental laws.

Orientation to Environmental Reviews

Explore the components of an environmental review. The section contains information pertaining to both Part 50 and Part 58 reviews.

[Learn about the Environmental Review Process](#)

Related Federal Environmental Laws and Authorities

Learn about the environmental requirements covered by related federal laws and authorities and referenced in HUD's regulations at 24 CFR 50.4, 58.5, and 58.6. Each environmental topic features a compilation of resources such as trainings, guidance, and useful websites. This section contains all of the content from the Assessment Tools for Environmental Compliance (ATEC).

[View Resources](#)

Join a Mailing List

[View Environmental Review FAQs](#)

[Ask an Environmental Review Question](#)

[Contact HUD Environmental Staff](#)

Featured Topics

[Web-Based Instructional System for Environmental Review \(WISER\)](#)

[HEROS \(HUD Environmental Review Online System\)](#)

[HUD Environmental Regulations](#)

[Environmental Assessments](#)

[Environmental Review Requirements for Public Housing Agencies and Form HUD-53245](#)

[HTF Environmental Provisions](#)

[Disaster Recovery and Environment](#)

[Environmental Review Training Webinars](#)



Air Quality



Airport Hazards



Coastal Barrier Resources



Coastal Zone Management



Endangered Species



Environmental Justice



Explosive and Flammable
Facilities



Farmlands Protection



Flood Insurance



Floodplain Management



Historic Preservation



Noise Abatement and Control



Site Contamination



Sole Source Aquifers



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Step 4 – Post and/or Publish Notices (Now in 2 locations – New!)

A305

Sample Notice of Intent to Request a Release of Funds

The language below is HUD's recommended wording of the Notice of Intent to Request a Release of Funds. This Notice is used to request the environmental release of funds for Categorically Excluded projects [24 CFR Part 58, Section 58.35(a)] or for projects for which a Notice of Finding of No Significant Impact was previously issued. Words in **bold type** are required language. Words in *italics* are to be replaced by language appropriate to the particular project and Responsible Entity. The minimum comment period is seven days following publication or ten days if posting and mailing without publication is used

NOTICE OF INTENT TO REQUEST RELEASE OF FUNDS

Date of Notice

Name of Responsible Entity [RE]

Address (e.g., Street No. or P.O. Box)

City, State, Zip Code

Telephone Number of RE

On or about *at least one day after the end of the comment period* **the name of RE will if the RE is not also the grant recipient, insert the following language here:** "authorize the [name of grant recipient] to" **submit a request to the HUD/State administering agency for the release of name of grant program funds under Title/Section [] of the name of the Act of [year], as amended, to undertake a project known as project title for the purpose of nature/scope of project, estimated funding (include non-HUD funding sources if applicable) and project location if applicable.**

The activities proposed *alternative #1: are categorically excluded under HUD regulations at 24 CFR Part 58 from National Environmental Policy Act (NEPA) requirements or alternative #2: comprise a project for which a Finding of No Significant Impact on the environment was [published/posted] on [date of Finding publication/posting]. An Environmental Review Record (ERR) that documents the environmental determinations for this project is on file at name and address of RE office where ERR can be examined and name and address of other locations where the record is available for review and may be examined or copied weekdays* **__A.M to __P.M.**

PUBLIC COMMENTS

Any individual, group, or agency may submit written comments on the ERR to the RE designated office responsible for receiving and responding to comments. All comments received by if notice is published: notice date plus seven days; if notice is mailed and posted:

mailing and posting date plus ten days **will be considered by the name of RE prior to authorizing submission of a request for release of funds.**

ENVIRONMENTAL CERTIFICATION

The name of RE certifies to HUD/State that name of Certifying Officer in his/her capacity as Official Title consents to accept the jurisdiction of the Federal Courts if an action is brought to enforce responsibilities in relation to the environmental review process and that these responsibilities have been satisfied. HUD's State's approval of the certification satisfies its responsibilities under NEPA and related laws and authorities and allows the name of grant recipient to use Program funds.

OBJECTIONS TO RELEASE OF FUNDS

HUD/State will accept objections to its release of fund and the RE's certification for a period of fifteen days following the anticipated submission date or its actual receipt of the request (whichever is later) only if they are on one of the following bases: (a) the certification was not executed by the Certifying Officer of the name of RE; (b) the RE has omitted a step or failed to make a decision or finding required by HUD regulations at 24 CFR part 58; (c) the grant recipient or other participants in the development process have committed funds, incurred costs or undertaken activities not authorized by 24 CFR Part 58 before approval of a release of funds by HUD/State; or (d) another Federal agency acting pursuant to 40 CFR Part 1504 has submitted a written finding that the project is unsatisfactory from the standpoint of environmental quality. Objections must be prepared and submitted in accordance with the required procedures (24 CFR Part 58, Sec. 58.76) and shall be addressed to HUD/State administration office at address of that office. Potential objectors should contact HUD/State to verify the actual last day of the objection period.

Name and Title of RE Certifying Officer

A305

**Sample Notice of Finding of No Significant Impact and
Notice of Intent to Request a Release of Funds – Combined Notice**

The language below is HUD's recommended wording of the combined Notice of Finding of No Significant Impact and Notice of Intent to Request a Release of Funds. This Notice is used for projects requiring an Environmental Assessment (24 CFR Part 58, Section 58.36). Words in **bold type** are required language. Words in *italics* are to be replaced by language appropriate to the particular project and Responsible Entity.

**NOTICE OF FINDING OF NO SIGNIFICANT IMPACT AND
NOTICE OF INTENT TO REQUEST RELEASE OF FUNDS**

Date of Notice

Name of Responsible Entity [RE]

Address (e.g., Street No. or P.O. Box)

City, State, Zip Code

Telephone Number of RE

These notices shall satisfy two separate but related procedural requirements for activities to be undertaken by the name of RE or grant recipient.

REQUEST FOR RELEASE OF FUNDS

On or about at least one day after the end of the comment period the name of RE will if the RE is not also the grant recipient, insert the following language here: "authorize the [name of grant recipient] to" submit a request to the HUD/State administering agency for the release of name of grant program funds under Title/Section [] of the name of the Act of [year], as amended, to undertake a project known as project title for the purpose of nature/scope of project, estimated funding (include non-HUD funding sources if applicable) and project location if applicable.

FINDING OF NO SIGNIFICANT IMPACT

The name of RE has determined that the project will have no significant impact on the human environment. Therefore, an Environmental Impact Statement under the National Environmental Policy Act of 1969 (NEPA) is not required. Additional project information is contained in the Environmental Review Record (ERR) on file at name and address of RE office where ERR can be examined and name and address of other locations where the record is available for review and may be examined or copied weekdays __A.M to __P.M.

PUBLIC COMMENTS

Any individual, group, or agency may submit written comments on the ERR to the RE designated office responsible for receiving and responding to comments. All comments received by if notice is published: publication date plus fifteen days; if notice is mailed and posted: mailing and posting date plus eighteen days will be considered by the name of RE prior to authorizing submission of a request for release of funds. Comments should specify which Notice they are addressing.

ENVIRONMENTAL CERTIFICATION

The name of RE certifies to HUD/State that name of Certifying Officer in his/her capacity as Official Title consents to accept the jurisdiction of the Federal Courts if an action is brought to enforce responsibilities in relation to the environmental review process and that these responsibilities have been satisfied. HUD's State's approval of the certification satisfies its responsibilities under NEPA and related laws and authorities and allows the name of grant recipient to use Program funds.

OBJECTIONS TO RELEASE OF FUNDS

HUD/State will accept objections to its release of fund and the RE's certification for a period of fifteen days following the anticipated submission date or its actual receipt of the request (whichever is later) only if they are on one of the following bases: (a) the certification was not executed by the Certifying Officer of the name of RE; (b) the RE has omitted a step or failed to make a decision or finding required by HUD regulations at 24 CFR part 58; (c) the grant recipient or other participants in the development process have committed funds, incurred costs or undertaken activities not authorized by 24 CFR Part 58 before approval of a release of funds by HUD/State; or (d) another Federal agency acting pursuant to 40 CFR Part 1504 has submitted a written finding that the project is unsatisfactory from the standpoint of environmental quality. Objections must be prepared and submitted in accordance with the required procedures (24 CFR Part 58, Sec. 58.76) and shall be addressed to HUD/State administration office at address of that office. Potential objectors should contact HUD/State to verify the actual last day of the objection period.

Name and Title of RE Certifying Officer

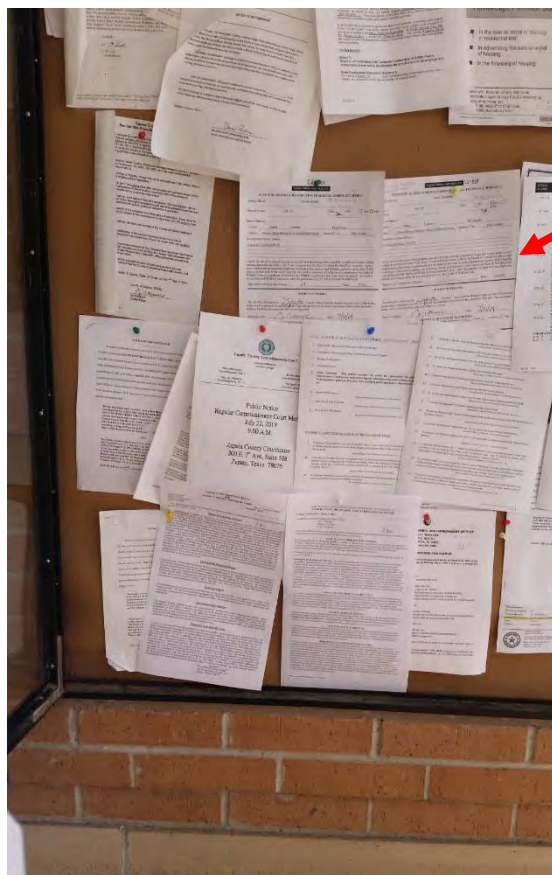


Posting vs. Publishing

- Publishing? NOI for RROF/FONSI needs to be in publication for **15** days. Start counting the day **AFTER** publication comes out.
 - Advantage – Shorter run time = less time to receive AUGF (provided that submitted documents are accepted and cleared)
 - Disadvantage – Can be costly to publish
- Posting? NOI for RROF/FONSI needs to be in publication for **18** days. Start counting the day **AFTER** publication comes out.
 - Advantage – Cost effective for community
 - Disadvantage – longer run time = more time to receive AUGF (provided that submitted documents are accepted and cleared); Must post in two location.

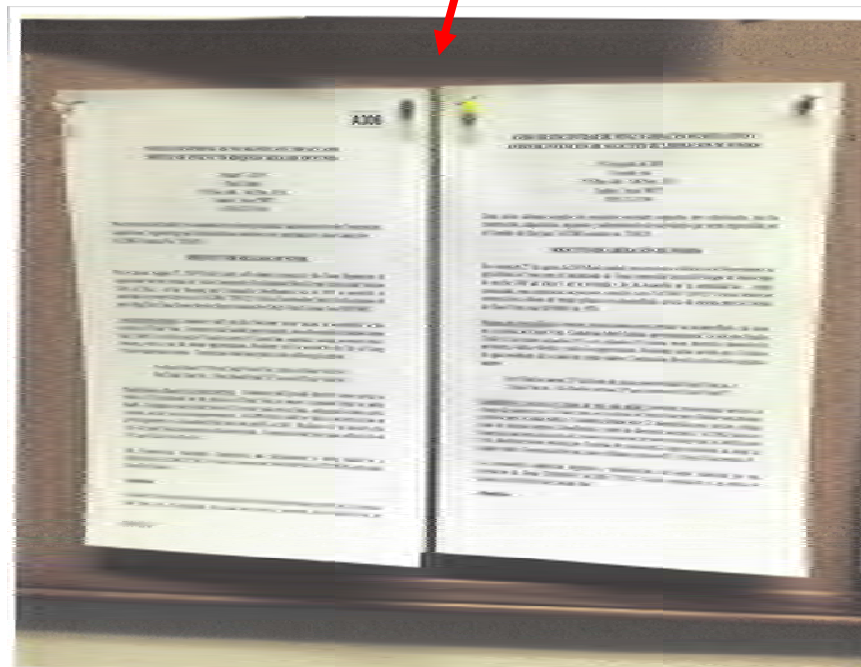


Posting Do's and Do Not's



Do NOT do this!

Do this!





9 Step Process

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- Step 9 – Re-Evaluation of the Environmental Determination



Step 5: Prepare the RROF and Certifications

Request for Release of Funds and Certification

U.S. Department of Housing
and Urban Development
Office of Community Planning
and Development

OMB No. 2506-0087
(exp. 07/31/2017)

This form is to be used by Responsible Entities and Recipients (as defined in 24 CFR 58.2) when requesting the release of funds, and requesting the authority to use such funds, for HUD programs identified by statutes that provide for the assumption of the environmental review responsibility by units of general local government and States. Public reporting burden for this collection of information is estimated to average 36 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Part 1. Program Description and Request for Release of Funds (to be completed by Responsible Entity)

1. Program Title(s)	2. HUD/State Identification Number	3. Recipient Identification Number (optional)
4. OMB Catalog Number(s)	5. Name and address of responsible entity	
6. For information about this request, contact (name & phone number)		
8. HUD or State Agency and office unit to receive request	7. Name and address of recipient (if different than responsible entity)	
The recipient(s) of assistance under the program(s) listed above requests the release of funds and removal of environmental grant conditions governing the use of the assistance for the following		
9. Program Activity(ies)/Project Name(s)	10. Location (Street address, city, county, State)	

11. Program Activity/Project Description

Previous editions are obsolete

form HUD-7015.15 (1/99)

Part 2. Environmental Certification (to be completed by responsible entity)

With reference to the above Program Activity(ies)/Project(s), I, the undersigned officer of the responsible entity, certify that:

1. The responsible entity has fully carried out its responsibilities for environmental review, decision-making and action pertaining to the project(s) named above.
2. The responsible entity has assumed responsibility for and complied with and will continue to comply with, the National Environmental Policy Act of 1969, as amended, and the environmental procedures, permit requirements and statutory obligations of the laws cited in 24 CFR 58.5; and also agrees to comply with the authorities in 24 CFR 58.6 and applicable State and local laws.
3. The responsible entity has assumed responsibility for and complied with and will continue to comply with Section 106 of the National Historic Preservation Act, and its implementing regulations 36 CFR 800, including consultation with the State Historic Preservation Officer, Indian tribes and Native Hawaiian organizations, and the public.
4. After considering the type and degree of environmental effects identified by the environmental review completed for the proposed project described in Part 1 of this request, I have found that the proposal did ☐ did not ☐ require the preparation and dissemination of an environmental impact statement.
5. The responsible entity has disseminated and/or published in the manner prescribed by 24 CFR 58.43 and 58.55 a notice to the public in accordance with 24 CFR 58.70 and as evidenced by the attached copy (copies) or evidence of posting and mailing procedure.
6. The dates for all statutory and regulatory time periods for review, comment or other action are in compliance with procedures and requirements of 24 CFR Part 58.
7. In accordance with 24 CFR 58.71(b), the responsible entity will advise the recipient (if different from the responsible entity) of any special environmental conditions that must be adhered to in carrying out the project.

As the duly designated certifying official of the responsible entity, I also certify that:

8. I am authorized to and do consent to assume the status of Federal official under the National Environmental Policy Act of 1969 and each provision of law designated in the 24 CFR 58.5 list of NEPA-related authorities insofar as the provisions of these laws apply to the HUD responsibilities for environmental review, decision-making and action that have been assumed by the responsible entity.
9. I am authorized to and do accept, on behalf of the recipient personally, the jurisdiction of the Federal courts for the enforcement of all these responsibilities, in my capacity as certifying officer of the responsible entity.

Signature of Certifying Officer of the Responsible Entity	Title of Certifying Officer
	Date signed
X	
Address of Certifying Officer	

Part 3. To be completed when the Recipient is not the Responsible Entity

The recipient requests the release of funds for the programs and activities identified in Part 1 and agrees to abide by the special conditions, procedures and requirements of the environmental review and to advise the responsible entity of any proposed change in the scope of the project or any change in environmental conditions in accordance with 24 CFR 58.71(b).

Signature of Authorized Officer of the Recipient	Title of Authorized Officer
	Date signed
X	

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Previous editions are obsolete

form HUD-7015.15 (1/99)

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Title of Authorized Officer

Date signed

X

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Submit Clearance Documentation to TDA

EXEMPT PROJECTS UNDER 24 CFR §58.34(a):

- Exemption Determination §58.34
- Compliance Documentation Checklist under §58.6
- Letter from the Entity Stating intent to declare exemption.

CATEGORICAL EXCLUSION UNDER §58.35(b)

- Letter from the Grant Recipient supporting the Categorical Exclusion level of review
- Categorical Exclusion Determination §58.35(b)
- Compliance Documentation Checklist §58.6

CATEGORICAL EXCLUSION §58.35(a)

- Letter from Grant Recipient supporting the Categorical Exclusion level of review.
- Categorical Exclusion Determination §58.35(a)
- Publications for NOI/RROF Request for Release of Funds (Scanned and then mail an original) two sided One page.



Submit Clearance Documentation to TDA

FULL ENVIRONMENTAL ASSESSMENT (EA)

- Letter from Entity
- Request for Release of Funds scanned (One original to be mailed) two sided single document.
- Publication with affidavit, scanned full print page, scanned and then send tear sheet with the original RROF.

ADDITIONAL REQUIREMENTS FOR EACH LEVEL OF REVIEW

- **EXEMPTION DETERMINATION UNDER 24CFR34(a)(10):**
The entity must review the project and ensure that it is not:
 - *located in a floodplain, a known critical habitat for endangered species, an historic property, or a known hazardous site (see HUD Memo 12-11-12).*



Common Problems

- Signatures CANNOT be stamps!
- FONSI signed after publication/posting
- RROF signed before or the day of the end of the local comments period
- Wrong project description
- Admin & Engineering not cleared in project description and not included in publication/posting
- Source of funding not revealed – includes match funds
- Historical review not completed
- Environmental Review Record missing verifiable documentation
- Assessment Checklist incomplete. Answer all questions!
- Floodplain 8-Step Process not completed
- Not signed by Chief Elected Official

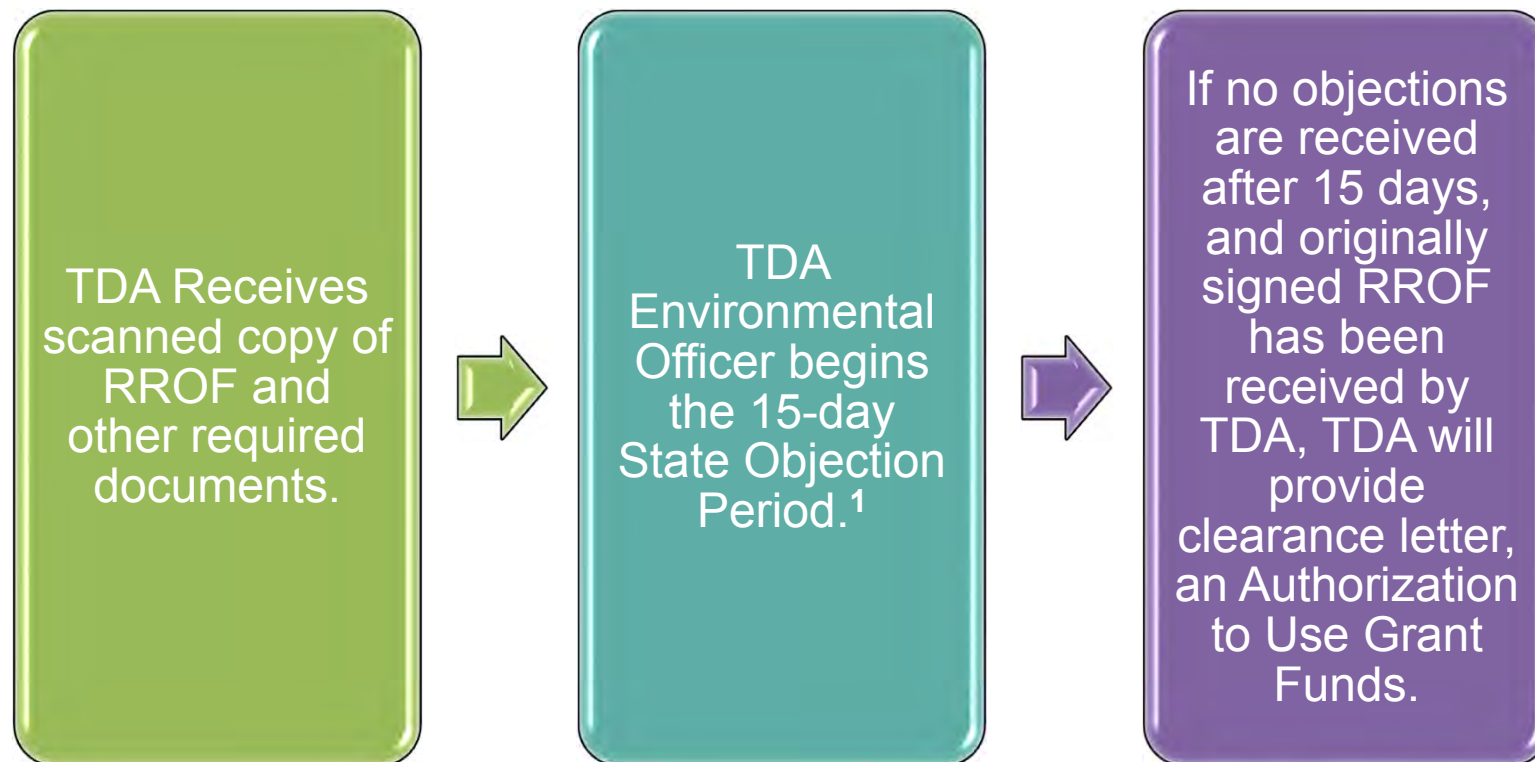


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Step 7: State Objection Period



This is not an indication that TDA has reviewed and approved the entire Environmental Review record for the project.

CE / Exempt projects do not require an Objection Period BUT WILL receive a clearance.



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The Environmental Review Record

- 24CFR58.38(a): The ERR shall contain all the environmental review documents
 - Letters / Publications
 - Photos
 - Worksheets / support docs
 - Checklists
 - Request for Release of Funds (RROF)
 - Authority to Use Grant Funds (THE ORIGINAL)



Source Documentation

- Maps
- Photos
- Emails
- Google Maps
- Notes of conversations
- Letters and contact with agencies
 - Project Description
- WHAT DOES VERIFIABLE MEAN



Source Documentation: Common Problems

- VERIFIABLE source documentation
- No photos – **Prove that a site visit was done.**
- Too General (Species info)
- Hazardous Chemicals
- Not using worksheet (Doing too much)
- Letters Not specific
- Maps/ markings and Dates
- Officials referenced NAMES AND TITLES
- Endangered Species Letter



Step 8: State Post-Release Review

Following the Authorization to Use Grant Funds:

- Post Release Review under 24 CFR §58.18.
- May occur at any time after the release of funds
- TDA will request the Complete Environmental Review Records.
- Significant violations of federal requirements
 - ✓ Repayment of funds
 - ✓ Loss of contract
 - ✓ Repeat of the process
 - ✓ Delaying Construction

(Don't Make Me Dig!!)



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- **Step 9 – Re-Evaluation of the Environmental Determination**



Step 9: Revisiting the REview

Major reasons for revisiting a review:

- Record mitigation measures
- Changes in project scope
- Adding another source of funding -
leads to change in the project?
- Change in conditions
- Use of another agency's environmental review



What's New?

- Authorized signatories for Environmental docs
- Clarification on Floodplain vs. Floodway requirements (8-step process)
- New THC web location:
(<https://www.thc.texas.gov/etrac-system>)
- New USFW web location:
(<https://ecos.fws.gov/ipac/>)
- TDA SHPO denials (subsequent requests go to THC)
- Publish/Post in two locations for FONSI/RROF
- New section for Environmental on modification and amendment request forms



Let's Talk About the Checklist



"Here's where you give me
non-comprehending nods of approval."



Complete Checklists (continued)



Air Quality



Airport Hazards



Coastal Barrier Resources



Coastal Zone Management



Endangered Species



Environmental Justice



Explosive and Flammable
Facilities



Farmlands Protection



Flood Insurance



Floodplain Management



Historic Preservation



Noise Abatement and Control



Site Contamination



Sole Source Aquifers



Airport Hazards

Airport Hazards

Introduction

Some types of development are incompatible for locations in the immediate vicinity of airports and airfields. Potential aircraft accident problems pose a hazard to end users of these development projects. If the proposed project is located near an airport or in the immediate area of the landing and approach zones, additional information is necessary to determine whether this issue is a concern and if so, how to mitigate it.

It is HUD's policy to apply standards to prevent incompatible development around civil airports and military airfields. See [24 CFR 51, Subpart D](#). The policy does not apply to research demonstration projects which do not result in new construction or reconstruction, flood insurance, interstate land sales registration, or any action or emergency assistance under disaster assistance provisions or appropriations which are provided to save lives, protect property, protect public health and safety, remove debris and wreckage, or assistance that has the effect of restoring facilities substantially as they existed prior to the disaster.

HUD Guidance

1. To ensure compatible land use development, you must determine your site's proximity to civil and military airports. **Is your project within 15,000 feet of a military airport or 2,500 feet of a civilian airport?**
2. **If so, is your project located within an Accident Potential Zone (APZ) or Runway Protection Zone/Clear Zone (RPZ/CZ)?**

Accident Potential Zone (APZ)

Does your project involve any of the following: new construction; substantial rehabilitation; acquisition of undeveloped land; activities that would significantly prolong the physical or economic life of existing facilities or change the use of the facility to a use that is not consistent with the recommendations of the Department of Defense (DOD)'s Land Use Compatibility Guidelines; activities that would significantly increase the density or number of people at the site; or activities that would introduce explosive, flammable, or toxic materials to the area?

If so, is the project in conformance with [DOD guidelines](#)?

Runway Protection Zone/Clear Zone (RPZ/CZ)

Will this project involve any facilities that will be frequently used or occupied by people?

If so, were written assurances from the airport operator obtained?

Regulations

[24 CFR 51, Subpart D](#)

Resources

[WISER: Airport Hazards Online Module](#)

[Notice to Prospective Buyers of Properties Located in Runway Clear Zones and Clear Zones](#)

[Fact Sheet: Siting HUD-Assisted Projects in Accident Potential Zones](#)

[FAA Advisory Circular on Runway Protection Zones \(RPZs\)](#)

[DOD Land Use Compatibility Guidelines](#)

Federal Related Laws and Authorities

[Air Quality](#)

[Airport Hazards](#)

[Coastal Barrier Resources](#)

[Coastal Zone Management](#)

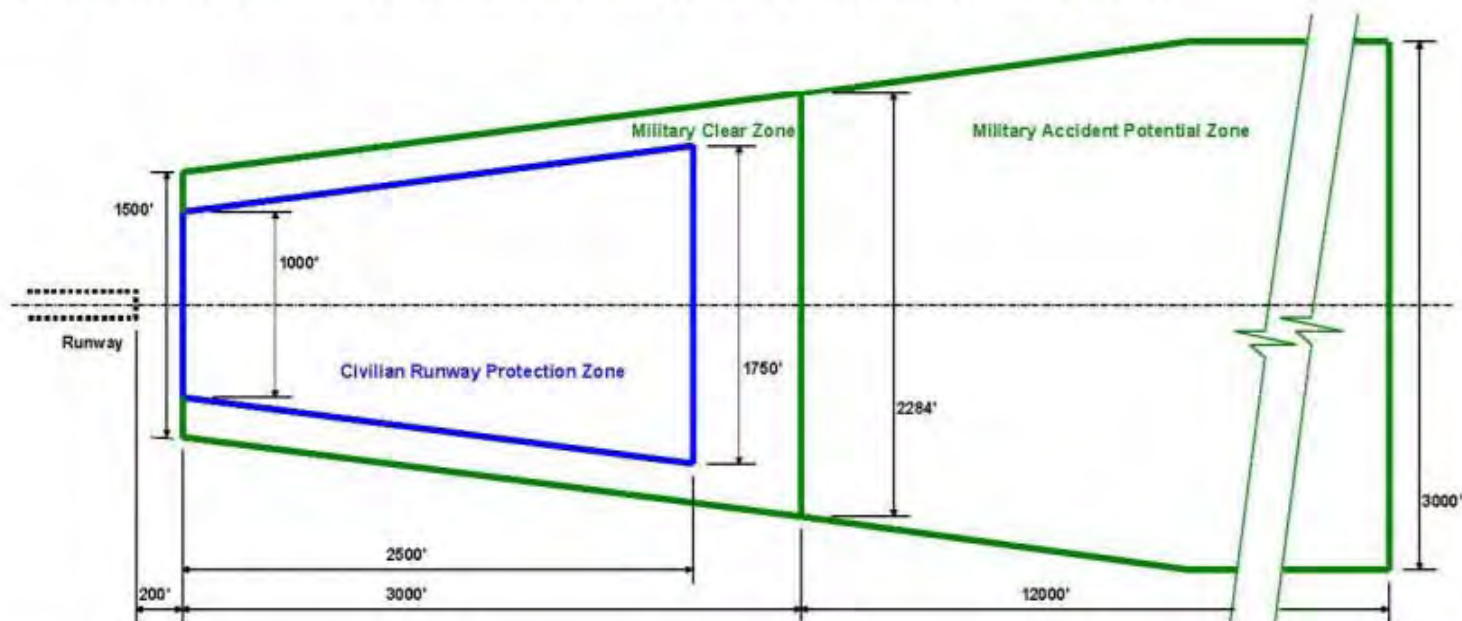
[Environmental Justice](#)

[Endangered Species](#)



Airport Hazards

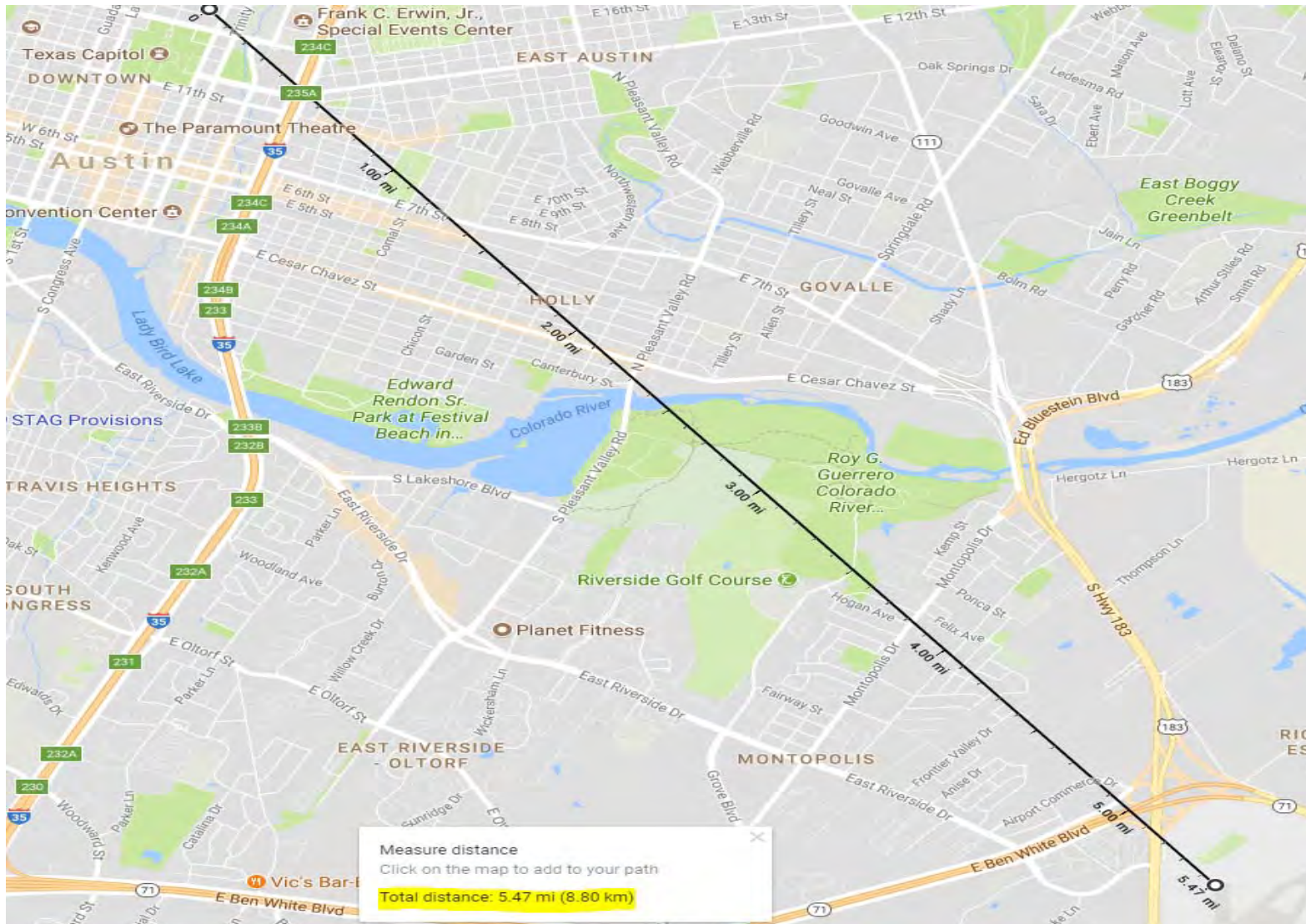
Figure RPZ1—Significant Dimensions and Comparison of Civilian to Military Zones



Airport Type	Runway Protection Zone/Clear Zone Length	Runway Protection Zone/Clear Zone Inner Width	Runway Protection Zone/Clear Zone Outer Width	Accident Potential Zone Length	Accident Potential Zone Inner Width	Accident Potential Zone Outer Width
Civilian	2,500'	1,000'	1,750'	NA	NA	NA
Military	3000'	1,500'	2,284'	12,000'	2,284'	3,000'



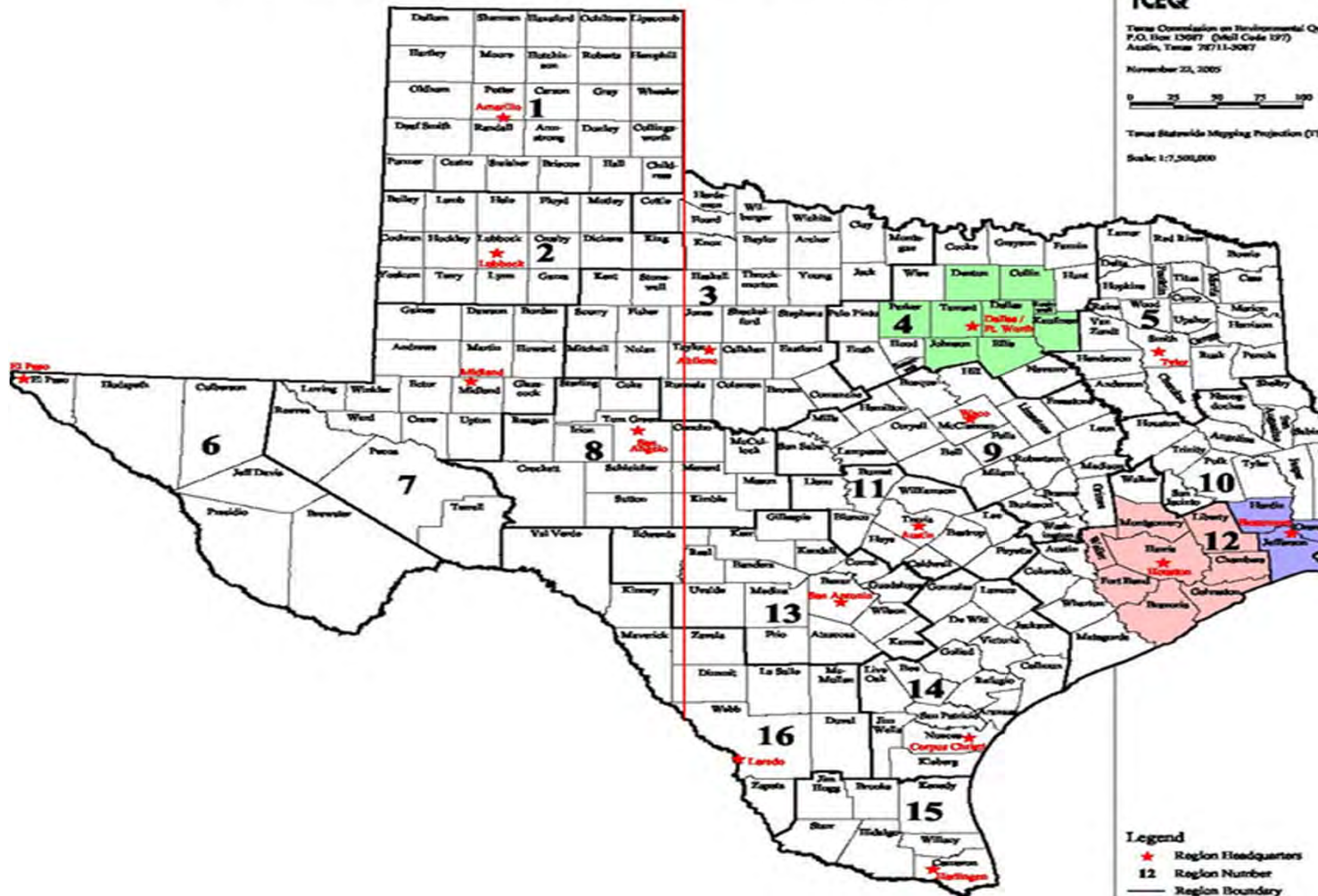
Airport Mapping





Sample Supporting Docs (Air)

Eight-Hour Ozone Nonattainment Areas





Historical Review





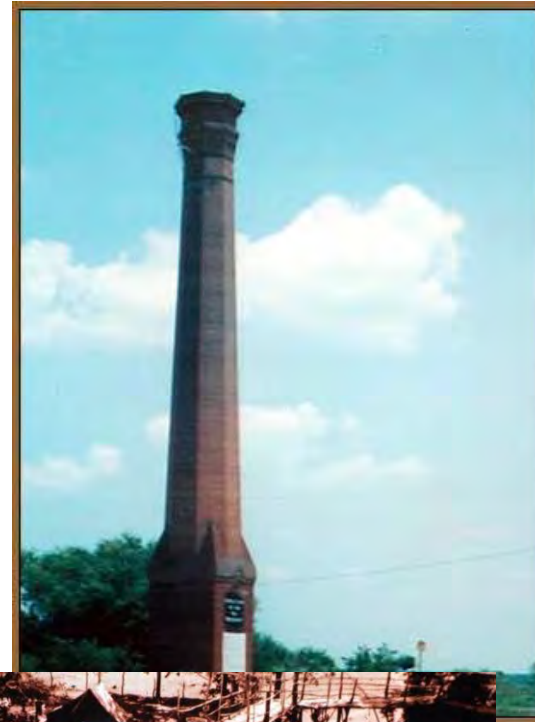
John S. Chisum Grave Site





What is a historic property?

Any historic or prehistoric site, district, building, structure, or object included in, or **eligible** for inclusion in the National Register of Historic Places.





Texas Historical Commission (THC)

Section 106 is a **Consultation Process** among the Federal Agency, the SHPO, the Tribes, and Consulting Parties that follows four steps.

Step 1. Agency (RE) initiates consultation.

Step 2. Consult to Identify Historic Properties.

Step 3. Consult to Assess Adverse Effects on Historic Properties.

Step 4. Consult to Resolve Adverse effects on Historic Properties.



Area of Potential Effects (APE)

Direct effects:

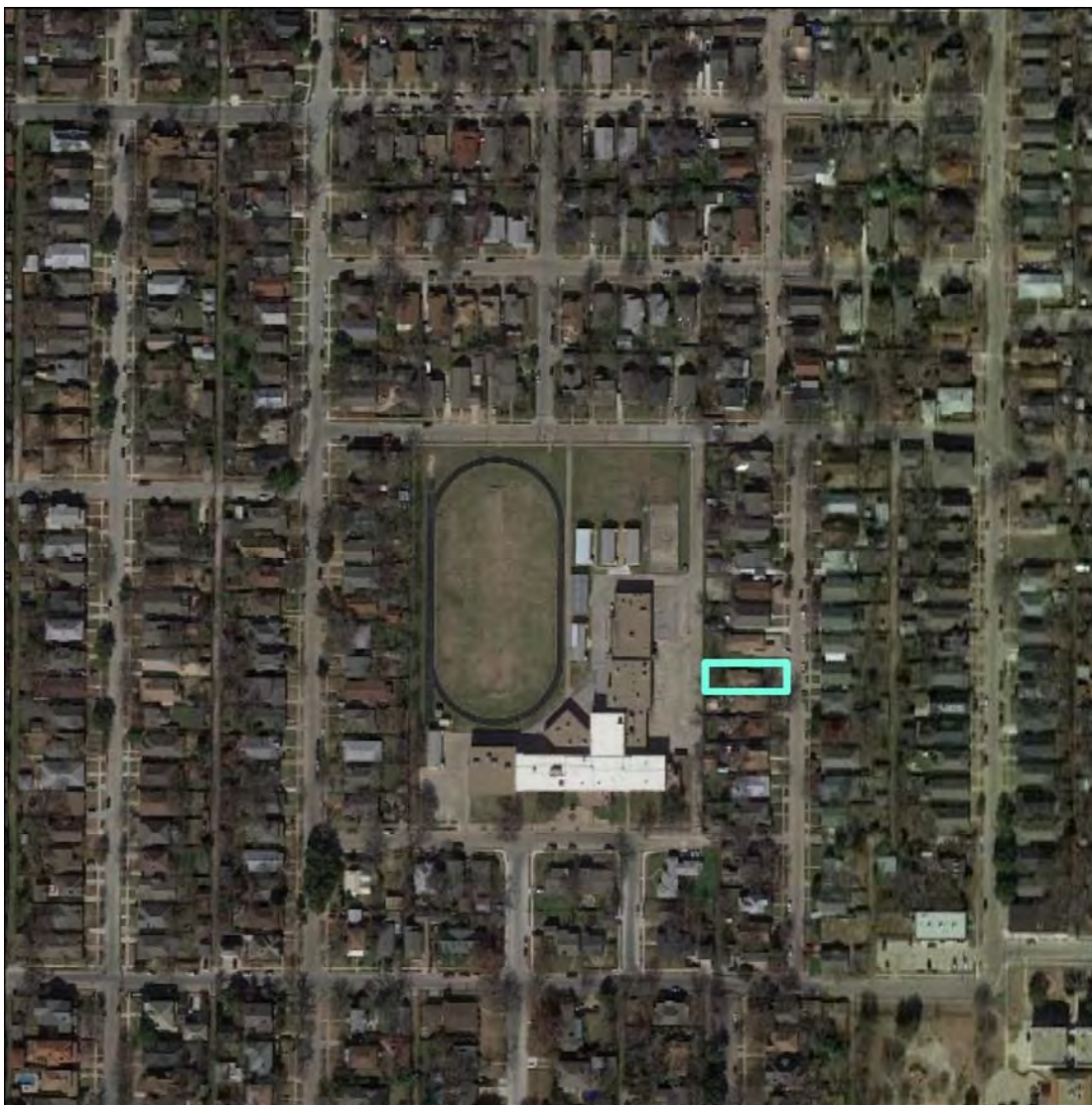
- **Rehabilitation of a building, structure, or built environment:**
limited to the building being rehabilitated.
- **New construction or ground disturbance:**
the footprint to be directly affected by new construction, staging areas, and access areas.

Indirect effects:

- Must account for potential visual or auditory effects.



Area of Potential Effect Examples: Interior Rehabilitation





Area of Potential Effect Examples: Utility Lines or Street Improvements





Area of Potential Effect Examples: Major Redevelopment





Tribal Consultation

- Interested in protecting their Traditional Cultural Properties
- Under Section 106, Tribes have same status as trained professional archeologists.
- Allow time for Tribes to respond to your request. Grant Recipient needs PROOF that Tribes received letters – Certified letters are great!





Unearthed Graves: Sugarland, TX





SHPO & Programmatic Agreement (PA)

- Programmatic Agreement (PA)
 - Concurrence needed from the State Historic Preservation Officer (SHPO) project will not adversely affect historically or archaeologically significant areas or structures.
 - May satisfy the Historical Preservation requirements by submitting a *Request for Exemption from SHPO Review (Form A301)* to TDA.
 - If the project does not have an exemption from SHPO Review approved by TDA, must submit to the SHPO a Historic Preservation Notice, found at <http://www.thc.state.tx.us> and allow at least thirty-five (35) calendar days for the SHPO to review.
 - One time shot at SHPO exemption with TDA



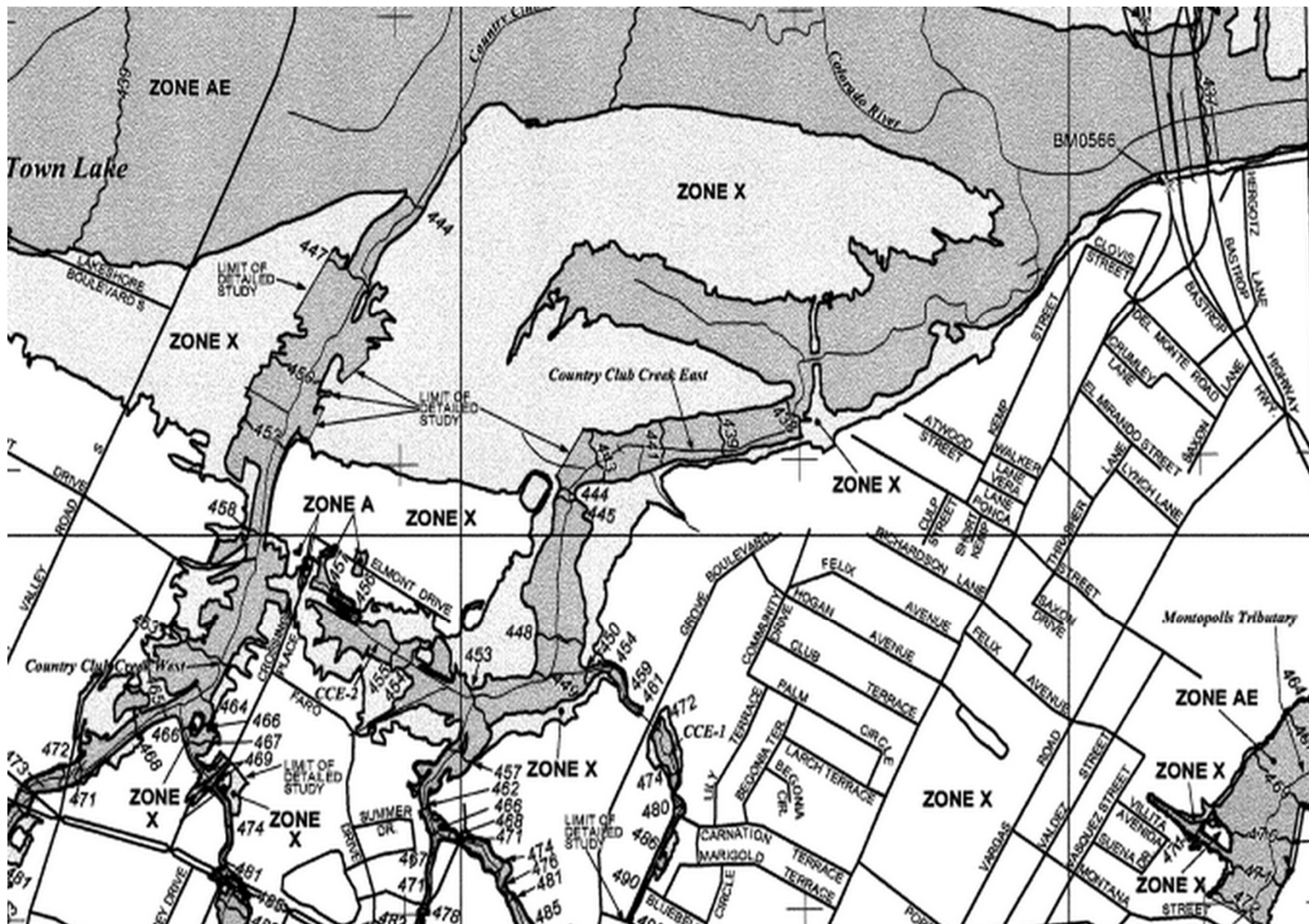
Floodplain Management 24 CFR 55





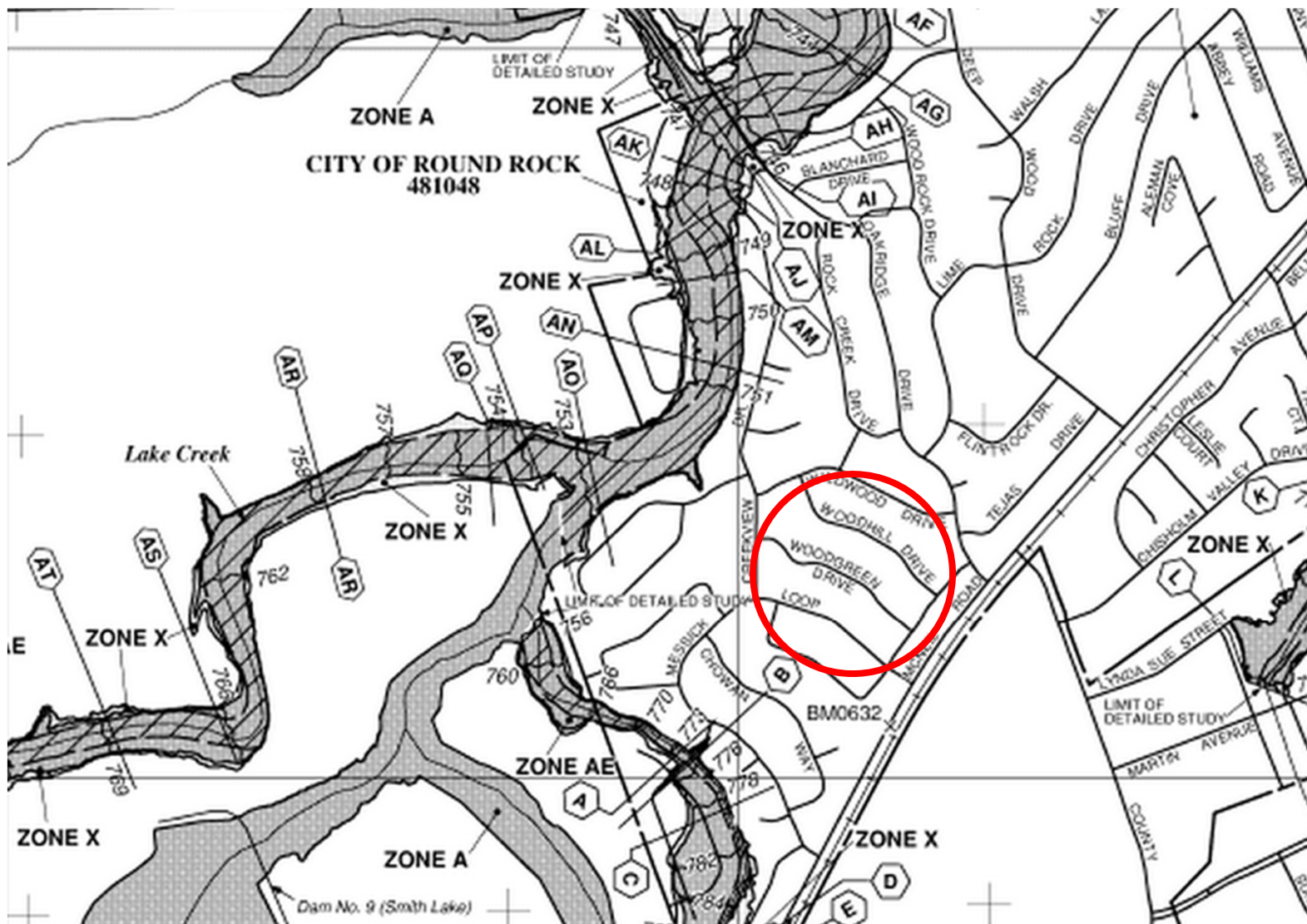
Floodplain? Need 8-Step Process

- Determination (project in floodplain?)
- Early Public Notice
- Identify Alternatives
- Identify Impacts
- Minimize, Restore, Preserve
- Reevaluate Alternatives
- Final Public Notice
- Implementation of mitigation measures





Floodway on a FIRM Map





Floodway: Common Problems

- Not doing the 8-step process
- Not doing anything
- Outdated maps
- No maps
- Wrong locations
- Not looking after amendment
- Publishing notices at the same time
- 2nd Notice can be published at the same time as NOI/RROF/Combined Notice

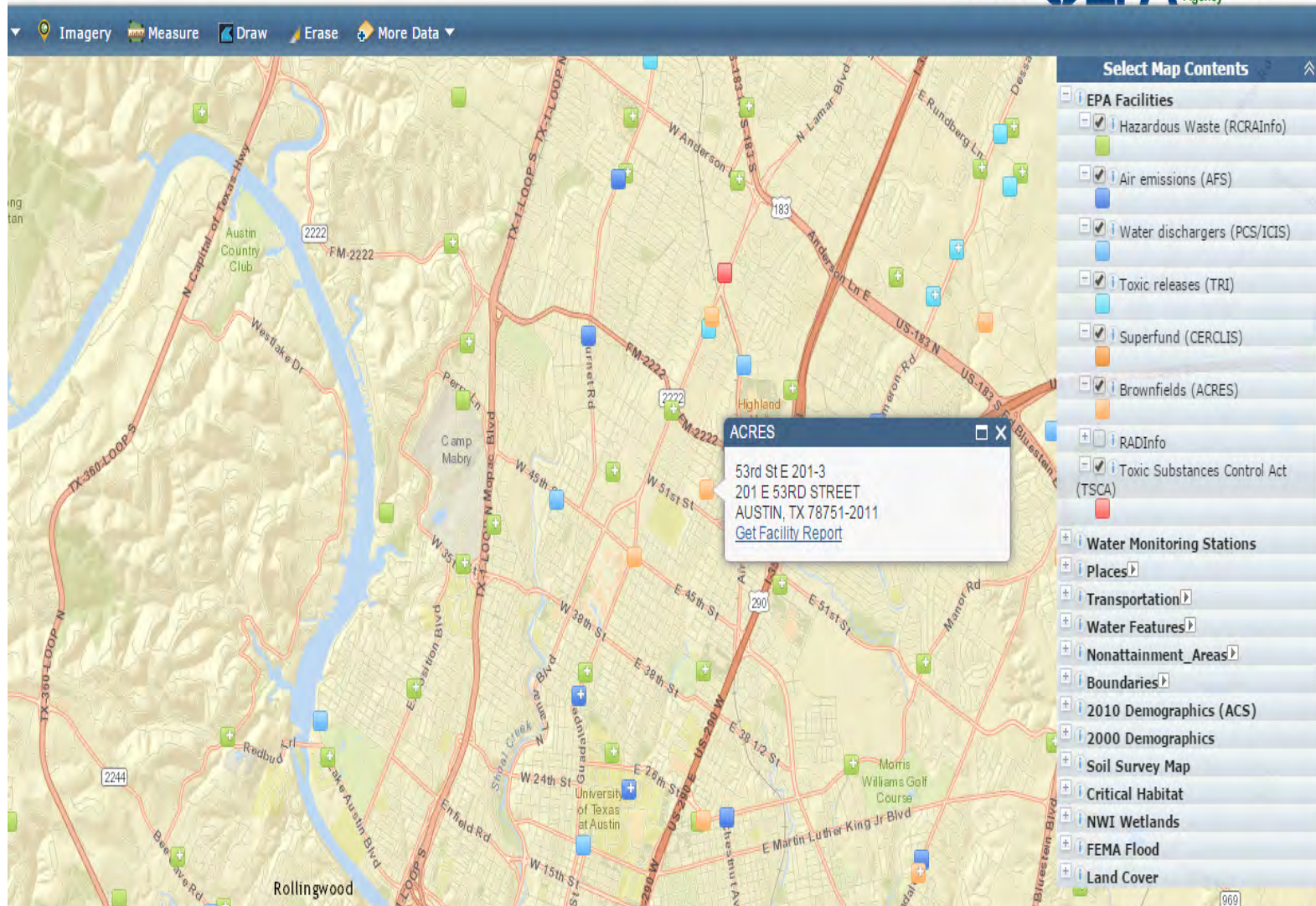


Got Wetlands? 8-Step Process

- Identify Wetlands (use FWS wetlands mapper)
- Prepare early public notice
- Practicable alternatives
- Evaluate impact
- Minimize, Restore, Preserve
- Reevaluate alternatives
- Publish final public notice
- Implement project mitigation measures



Site Contamination: NEPA Assist





Site Contamination

- HUD's policy applies to CEST and EAs
- Can have effects on public health, financial implications and legal liabilities
- Evaluate with "due diligence" screening, Phase I and II ESAs
- Findings and recognized environmental conditions (RECs)



Site Contamination

Pollution Sources, Exposure Methods, and Health Implications

Source	Exposure Method	Associated Pollutant	Potential Health Effects
Petroleum Storage Tanks	Vapor Intrusion through floors	Benzene, Methyl Tertiary Butyl Ether (MTBE), Polycyclic Aromatic Hydrocarbons (PAHs) & other solvents	Leukemia, other cancers
Dry Cleaning	Vapor Intrusion, Ambient Air	Perchloroethylene, Tetrachloroethylene	Central Nervous System (CNS) Effects, Cancer
Agricultural Industries	Onsite or buried pesticide containers	Various Pesticides & Herbicides	Range of effects including acute & chronic neurological effects, cancer, birth defects
Industrial Production Facilities	Air emissions, buried containers, toxic releases, spills	Range of toxic chemicals depending on production process	Range of effects including cancer, birth defects, chronic effects, acute neurological
Meth Labs	Chemical explosions. Inhaled, absorbed through skin, ingested	Acetone, Lithium, Toluene, Sulfuric Acid, Pseudoephedrine	Fire and explosion hazard, acute & chronic CNS effects, cardiac arrest, lung damage, renal failure, stroke death, developmental toxicity



Explosive and Flammable Hazards

- **Initial Screening:**
consider two lines of inquiry
 - Aboveground stationary storage tanks near the project? (Within one mile)
 - Hazardous facilities included in the project? (What's there now?)





Explosive and Flammable Hazards

- Acceptable Separation Distance Guide Book
- Calculating ASD
 - ASD Electronic Assessment Tool (on HUD Exchange website)
 - Manual Calculations (Appendix B of ASD Guidebook)
 - Appendix C, Data Resources (ASD Guidebook)



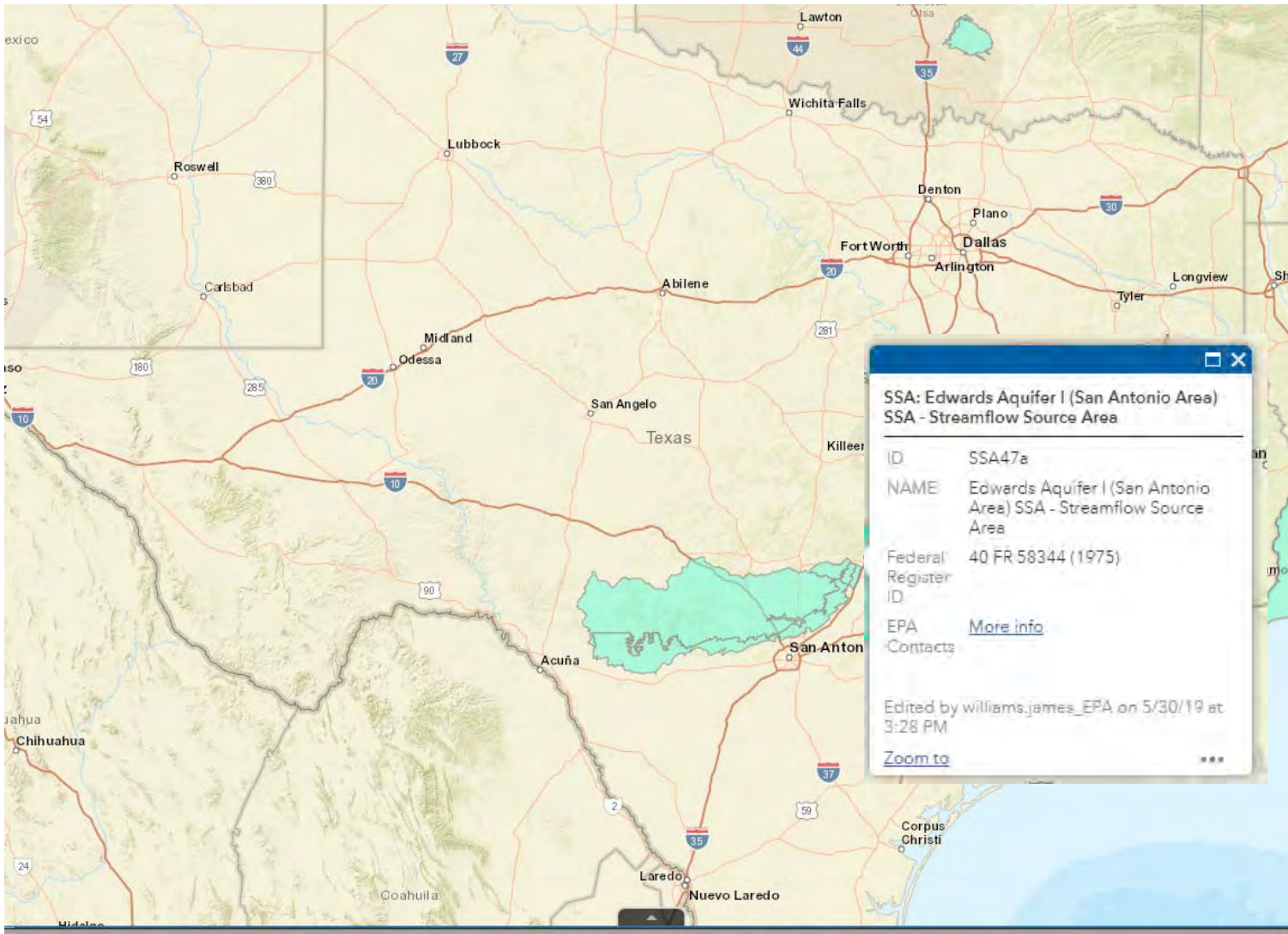


Sole Source Aquifers

- Safe Drinking Water Act (EPA) – SSA supplies at least 50% of drinking water w/ no reasonably available alternatives.
- Consult EPA regional SSA map (Texas has Edwards Aquifer as only SSA)
- Activities other than acquisition, leasing, or rehabilitation of existing buildings?
- NEW! MOU with EPA for Texas – work with EPA on mitigation measures.



Sole Source Aquifers in Texas





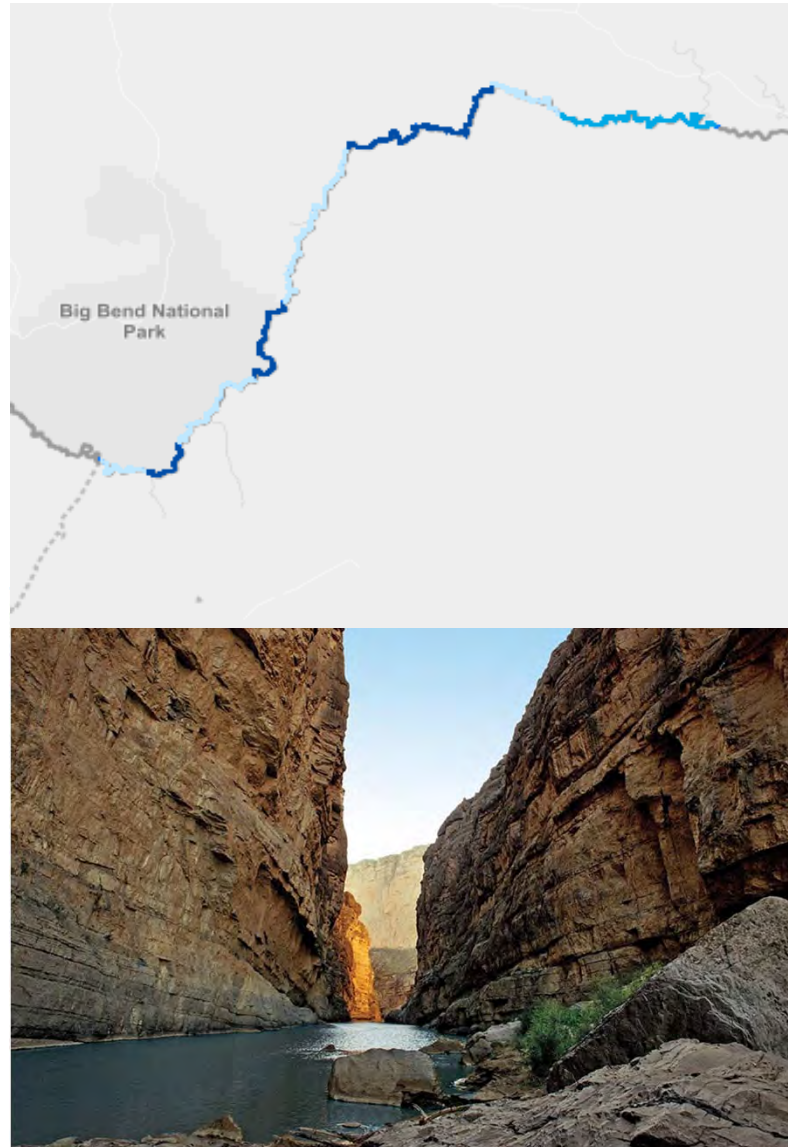
Wild and Scenic Rivers

- Wild and Scenic Rivers Act 1968 to protect “outstandingly remarkable river values”.
- Prohibits Federal projects that would negatively impact river.
- Document project location to river.
- Consult with managing agency if project may effect river.



Wild and Scenic Rivers

- This **191-mile** stretch of the United States side of **the Rio Grande along the Mexican border** begins in Big Bend National Park.
- The river cuts through isolated, rugged canyons and the Chihuahuan Desert as it flows through some of the most critical wildlife habitat in the country.





Coastal Barrier Resources

- Coastal Barrier Resources Act restricts Federal financial assistance w/in CBR System.
- Determine if project is in a CBRS unit (can request FWS map)
- If project is in a CBRS funding from HUD is precluded except in rare circumstances.



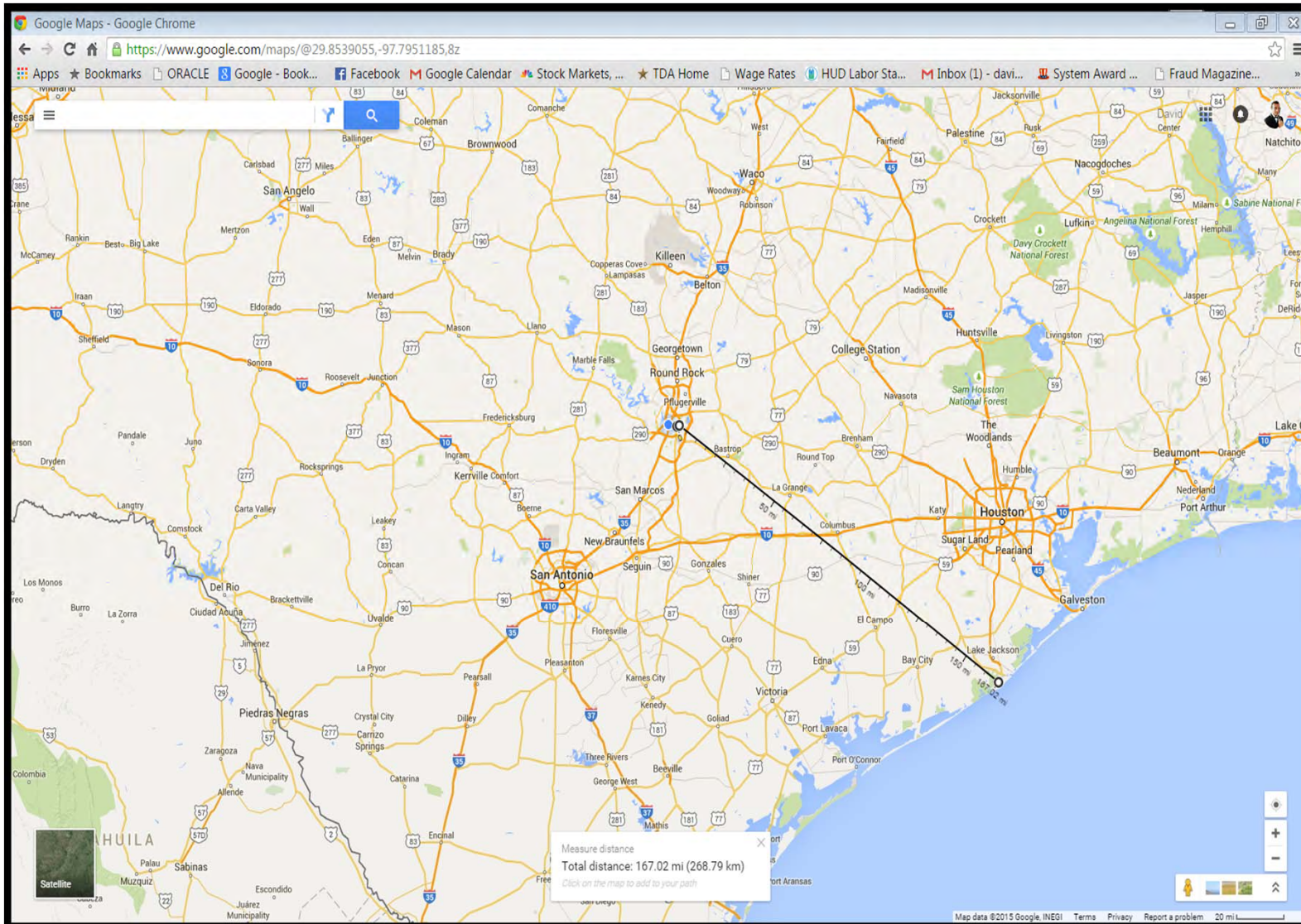


Coastal Zone Management

- Coastal Zone Management Act (CZMA) to preserve, protect, develop, and restore
- State Coastal Management Program has listed activities subject to State review
- If project is in a Coastal Zone a letter of consistency w/ CMP is needed from State agency.



Coastal Zone Management: Documentation



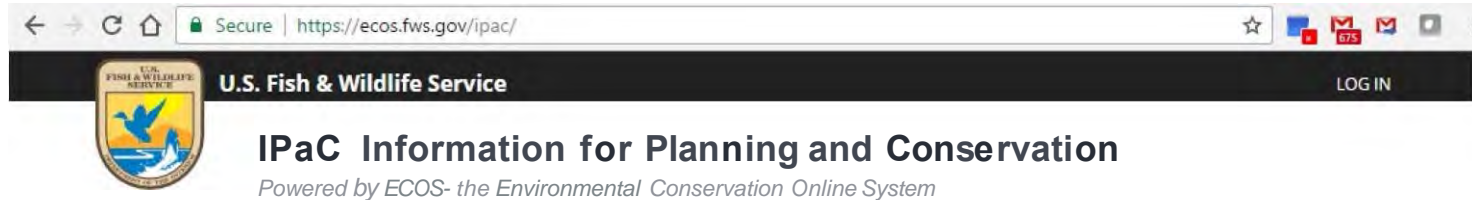


Threatened & Endangered Species in Texas

- 102 species total
- 71 animals
- 31 plants
- Approx. 40 petitioned species on the work plan (2023) within or overlapping with Texas
- <https://www.fws.gov/endangered/what-we-do/listing-workplan.html>



Endangered Species Resource USFWS iPaC Website



**IPaC is a project planning tool which stream lines the USFWS
environmental review process**

GET STARTED

LOG IN

[Need an updated species list?](#)

**Integrate the environmental review process into your project
design**

Quickly and easily identify USFWS managed resources and suggested conservation measures for your project.

I Explore species
and habitat

See if any listed species ,
critical habitat, migratory birds or

II Conduct a regulatory
review

Log in and define a project to get
an official species list and

III Perform an impact
analysis

For projects or species not
covered by the step-by-step

<https://ecos-beta.fws.gov/ecp/>



Informal Consultation

- Federal agency explains the effects of the action on the species
- And clearly shows that the project's effects on listed species are insignificant or discountable
- Requests the Service to concur with the Federal agency's determination the project *may affect, is not likely to adversely affect*
- Service response



Formal Consultation

Determination of Affect May Affect

- Likely to adversely affect
 - Biological Assessment
 - 135 day timeline
 - Biological Opinion
 - Jeopardy analysis
 - Incidental Take Statement
 - Reasonable and Prudent Measures (RPMs)



San Marcos Salamander



Tiering Projects

- Must publish the criteria used for the process.
What will be reviewed and when?
- Generally not good for projects that require a full Environmental Assessment (EA).
- Use of current checklists or HUD's specific checklist.
- The publication must state what is being reviewed and what is not.
- The ERR could have multiple Checklists.
- Usually used for On-Site Sewer Facilities (OSSFs), Housing Rehabilitation and other Categorical Excluded (CE) Projects.



Takeaways

- Start review early – Resolution
- Project Description is more detailed than PS
- Verifiable Source documents Use the worksheets – Let HUD say it does not apply
- Letters to agencies – activity
- Complete packets – send what we ask for
- The person who signs is the one going to court
- It's too late after the fact
- **BOTTOM LINE: I'M AVAILABLE**

Chapter 4

Contract Special Conditions



TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER



Pre-Construction - Certification of Pre-Construction Approvals A401

- **Certification of Pre-Construction Approvals - Form A 401**
- ✓ List all permits, authorizations, or other written approvals required by state or federal regulations (other than TxCDBG requirements).
- ✓ The form must be signed by the Chief Elected Official or other Authorized party, **AND** signed by the project Engineer.
- ✓ Examples of these approvals include:
 - ◆ Texas Commission on Environmental Quality (TCEQ)
 - ◆ Texas Historical Commission (THC)
 - ◆ Texas Department of Transportation (TxDOT)
 - ◆ Texas Department of Licensing and Regulation (TDLR)
- ✓ If no permits or approvals are necessary indicate “no State/Fed. Agency approvals required ” (Best practice – also provide an explanation why, in the comments area, if not a Street project).
- ✓ Keep the approvals in the local file



Pre-Construction

Temporary Signage

All construction projects utilizing TxCDBG funding must have temporary signage:

- Erected in a prominent location at the project site
- Minimum size of **11in X 17in – NEW!!**
- Durable materials.





Pre-Construction

Direct Benefit Guidelines

- This applies to Housing Rehab., 1st time OSSF or OSSF replacement & scattered first-time water or sewer service yard lines (that are not associated with the installation of a main trunk line)
- As Homeowners are selected through an application process, proposed program guidelines must be submitted to TDA for approval.
- TDA approval must be received prior:
 - to the selection of program recipients; and
 - prior to TDA's release of funds for such activities.
- **What's New??**
 - References to Guidelines Form numbers (Forms are now fillable templates)
 - Coordinate w/ CS regarding TDA staff approval of Guidelines



Pre-Construction

Colonia Street Lighting Funds

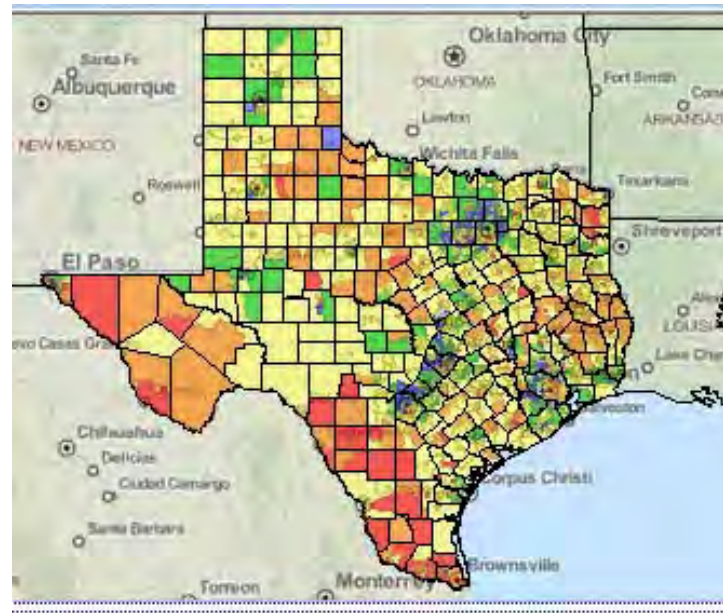
- TxCDBG grants that include street improvements in **Colonia areas** are required to include **adequate street lighting** in the project.
- If current street lighting in target area is **absent or inadequate**, then between **5% and 15%** of grant funds for street improvements must be designated **for street lighting**.



Pre-Construction

Projects Involving Model Subdivision Rules/Ordinances (Colonia Fund only)

- Certain communities are considered “economically distressed areas” and are subject to comprehensive platting requirements known as Model Subdivision Rules.
- No grant funds may be expended until the Grant Recipient has submitted to TDA a resolution adopting the Model Subdivision Rules





Pre-Construction

Projects involving First-Time Water or Sewer Service Beneficiaries

- TDA requires that Grant Recipients re-survey first-time service beneficiaries associated with the installation of a main trunk line prior to bidding construction.
 - If fewer than 75% of the beneficiaries proposed in the application do not intend to connect to the infrastructure, *contact the TDA Contract Specialist before proceeding - the project may not proceed without written approval from TxCDBG.*



Pre-Construction

First-Time Water or Sewer Service Beneficiaries

- Prior to bidding construction, the Grant Recipient must submit a list of households that have committed to connecting to the project.
 - The list must be signed by the chief local official and must identify:
 - all occupied LMI households eligible for yard lines, also
 - those households refusing service.
 - Commitment from each household must be binding in nature - *example*: a request for service and payment of a non-refundable deposit.
 - No TxCDBG construction funds will be released until the list has been received.
 - If fewer than 75% do not intend to connect, *the project may not proceed without written approval from TxCDBG.*



Project Completion

Water Well Projects

- Must submit a letter from TCEQ that the constructed well is approved for interim use and may be temporarily placed into service

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
Protecting Texas by Reducing and Preventing Pollution

April 2, 2014

TO: Persons on the attached mailing list.



Project Completion

Septic System Replacement Projects

- Final plans, specifications, installation of sewer system improvements (septic systems) reviewed/approved by City/County Health Dept. via TCEQ authority.





Project Completion

Building, Parking Lot, and Sidewalk Projects

- Must submit documentation that building, parking lots and/or sidewalks are in compliance with TDLR requirements (elimination of architectural barriers)





Project Completion

Projects in a Floodplain

- Must participate in National Flood Insurance Program (NFIP)
- Proof of approval from Texas Water Development Board for Grant Recipient participation in NFIP





Required – Record Drawings

Final Record Drawings

- Are Project Specific.
- The Grant Recipient shall receive and maintain a copy of the final project record drawing(s) and/or engineering schematic(s), as constructed using funds under this contract.
 - ✓ Digital format
 - ✓ The accompanying documentation from the engineer shall include a signed statement of when the map was authorized and that the digital map is a true representation of the original sealed document.



Projects Requiring Permanent Signage

- Permanent Signage identifying the location as a TxCDBG-funded project is required for any TxCDBG funded **public buildings, park areas, or other structures open to the public**, in addition to **commercial facilities** funded through the TCF Real Estate program.

Examples :

- Fire stations
- Significant improvements to existing facilities or park areas *if open to public*
- Community centers
- Parks
- Pavilions
- Health Centers
- Shelters





Permanent Signage

Language required of Permanent Signage:

“This project is funded by the Texas Department of Agriculture with funds allocated by the U.S. Department of Housing and Urban Development through the Community Development Block Grant Program.”




TCF Aggregate Benefit

(TCF - infrastructure/Real Estate)

- **For projects where more than 1 business may benefit:**
 - ◆ TDA may require Tap-In reporting for Texas Capital Fund (infrastructure/Real Estate) projects to show evidence that a National Program Objective is met (Form D8).
 - ◆ For one year after construction completion, other benefitting businesses are asked to use *best efforts* toward employing LMI individuals for the majority of new jobs created – as a result of the TCF funded public improvements.
 - ◆ Grant recipient to provide other benefitting businesses:
 1. A copy of this rule
 2. Low/moderate income guidelines for the project area
 3. A summary of the proposed TCF infrastructure improvements with a map.



Journal Pre-proof



TEXAS CAPITAL FUND AGGREGATE BENEFIT REPORT

Grant Recipient Name: _____	Contract No. _____
Original Business Assisted: _____	Jobs Created Retained: _____
Date Construction Completed: _____	
Date Submitted: _____	

Name and Address of all businesses accessing the infrastructure improvements funded by the TxCDBG/TCF contract. (Do not include the original business assisted.)					
Businesses "Tying-On"			Employment Tracking Data		
Business Name	Street Address	Date Tied-On	Total No. of Employees at Date Tied-On	Employees Added Since Date Tied-On	
				Number	% L/M
Total New Jobs					
% LMI Jobs Including Original Business					

This is a cumulative report and should reflect information for each business accessing the infrastructure improvements funded by the TxCDBG/TCF contract.

Notes: Indicate any significant factors other than the public infrastructure that contribute to the changes in employment.

09/01/2016



Community Enhancement Fund Reporting

- A report detailing services and functions of the facility developed with contract funds.
- Initial report submitted by 12/31 of the year in which the contract is closed and submitted annually for the subsequent four years.





Common Pitfalls

1. Failure to install permanent signage when required
2. Failure to submit the final RAS (Registered Accessibility Specialist) TDLR report to TDA.

Chapter 5

Procurement



TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER



Procurement Procedures

- Procurement must be carried out in an **open, fair, uniform** and thorough manner to ensure that federal, state and local requirements were met.
- Records must include:
 - ✓ *Rationale for method of procurement;*
 - ✓ *Solicitation/response;*
 - ✓ *Evaluation and selection criteria;*
 - ✓ *Contractor selection or rejection; and*
 - ✓ *basis for the cost or price.*
- Grant Recipients must adhere to all applicable state, federal and local requirements regardless of the source of funds.



Competitive Proposal

- 2 CFR 200.319 (a)
- ***Contractors that develop or draft specifications, requirements, statements of work or invitations for bids or request for proposals must be excluded from competing for such procurements***
- **Key – Open & full competition**



Methods of Procurement

- **Competitive Proposal**
Traditional & Pre-Qualified Process
 - Procurement of professional and administration services.
- **Sealed Bids (formal advertising)**
 - Procurement of construction or materials.
- **Small Purchase (\$50,000 or less)**
Procurement of services, supplies or materials.
- **Micro-purchase (\$2,000 or less)**
for construction, supplies, or services.
- **Non-competitive Proposal (sole source)**



Competitive Procurement

- All **professional and administrative services** related to TxCDBG projects must be procured competitively, regardless of the source of funds.
- Administration Contracts anticipated to cost \$50,000 or less should utilize the Pre-Qualified Process (Phase 2)
- Administration Contracts anticipated to exceed \$50,000 should follow the Traditional Step by Step Process
- All other Professional Service Contracts must follow the Traditional Step by Step Process.



Administrative Services Procurement using the Pre-Qualified (Phase 2)

Administrative Contracts \$50K or less

- Communities **must** procure administrative service provider before the provider conducts any work to prepare the application for TxCDBG funding
- Program Year 2018 may only use administrative service providers that are:
 - Vendors included on the Pre-Qualified List
 - Self-administering Community,
 - Councils of Government (COG)



Pre-Qualified Procurement

- TDA solicits “Applications to Prequalify Grant Administrators” from Vendors interested in writing and administering Grant Applications.
- Community follows streamlined process (phase 2) for the procurement of Grant Administrator



Pre-Qualified (Phase 2) Procurement

Applicant/Community

1. Identify evaluation team and review approved vendor applications
2. Select firms to consider further
3. Complete Phase 2 Solicitation – Request for Project Specific Proposal
4. Receive and review the proposals
5. Select a Grant Administrator using local procedures to award the contract
6. Work with Grant Administrator to prepare the application



Step 1 & 2: Identify Evaluation Team & review approved vendor applications

- Identify an Evaluation Team
 - At least 3 people
 - At **least one local official**
 - No potential conflicts of interest with vendors under review
- Evaluation Team reviews qualifications for each approved vendor
- Applications of respondents identified on the Pre-Qualified Vendor List can be found under [Professional Administrative Services](#) webpage

TEXAS DEPARTMENT OF AGRICULTURE
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Grants & Services > Rural Economic Development > Rural Community Development Block Grant (CDBG) > Prequalified Professional Services

Pre-Qualified Professional Services

Pre-Qualified Professional Administrative Services

The Texas Department of Agriculture (TDA) is piloting a two-phase process to preapprove a pool of grant administrators. Local governments may solicit proposals from this pool for preparation of an application to the Texas Community Development Block Grant (TxCDBG) program, and subsequent administration services if a grant is awarded. In Phase One, TDA requests prequalification applications from interested individuals and firms to be preapproved for grant writing and administrative services to assist communities in proposed projects to be financed with certain categories of TxCDBG funding. Administrators approved through this RFQ process will be eligible to provide services to communities receiving grant funds. Preapproval of a grant administrator indicates that the application was complete and timely, and does not include an evaluation of the quality of services offered by the administrator.

Phase Two is the final grant administrator selection process. Participation in the Phase Two streamlined request for proposals (RFP) process will be limited to only those administrators that have submitted a complete application in response to Phase One and that have been approved by TDA. Any resulting contracts for grant administrative services between a local government and a grant administrator may not exceed a total of \$50,000. Actual budgets and tasks may be negotiated after the grant administrator has been selected by a participating local government.

Addendum 3 Questions and Answers from Applicants [Click HERE](#) for this document

Pre-Approved Administrators (Fund Specific Approved Vendor List)

Instructions for Communities to complete Phase 2 may be found [HERE](#)

Phase 2 Solicitation Forms:
Request for Project-Specific Proposal Forms A506 (Word Format)
Response from Service Provider Form A507 (Word Format)
Evaluation of Proposals Form A508 (Word Format)

Firm Name	Application	Contact Information	Small Business	Woman Owned	Minority Owned
A & J Howco Services	Click HERE	Kay Howard kay@howco.net	X	X	
Amazing Grants, Inc.	Click HERE	Mary Kay Thomas marykay@amazinggrants.com	X	X	X
Blais & Associates, Inc.	Click HERE	Neil Blais nblais@blaisassoc.com			
Business Service Company	Click HERE	Carlos Mondragon cdragon2010@gmail.com	X		X
Community Development Management Co.	Click HERE	Rudy Ruiz rudy@ccaustin.com	X		X
David J Waxman, Inc.	Click HERE	David Waxman davidjwaxman@bcglobal.net	X	X	
Essex & Company Consulting, LLC	Click HERE	Carl Essex carl.essex@hotmail.com			
GJM, Inc.	Click HERE	John Johnson jjohnson@gmjinc.com	X		
Grant Development Services, Inc.	Click HERE	Gandolf Burrus gburrus@texasgrants.us	X		
GrantWorks, Inc.	Click HERE	Brenna Minor grantworks@grantworks.net	X		
Hanson Professional Services	Click HERE	Anna A Smith asmith@hanson-inc.com			
Hollis Rutledge and Associates, Inc.	Click HERE	Hollis Rutledge hollis@rutledge-associates.com	X	X	X
Langford Community Management Services	Click HERE	Judy Langford judy@LCMSinc.com	X	X	



Step 3: Complete Phase 2 Solicitation - Request for Project Specific

- Enter information into Form A506
 - Description of Anticipated Project
 - Anticipated Scope of Work
 - Evaluation Criteria
- Send to each vendor selected by Evaluation Team (step 2).
- Ensure MBE,WBE, SBE compliance
- Allow vendors a reasonable period of time to prepare proposal
 - Ex. 5 – 10 business days

Form A506 –
Request for Project
Specific Proposal

**Evaluation Team
will complete the
form**



Send completed
Form A506 to
vendors identified
in Step 2

**Texas Community Development Block Grant
Phase Two Solicitation for Administrative Services
Request for Project-Specific Proposal**

Applicant Community:			
Name of Firm Solicited:			
Firm Address:			
Date Phase 2 Solicitation Sent:		Date Response Due:	
Description of Anticipated Project:			
Anticipated Scope of Work: (check services requested)	<input type="checkbox"/> Application Preparation Services <input checked="" type="checkbox"/> Basic Contract Implementation Services <input type="checkbox"/> Assistance for Acquisition of Real Property <input type="checkbox"/> Compliance with federal Labor Standards (for construction contracts) <input type="checkbox"/> Section 106 compliance <input type="checkbox"/> Other _____		
Evaluation Criteria (provide for each):	Criteria	Maximum Score or Relative Importance	Not Used
<ul style="list-style-type: none"> the maximum number of points; categories such as Very Important, Somewhat Important, or Minor Importance; or other indication of the relative importance of the criteria 	Experience		
	Prior Work Performance		
	Capacity to Perform		
	Proposed Cost (required)		
	Other _____		
	Other _____		
Send Response to:	Name		
	Address		



Step 4: Receive and Review Proposals

- Vendors respond to Phase 2 Solicitation using **Form A507** or in their own format
 - Services being offered
 - Proposed cost
 - Identify conflict(s) of interest
- Evaluation Team reviews all proposals using criteria established in Step 3, and make recommendation to community's governing body
 - Document on **Form A508**

Vendors provide
timely response to
RFP

Form A507



**Evaluation Team
reviews all
proposals**

Form A508

Texas Community Development Block Grant

2018 TxCDBG Program Year

Phase Two Solicitation for Administrative Services

Response from Service Provider (Optional Format)

Applicant Community:		Name of Firm Providing Proposal:	
Fund Category:		Firm Point of Contact:	
Date Proposal Submitted:		Total Proposed Cost:	
Conflict of Interest: (identify any actual or potential conflict of interest that must be addressed)	<input type="checkbox"/> No employee, officer or agent of the Grant Recipient or Applicant/Service Provider shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. <input type="checkbox"/> The following potential or actual conflict of interest must be addressed: <ul style="list-style-type: none"> ○ Owner or employee of the firm has a familial relationship with a local official, including the utility provider. ○ Owner or employee of the firm has financial interest in the utility provider intended to benefit from the project. ○ Other _____ 		
Cost Category	Proposed Fee	Self-Performed or Subcontracted	
Pre-application Costs (not payable or reimbursable with TxCDBG funds)			
Preparation and submittal of grant application			
Basic Services (all grant administration contracts)			
Environmental review			
Assistance in procurement process			
Preparation and submittal of drawdown requests			
Record keeping			
Preparation and submittal of reports as required			
Contract management			
Preparation and submittal of close-out documents			
Other Services (include only applicable services)			
Housing activities			
OSSF activities			
Acquisition of real property services			
Labor standards			

Received
prior to
deadline?

Have
experience
for your
specified
needs/
project(s)?

Identified
any conflict
of interest?

Included
proposed
cost
of
services?

TxCDBG Applicant: [Name of City/County]

Firm Responding: [Name of Firm]

2018 Phase Two Solicitation for Administrative Services – Response

Page 1

Form P508

Applicant Community:							
Evaluation Team: (at least three persons required, including one local official)	Name of Evaluator		Title				
Description of Anticipated Project:							
Date Solicitation Sent:							
Responses received:	Name of Firm		Date Response Received				
Evaluation of Proposals:		Enter for each criterion and proposal: <ul style="list-style-type: none"> • Points awarded (if scoring was used on Form P506), or • Evaluation such as Highly Advantageous (H), Advantageous (A), Not Advantageous (N), or Unacceptable (U). 					
Name of Firm	Experience	Prior Work Performance	Capacity to Perform	Proposed Cost	Other	Other	Notes
Firm Recommended:							
Firm Selected:		<input type="checkbox"/> If Firm Selected differs from Firm recommended by Evaluators, provide explanation					
Conflict of Interest Evaluated by:		<input type="checkbox"/> No conflict exists <input type="checkbox"/> Request for waiver submitted to TDA					
Date Awarded by Governing Body:							
Signature of Lead Evaluator:							

Retain
All notes-
documentation
for monitoring.



Step 5: Clear Administrator & Award using local procedures

Clear selected respondent:

- Verify active registration through Systems for Award Management (SAM)
 - ✓ All vendors including COGS

Award & Execute Contact:

- Applicant community's governing body must award the contract(s) for administrative services to the selected vendor

See [Appendix D](#) of TxCDBG Implementation Manual for sample administrative services contract



Step 6: Work Grant Administrator to prepare application

- Only after formal award of the administrative services contract may the Grant Administrator be involved in grant application preparation.





Competitive Proposals Traditional Method

Communities must follow the
Traditional Method for:

- Engineering,
- All other Professional Service Providers, including
- Administrative Service Contracts
anticipate to cost more than \$50K



Competitive Proposals Procurement-Traditional Method

Step 1: Identify the Evaluation Team

- Establish local Selection Review Committee
 - Minimum of three people;
 - including at least one local official

Step 2: Determine the Scope of Services

- Determine the scope of services- desired tasks that the City/County expects the provider to perform
 - itemized tasks needed;
 - include timeframes & achievable goals



Competitive Proposals Procurement-Traditional Method

Step 3: Establish Written Selection Criteria

Establish written selection criteria

Step 4: Develop Request of Proposals (RFP) package

RFP package must contain three parts:

- 1.) Cover Letter
- 2.) Request for Proposals
- 3.) Sample Contract



Competitive Proposals Procurement-Traditional Method

Step 5: Advertise RFP

- The solicitation must be ran in the local newspaper for minimum of 10 days before the deadline.

Step 6: Send RFP to at least 5 Firms:

- Select and distribute the RFP to at least 5 individuals/firms
- Send the RFP to TDA's MWBE inbox at copy to MWBE@texasagriculture.gov to encourage proposals from small (SBE's), minority (MBE's), and woman-owned businesses (WBEs)

**Be sure to retain verifiable proof of publication and
distribution of solicitation**



Competitive Proposals Procurement-Traditional Method

Step 7: Evaluate and Rate Proposals

- rate the proposals using specific criteria selected
- for *engineering, architectural, and surveying service* price/cost may not be considered until after firm has been chosen. Costs may be negotiated after selection process.

Step 8: Select Respondent

- Recommend contract to respondent with highest score:

Reasonable –Responsible- Responsive



Competitive Proposals Procurement-Traditional Method

Step 9: Clear the respondent:

- Verify active registration through Systems for Award Management (SAM)
- Providers must be cleared prior to any formal action to award the contract
- *Best Practice: evidence of active registration/request to be listed on SAM submitted with RFP response*

Step 10: Award & Execute Contract

- Applicant community's governing body must award the contract(s) for administrative services to the selected vendor
- Prepare contract- see appendix D & E for sample contracts
- Execute the contract



Competitive Proposals Procurement-Traditional Method

Step 11: Submit FIR (A503)

- Submit Financial Interest Report within 30 days of contract execution
 - ✓ Applies to all sub-contractors as well

Ensure compliance with required provisions, including local, state and Federal Regulations.

Appendix D- Sample Administrative /Professional Services

- Solicitation & Contract w/ terms & conditions

Appendix E- Sample Engineering/Arch./Surveying Services

- Solicitation & Contract w/ terms & conditions



Competitive Proposals

- Process must be thorough, uniform, and well documented.
- Retain all documentation relating to selection process.
- Application costs are **NOT** eligible for grant or match
- **Approved pre-agreement costs do not include any services provided prior to submittal of the application.**
- Professional Administrator's must be certified



Sealed Bids & Small Purchase Contracts





Sealed Bids (Formal Advertising)

- Procurement of construction, materials, or equipment contracts whose total cost is **more than \$50,000**
- Sealed bids are publicly solicited and a firm, fixed-price is awarded to the **responsible respondent** whose bid, conforming with all the material terms/conditions of the invitation for bids, is **lowest and best** in price



Sealed Bidding - Steps 1 & 2

Step 1: Prepare Bid Package

- Bid should provide sufficient technical information for competitive bids
- Delineate bid alternatives
- Cost-plus-a-percentage-of-cost" or "percentage of construction cost" is not allowed
- Ensure that all required contract provisions and inserts are included in bid packets and contracts.

Step 2: Davis Bacon Act Requirements

- Comply with Davis-Bacon Act requirements
 - ✓ Confirm wage decision within ten days but not less than five days before bid opening.
 - ✓ Include wage decision in bid packets



Sealed Bidding - Steps 3 & 4

Step 3 & 4: Advertise for Bids & Promote Participation

- Advertise invitation for bids
 - ✓ Publish once a week in a newspaper for 2 consecutive weeks prior to bid opening
 - ✓ Advertising the invitation for bids in the Dodge Report, CivCast, Texas Contractor, Minority Business Development Center
 - ✓ Send copy to **MWBE@texasagriculture.gov**



Sealed Bidding

- The Grant Recipient must obtain acknowledgement of receipt from all bidders for any bid addenda issued prior to bid opening.
- Invitation for bids must be published at least **once a week for two consecutive weeks in a newspaper published locally**. The date of the first publication must be before the 14th day before the date set to publicly open the bids.

DATE OF FIRST PUBLICATION 9-1-18	DAY 1 (Fourteenth day before the date set to publicly open bids.) 9-2-18	DAY 2 9-3-18	DAY 3 9-4-18	DAY 4 9-5-18	DAY 5 9-6-18	DAY 6 9-7-18
DAY 7 9-8-18	DAY 8 9-9-18	DAY 9 9-10-18	DAY 10 9-11-18	DAY 11 9-12-18	DAY 12 9-13-18	DAY 13 9-14-18
DAY 14 9-15-18	BID OPENING 9-16-18					



Sealed Bidding –Step 5

Step 5: Hold Public Bid Opening

- Note date & time of receipt of each bid
- Open and read bids
- Announce all bidders with complete packets & apparent low bidder

Ensure records are retained and available at local level.

Grant Recipients may not negotiate the price with solely the low bidder



Sealed Bidding – continued

- **Municipalities** are required by state law to award the contract to the lowest responsible bidder based on best value considerations to the municipality. The municipality may reject any and all bids. (Texas Local Government Code Section 252.043(f))
- **Counties** required by state law to award the contract to the responsible bidder who submits the lowest and best bid or must reject all bids and publish a new notice. (Texas Local Government Code, Section 262.027(a))
- **Options for overbids**
 - Reject all bids
 - Accept deductive items
 - Accept low bid and provide additional local funds
 - All bidders must agree in writing to any change in base bid



Sealed Bidding – Steps 6 & 7

Step 6: Clear the Contractor

- Contractor ***must*** be cleared prior to award
- Best practice: stipulate SAMS registration & requirement verification in solicitation & packet

Step 7: Award the Contract

- Formal Award within days indicated in advertisements
- Detailed minutes
 - identify any bid alternates



Sealed Bidding - Step 8

Step 8: Execute the Contract

- Authorized Official must execute the contract



Submit Financial Interest Report(FIR)

Wait...Is your
environmental
cleared?



Small Purchase Procurement

- Relatively simple and informal procurement methods to secure construction services, supplies, equipment, or non-professional services that cost, in the aggregate, **\$50,000 or less**, in accordance with state law.
- The Local Government Code **prohibits separate, sequential, or component small purchases** to avoid the competitive bidding requirements.



Small Purchase - Steps 1 & 2

Step 1: Comply with Davis Bacon Act

- Obtain Wage Decision
 - Complete **Wage Rate Issuance Notice - Form A702**
 - \$2,000 or less, wage rate not required
- Confirm Wage Decision
 - Complete **Ten Day Confirmation (Form A703)**

Step 2: Contact Vendors for Quotes

- Contact minimum of three vendors
 - Document all responses on **Small Purchase Procurement Record (Form A504)**
Authorized official must sign form
 - Promote participation of MBE's and Section 3 Businesses



Small Purchase - Steps 3-5

Step 3: Clear the Contractor

- Contractor ***must*** be cleared prior to award-authorization

Step 5: Award the Contract

- Grant Recipient must authorize/award the lowest appropriate vendor

Step 6: Execute the contract

- Grant Recipient executes the contract
 - Submit FIR within 30 days



Small Purchase Procurement

- Submit **Small Purchase Procurement Record (Form A504)** within **30 days** to assigned Contract Specialist.
- Retain all bids-quotes, executed contract, verifiable SAMS clearance for monitoring
- Cost may not exceed \$50K *including change orders*

A504

Small Purchase Procurement Record

Scope of Service/Item Description: _____

Contacts Made:

1.	Name of Firm/Supplier (No. 1) _____	Date Contacted _____
	Name of Person Contacted _____	Quoted Price _____
2.	Name of Firm/Supplier (No. 2) _____	Date Contacted _____
	Name of Person Contacted _____	Quoted Price _____
3.	Name of Firm/Supplier (No. 3) _____	Date Contacted _____
	Name of Person Contacted _____	Quoted Price _____

Based on the contacts made concerning the above-referenced scope of services/item description, I authorize _____ on _____, 20____ to begin work or to supply the item(s) for the quoted price.

Signature of Authorized Person _____ Date _____

2009 TxCDBG Project Implementation Manual SECTION A - Chapter 5 Procurement Procedures 22



Micro-Purchases

- Micro-purchases is non-competitive procurement which may be used for supplies or services, in the aggregate of \$2,000 or less.
- Purchase orders may be awarded without soliciting any competitive quotations if the costs may be considered reasonable and local laws and policies do not prohibit this method of procurement.
- Grant Recipient must verify that contractor is not debarred under the System for Award Management (www.SAM.gov).
- TDA will monitor the use of micro-purchases to ensure that they are eligible and not being used to circumvent competitive procurement.



Non-Competitive Procurement

- Grant Recipient **must** obtain written permission from TDA prior to using the Non-Competitive Procurement method.
- All requests for exceptions to competitive procurement requirements **must be submitted in writing** by the Grant Recipient
- Must qualify according to one of the following exceptions under 2 CFR §200.320(f):
 - (1) The item is available only from a single source;
 - (2) Public exigency or emergency will not permit a delay resulting from competitive solicitation;
 - (3) TDA expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
 - (4) After solicitation of a number of sources, competition is determined inadequate.

Grant Recipient must verify that contractor is not debarred under the System for Award Management (www.SAM.gov)



Change Orders

- The Grant Recipient must have sufficient grant or local funds available to meet any increased costs
- Change orders may not:
 1. Increase the original contract price by more (25%)
 2. Decrease the original contract price by more than (25%) for municipalities and (18%) for counties without the consent of the contractor



Change Orders

A505

Texas Department of Agriculture Construction Contract Change Order

Owner (Contractor Locality): (Name & Address)		Contract For (project description): Project Location:		Region TxCDBG Contract No. Change Order No.		
Contractor: (Name & Address)		Engineer: (Name & Address)				
Owner is requesting TDA review to determine eligibility of change order expenses.						
Changes to Existing Line Items (Items from original bid or added in previous change order only)						
Item No.	Item Description	Current Quantity	Unit	Unit Price	Change in Quantity (+/-)	Change in Contract Price
New Items Requested (Items without a unit price in the original bid) Provide Explanation (attach separate documentation if necessary):						
Item No.	Item Description	Unit	Unit Price	Change in Quantity (+/-)	Change in Contract Price	
Change in Contract Price			Change in Contract Time			
Original Contract Price:		\$	Original Contract Time:		days	
Previous Change Order(s) No. to No.		\$	Net Change From Previous Change Orders		days	
Contract Price Prior to this Change Order		\$	Contract Time Prior to this Change Order		days	
Net Increase/Decrease of this Change Order		\$	Net Increase/Decrease of this Change Order		days	
Contract Price With all Approved Change Orders		\$	Contract Time With all Approved Change		days	
Cumulative % Change in Contract Price:		%				

Notice: * Generally, a cumulative change in the contract price in excess of 25% cannot be approved.
* Reimbursement of costs submitted in this change order are subject to approval by the Department.
See TxCDBG Project Implementation Manual Section 5.2.5.

To request approval, submit:

- ✓ *Construction Contract Change Order Approval Request (Form A505 – now automated)*
- ✓ Grant Recipient Authorized signatory must execute A505
- ✓ Any necessary supporting documentation
- ✓ Explanation of any unusual items

Submit Form to:
CDBGReporting@TexasAgriculture.gov



Change Orders

- **ALL** Change Orders must be submitted for review, whether or not the work will be paid with grant or matching funds, so that we have a complete record of the construction contract.
- TxCDBG recommends that the Grant Recipient submit a Change Order **prior** to fully executing it with the construction contractor.
- If executed without TxCDBG approval, the Grant Recipient is obligated to pay for any changes that are not approved.
- Change Orders may also trigger an amendment or modification to the Performance Statement and/or Budget and should be submitted together
- Any difference in price from the Financial Interest Report (Form A503) to the Certificate of Construction Completion (Form A709) must be accounted for on the Change Order.



Financial Interest Report (FIR) Form A503

- Submit to for all contracts exceeding \$2,000 within 30 days of executing the contract:
 - ✓ A503
 - ✓ Bid Tabulation
 - ✓ Bid Schedule
- For Labor or Material contracts, send copy to:
Labors@TexasAgriculture.gov
- FIR is required regardless of DBRA

FINANCIAL INTEREST (& LABOR STANDARDS) REPORT		A503
Grant Recipient Name: _____		Contract Number: _____
Contact Information		
Name of Company	_____	
Tax ID Number	_____	
Name(s) of Principle(s)	_____	
Point of Contact	_____	
Phone No.	_____	
Email	_____	
Mailing Address	_____	
Type of Procurement	_____	
Trade	_____	
Service Provided	_____	
Key Dates and Clearances		
Environmental Clearance Date (for activities other than admin/engineering)	_____	
Davis-Bacon Wage Decision Number (if applicable)	_____	
Bid Opening Date (or date of quotes/proposals)	_____	
System for Award Management Clearance Date (Clear company and principals at SAM.gov)	_____	
Contract Award Date (if applicable)	_____	
Contract Executed Date	_____	
Financial Interest Disclosure		
TxCDBG Funds	Other Funds	Total Dollars
_____	_____	_____
<input type="checkbox"/> Prime Contractor, no subcontractor anticipated		
<input type="checkbox"/> Prime Contractor, list of subcontractors attached		
<input type="checkbox"/> Subcontractor		
If a subcontractor, list Prime		

Section 3 Report		
<input type="checkbox"/> The company reported qualifies as a Section 3 Business Concern.		
<input type="checkbox"/> The contract reported is for \$100,000 or more. (Company is subject to Section 3 reporting requirements if checked).		
Minority Business Enterprise Report		
<input type="checkbox"/> The company reported is a business with a contract for at least \$10,000. (Report MBE info below if checked.)		
Race of Owner	_____	
Ethnicity of Owner	_____	
Gender of Owner	_____	
Describe the work to be completed: (if more than one business will be procured for similar work, indicate the specific work included in this contract)		

Describe the estimated timeline for the work to be completed:		

This form must be submitted to TxCDBG for all contracts that exceed \$2,000 within 30 days of executing the contract.		
This form is required as of September 1, 2018. All previous versions no longer valid.		



Bonding Requirements

- **Bid Bond** – Required by 2 CFR §200.325 (a). Must be for 5% of bid price on contracts greater than \$100,000.
- **Performance Bond**
 - ❖ Required on **all** public works projects costing more than \$100,000 for counties and cities
- **Payment Bond**
 - ❖ Required on **all** public works projects costing more than \$25,000 for counties and \$50,000 for cities
 - ❖ If a locality fails to obtain a bond from the prime contractor, they become liable for paying workers, subcontractors and material suppliers



Contract Provisions

Ensure compliance with all required provisions, including local, state and Federal Regulations.

Texas Labor Code §406.096 requires written certification that the contractor provides workers' compensation insurance coverage.

TxCDBG Implementation Manual:

- **Appendix F** - Bid and Contract Documents for Construction Contracts
- **Appendix F***-HUD-4010 Required Contract Provisions
- **Appendix G**-Sample Material/Supplier Bid and Contract
- **Appendix B** – Required Contract Provisions

HINT: Use the most current sample available.

2019

*What's New in the
Kitchen?*



What's New?

- **Conflict of Interest Questionnaire**
- Procurement – COG Admin Services
- Clarification on the Selection Review Committee
- **Guidance on Electronic Sealed Bids**
- Change Order Information (New Items)
- Bonding Information
- Recordkeeping – Section 3 (FIR)



COI Questionnaire (5.1.2)

All vendors/contractors **must** disclose conflicts of interest using the Texas Ethics Commission Conflict of Interest Questionnaire.

If any conflict of interest is present, information **should** also be disclosed to the Texas Department of Agriculture.



COI Questionnaire (5.1.2)

Questionnaire has been added to:

- **Appendix D**
(Sample Administration Services RFP Packet)
- **Appendix E**
(Sample Engineering Services RFQ Packet)
- **Appendix F**
(Sample Construction Bid Packet)
- **Appendix G**
(Sample Material Bid)

And referenced in Appendix B
(Required Contract Provisions)



Procurement Admin Services (5.2.0)

Grant Recipients who designate a Council of Governments (COG) as the subrecipient to carry out an eligible activity ***such as administration services*** must execute a subrecipient agreement (interlocal agreement) before the provider conducts any work to prepare the TxCDBG application for TxCDBG grant funding.



Selection Review Committee (5.2.2)

Reworded For Clarity

Step 1: “The committee must include **at least** one local elected official **or** a city/county employee with authority to act on behalf of the local elected official in this capacity”



Electronic Sealed Bids (5.4.4)

Further Guidance Under Step 5

Guidance on accepting electronic sealed bids per statutory requirements of Ch. 262 counties and 252 cities of the Local Govt. Code.



Electronic Sealed Bids (5.4.4)

The Local Government Code permits counties and municipalities to accept bids through electronic transmission as long as the local governing body has adopted written rules and procedures to ensure the identification, security, and confidentiality of electronic bids. The procedures **must** ensure that the electronic bids remain effectively unopened until the proper time to unseal bids.



Executed Contract Changes (5.4.8)

If a Change Order includes new items, the Grant Recipient must demonstrate competitive pricing.

- A statement from the project engineer providing justification for the proposed pricing may be acceptable.

Examples of cost justification:

- Any minor change in material size as a comparable change in price;
- Cost is comparable to recent bids for similar projects in the area;
- Cost is reasonable, accounting for material pricing plus labor costs;



Bonding Information (5.4.7)

Clarification Regarding Payment Bonds

A payment bond on the part of the contractor is required for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor **and/or** material in the execution of the work provided for in the contract. Required payment bond(s) must be filed within 30 days from the date of the Notice of Award.



Recordkeeping – Section 3 (5.6.0)

Regarding the FIR Form A503, the Section 3 qualifications concern the locality where the project is being carried out, **place specific**.

A contractor may qualify as a Section 3 business on one project and not on another based on certain circumstances listed in Chapter 10.2.2.

*Topics
Of
Interest*



Pre-Award Call

Best Practice

Admin and Engineering procurement/awards **should** take place before pre-award calls.

We cannot count the Pre-Award Call as the 4-Month Call if Admin/Engineer have not already been procured/awarded.



Mandatory Pre-Bids

In 2011, the Legislature amended the County Purchasing Act (Chapter 262 of the Local Government Code) authorizing counties to make pre-bid conferences a conditional requirement for accepting sealed bids.

Keyword: Counties

Chapter 262 does not provide for cities to make a pre-bid conference mandatory. Therefore, failure to attend a pre-bid conference for a city contract should not disqualify a contractor who submitted a sealed bid from competing for a contract.



Invitation for Bids

Invitation for bids must be published **at least once a week for two consecutive weeks** in a newspaper published locally.

∞ TDA cannot waive statutory requirements for published notices.

Make sure that the ads actually appear in the newspaper on the expected dates of publication.



Construction Contracts

For procurement of a construction contractor and/or materials for most TxCDBG contracts, the communities must utilize the “Sealed Bid” process

For Cities:

Lowest Responsible and Best Value Bid

For Counties:

Lowest and Best bid



Bid Addenda

If an addendum to the bid package is necessary, it must be distributed to each potential bidder.

The Bid Addendum clause is there to allow changes in the event there is a need to revise something in the bid package itself.

An addendum cannot be done to the invitation.



Bids Come In Too High?

Allowable alternatives for bringing high bids within the available budget permit a Grant Recipient to **strike items in the bid schedule** and **reduce quantities** on specific bid items as long as all bidders have consented to the changes in writing.

The policy **does not permit** changes to specifications for any of the items in the bid schedule, such as change in the size of PVC from 8" to 6", or changing a bid item described in the bid schedule to a less expensive alternative



Change Orders – The Basics

Construction/Materials Only Change Orders **cannot** be submitted **until the contract is executed.**

Change Orders **may not**:

1. Increase the original contract price by more (25%)
2. Decrease the original contract price by more than (25%) for municipalities and (18%) for counties without the consent of the contractor



Change Orders II

ALL Change Orders must be submitted for review, **regardless** of if the work will be paid with grant **or** matching funds, so that we have a complete record of the construction contract.

If executed without TxCDBG approval, the grant recipient is obligated to **pay for any changes that are not approved.**



Change Orders – What We Need

We Need Proof of Competitive Pricing

- Engineer Justification Letter

Engineer should explain his reasoning on how the new items are in line with current market value.

These justifications need to demonstrate that the changes are still consistent with fair and open competition.



Bonds

Bid Bond

Required by 2 CFR §200.325 (a). Must be for 5% of bid price on contracts greater than \$100,000.

Performance Bond

Required on **all** public works projects costing more than \$100,000 for counties and cities

Payment Bond

Required on **all** public works projects costing more than \$25,000 for counties and \$50,000 for cities



Bonds

For a materials only contract, only the **bid bond is required.**

Payment & Performance bond contracts are *suggested* for material contracts to protect against nonpayment, but **not required.**

If a locality fails to obtain a bond from the prime contractor, they become liable for paying workers, subcontractors and material suppliers



Bonds

In the event where a prime contractor fails to fulfill their contract obligations and a surety company becomes involved when the performance bond kicks in, the city has the ability to enter into a new contract with the prime contractor provided by the surety company to complete the work.



Small Purchase

Must contact at least three different contractors and can request quotes over the phone, but make sure to document. Even the No Responses.

Be as descriptive as possible of item requested for small purchase. What HP?

If any new info is made available, an email to every contractor providing them the new information counts as a bid addenda for small purchase.

Documentation is key.



Rule of Thumb

A contract may not be awarded to a bidder who is not the lowest dollar bidder meeting specifications unless, before the award, each lower bidder is given:

- (1) notice of the proposed award; and
- (2) an opportunity to present previously unconsidered evidence concerning the lower bid as best, which may include evidence of the bidder's responsibility.



No No's in CDBG

- Cost-plus-a-percentage-of-cost" or "percentage of construction cost" methods of contracting are not allowed under the CDBG program
- Regarding the bid tab, any line item for profit, overhead, contingency, or other related terms that do not describe actual work to be performed will not be reimbursed.
- A Grant Recipient generally cannot specify brand names for equipment or materials which are available from other manufacturers.



Recordkeeping 101

Maintain copies of bids and proposals received.

TxCDBG Program recipients have the final legal responsibility for the locally maintained grant files, the timely submission of reports, and compliance with program guidelines.



Word of Caution

Do not execute any construction contract before TDAs environmental Authority to Use Grant Funds.

Starting the bid process is fine.

Awarding is fine.

Not executing.

Document! Document! Document!

Financial Management & Request for Payment - Draws



TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER



Financial Management: Governing Regulations

- 24 CFR 570 Subpart I governs the State CDBG program
- 24 CFR 570.489 details program administration requirements
- Various sections of 2 CFR 200
- State and Local Law

CFR = Code of Federal Regulations



Financial Management: Conflicts of Interest



"...CONFLICT OF INTEREST?"



Financial Management: Conflicts of Interest

- Conflict of Interest is a situation in which a person is in a position to derive personal benefit from actions or decisions made in their official capacity
- Establish internal controls/Maintain files
 - Separation of duties
 - 2 Signatures on Checks
- TDA Recommends Grant Recipients use a separate, No Interest Bearing Account for grant deposits and disbursements
- Grant Recipients must disburse funds as soon as administratively feasible – ***a maximum of 5 business days***, from the time of receipt/deposit of funds to the local disbursement.



Financial Management: Signatories & Direct Deposit

- The signing parties for the Grant Recipient need to have authority to sign documents.
- Authorized Signatories Designation - Form A202:
 - Designate a minimum of 2 responsible persons to sign contracts, requests for payments, acquisition, change orders, etc.
 - Use authorized signatures only
 - NO Stamps
 - NO Electronic Signatures
 - Authorize these designations through a Resolution (See sample Form A201)
- Direct Deposit - Form A209 (highly recommended):
 - Submit asap -allow 30 days for processing
 - Direct Deposit Authorization (TxComptroller Form 74-176)



Financial Management: Financial Records

- Financial Records must include the following:
 - 1) A transaction register
 - Documenting invoices associated with each request for payment.
 - Identify the source of funds for each invoice – grant funds, local matching funds or from another source.
 - 2) Source documentation – copies of request for payment, record of direct deposits, monthly bank statements with cancelled checks, etc. (See list in Chapter 2).



Financial Management: Release of Funds

- **Submit within the 1st 12 Months of the contract:**
 - Group A Documents:
 - Basic Start-up & Federal Requirement Documentation
 - Includes Code of Conduct covering Conflicts of Interest
 - Due to large size, mail in Civil Rights & Code of Conduct docs
 - Group B Documents:
 - Environmental Clearance
 - Acquisition documentation
 - Certification of Pre-Construction Approvals
 - Construction Contract Documentation
- **Final Construction & Engineering Release of Funds Submit:**
 - Group C Documents:
 - COCC and FWCR (not PCR) Documentation
 - TDLR, TCEQ, etc. approvals (if applicable)
 - Any other documents under special conditions



Financial Management

Where do I send my documentation to?

Environmental:

CDBG_EnvReview@TexasAgriculture.gov

Labor Docs:

Labors@TexasAgriculture.gov

Special Conditions:

CDBGReporting@TexasAgriculture.gov

Draws:

CDBG_Draws@TexasAgriculture.gov



Financial Management

	Grant Budget Available
General Administration Grant Budget Line Item	
Acceptance of all Group A Documents	0 to 50%
Acceptance of all Group A and Group B Documents	51 to 90%
Issuance of Administratively Complete letter by TDA	91 to 100%
Engineering Grant Budget Line Items (multiple line items may be considered cumulatively to determine thresholds)	
Acceptance of all Group A Documents	0 to 50%
Acceptance of all Group A and Group B Documents	51 to 90%
Acceptance of all related Certificate(s) of Construction Completion and Reg. Approvals **	91 to 100%
Construction Grant Budget Line Items	
Acceptance of all Group A and Group B Documents	0 to 95%
Acceptance of all Group A, Group B, and Group C Documents	96% to 100%

**Engineering - must receive all regulatory clearances before final distribution



Financial Management: Retainage

5% retainage from all Construction Contracts until the following are received and approved:

COCC (Certificate of Construction Completion) Form A710 received and approved

Final Wage Compliance Report – Form A709 received and approved

All programmatic requirements, claims, and disputes have been met

All match documentation submitted & confirmed



Financial Management:

Maximum General Administration and Engineering Services Reimbursement

- Administrative costs may not be more than 16% of the TxCDBG grant funds budgeted for combined construction and acquisition/relocation activities.
- Additionally, engineering costs may not be more than 25% of the TxCDBG grant funds budgeted for combined construction and acquisition/relocation activities except in exceptional circumstances.



Financial Management

Pre-Agreement & Draw Adjustments

Pre-Agreement costs

- Are costs incurred by the Grant Recipient prior to the contract start date of the TxCDBG grant.
- These costs are allowable only to the extent that they would have been allowable if incurred after the grant contract start date and only with the written approval of TDA.

Accounting Adjustments

- Drawing funds from the incorrect Budget line item.
 - If there is an error, contact TDA Contract Specialist asap.
 - These are unusual and should not occur frequently.



Financial Management: Matching Funds

Most TxCDBG projects require Matching Funds from the Grant Recipient

- Matching funds can be considered only if used for activities in the contract Performance Statement; or
- Activities that are directly related to supporting the activities proposed for CDBG funding.
- Use a reasonable method and document the value of the match.
- Match is subject to all TxCDBG cost eligibility requirements.
 - Cash (\$); (expenses contributed by locality)
 - Force Account - labor, equipment, materials
- These items are eligible for Match but not Grant funds:
 - Waived Fees (require TDA approval);
 - Donated property (see exclusions)



Financial Management: Reducing Match & Other Funding

Reducing the Match Commitment

- Ratio of Local funds to TxCDBG funds must be expended.
- If project costs are less (Deobligated), Grant and Matching funding are reduced proportionally maintaining the initial ratio (A208 Match Calculator).

Match funds from Other Sources (TWDB, FEMA, EDC, etc.)

- Grant Recipients must provide:
 - Amount of funds actually received;
 - Scope of Project Funded by Other Sources; and
 - Completion of that project.
- If funding source is obtained after submission of application, notify TDA with funding award letter.



Financial Management: Request for Payment - Draws

- Draw funds from each budget line item at least once every 9 months
- Minimum Drawdown \$2500.00 or greater
- If costs apply to more than one budget activity, identify on each invoice the cost breakdowns by budget activity.
- If matching funds are claimed, identify cost breakdowns of grant & matching funds on each applicable invoice.
- **All costs must be incurred within the contract period, except:**
 - Costs approved under written pre-agreement stratagem
 - Admin. costs incurred up to 60 days after the contract end date; or
 - Admin. costs for preparation of a Single Audit, see Chapter 12.



Financial Management: Request for Payment - Draws

Backup documentation -

All costs must be supported by invoices or similar documentation, which include the following information: Vendor, Grant Recipient, Contract #, Invoice Date, Invoice Number, Service delivery dates (from and to), quantity, price, percentage complete (if applicable), detailed description of services, previously invoiced amount, and current amount due.



Financial Management

Request for Payment - Draws

When preparing a draw request Form A203:

- **Instructions** for filling out the form are on the **1st Tab**.
- Enter drawdown information in the **Ledger tab**.
- Enter progress dates, the Period Covered (by the invoiced costs) and any notes on the **Draw Form tab**.
- Only Yellow shaded cells accept user input.

37	Balance				
38			\$	-	
97			Show More Draws		Balance: \$
98			Hide More Draws		
00					
<div>Navigation icons: back, forward, search, etc.</div> <div>Instructions Ledger Draw Form</div>					
Ready					



Financial Management

Request for Payment - Draws

1st step is to fill out the Ledger tab:

- Add the Grant Recipient, Contract#, and Contract Type.
- Then, refer to Exhibit B - Contract Budget to determine the Budget Types, Activities and amount of each budget to enter.
- Important – Match must Only be entered in the first column of the Ledger, otherwise it adds the match into the draw totals.

EXHIBIT B

BUDGET

CITY OF SMALLTOWN

<u>Project Activities</u>		<u>Contract Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
03J	W Water Improvements - Total	\$240,000	\$27,500	\$267,500
	Water Improvements-Construction	\$189,000	\$27,500 ¹	\$216,500
	Water Improvements-Engineering	\$51,000	\$0	\$51,000
21A	General Program Administration - Total	\$35,000	\$0	\$35,000
TOTALS		\$275,000	\$27,500	\$302,500

Source of Other Funds:

1 – City of Smalltown, General Fund



Financial Management

Request for Payment - Draws

2nd step is to fill out info re the funds requested (Ledger tab):

- Use the dropdown menu to choose Draw or Bud Mod.
- Then, add the date you are filling out the form.
- Add the \$amounts requested in the appropriate activity column.
- Important – \$amounts being drawn need to be entered as negative numbers.
- When entering Budget Mod. \$amounts, you will be entering 1 positive#

Trans. Type	Num	Total	Date						TOTD	Balance
Draw	1	\$ (22,000.00)	12/29/2017	\$ -	\$ -	\$ (12,000.00)	\$ (10,000.00)		\$ (22,000.00)	\$ 253,000.00
Balance				\$ 27,500.00	\$ 189,000.00	\$ 39,000.00	\$ 25,000.00	\$ -		
Draw	2	\$ (24,000.00)	2/19/2018	\$ -	\$ -	\$ (16,500.00)	\$ (7,500.00)		\$ (46,000.00)	\$ 229,000.00
Balance				\$ 27,500.00	\$ 189,000.00	\$ 22,500.00	\$ 17,500.00	\$ -		
Bud Mod		\$ -	4/10/2018		\$ (7,000.00)			\$ 7,000.00	\$ (46,000.00)	\$ 229,000.00
Balance				\$ 27,500.00	\$ 182,000.00	\$ 22,500.00	\$ 17,500.00	\$ 7,000.00		
		\$ -								
Balance										
		\$ -								
Balance:				\$ 27,500.00	\$ 182,000.00	\$ 22,500.00	\$ 17,500.00	\$ 7,000.00		



Financial Management

Request for Payment - Draws

3rd step is to fill out information on the Draw Form tab:

- Add the contract start date, it will auto fill the milestone dates.
- Fill in "Period Covered" dates – period covered by all invoices.
- See Chapter 1 at 1.2.4 for procedures if progress is more than 3 months behind schedule.

Progress Report	Actual Date	Exhibit C Date	Revised Date	Month Diff.
Contract Start Date:		12/1/2017		
All Professional Services Contracts Awarded:		2/1/2018		
4-month Conference Call:		4/1/2018		
Plans and Specs Complete d/Approved by Locality:		6/1/2018		
Environmental Review Submitted:		6/1/2018		
All pre-construction Special Conditions cleared:		8/1/2018		
Construction Start:		9/1/2018		
50% of TxCDBG funds obligated:		9/1/2018		
Construction 50% Complete:		2/1/2019		
Construction 75% Complete:		5/1/2019		
Construction 90% Complete:		7/1/2019		
Construction & Final Inspection Complete d:		8/1/2019		
End Date:		11/30/2019		
Project Completion Report Submitted:		1/29/2020		
Remarks / Comments:				
Period Covered:		to		If outside contract period, select:



Request for Payment - Draws

Request for Payment (A203)

- Send to: CDBG_Draws@TexasAgriculture.gov
 - Be sure and fill out all information under each tab
 - Verify all information is accurate
 - Supply all supporting documentation
 - If claiming Matching funds, supply supporting invoices
 - Must have original authorized signatures
 - No stamps or electronic signatures
 - If more than 10 pages, mail to TDA
 - Force Account documentation must be mailed or delivered to TDA
- TDA Accepts Draws by 3 methods: 1) printed and mailed or delivered, 2) emailed -up to ten pages only, no Force Account or 3) faxed -ten pages or less in length.



Financial Management: Acceptable Back-up Documentation for Eligible Costs A207

Activity	Acceptable Justification
Any services from a vendor	<p>Minimum acceptable information for ALL invoices:</p> <ul style="list-style-type: none">• Vendor's Name• Name of the Grant Recipient• TxCDBG Contract #• Invoice date• Invoice number• Service delivery dates (<u>from and to</u>)• Detailed description of goods or services which includes unit price and quantity• Include quantity and/or percentage complete• Previously invoiced total• Current amount due• Signatures – applicable when approval is indicated on invoice



Financial Management: Acceptable Back-up Documentation for Eligible Costs A207

<p>Services provided by Professional Services Contracts, such as Engineering, Architectural Services, Land Surveying Services, and Testing Services Contracts.</p> <p>Note: procured by qualifications</p>	<p>Billings or invoices from professional service providers and administration service providers, which <u>are in agreement</u> with the payment provisions of the contract.</p> <p>Costs must be explained in terms of specific activities or accomplishments.</p>
<p>Administrative Services provided by Contracts, such as Administrative Consultants, Environmental Review, and Archaeological Survey Contracts.</p>	<p>Billings or invoices from professional service providers and administration service providers, which <u>are in agreement</u> with the payment provisions of the contract.</p> <p>Costs must be explained in terms of specific activities or accomplishments.</p>
<p>Other Administrative costs, such as publication costs for required newspaper notices and mailing costs for contract documentation.</p>	<p>Billings/invoices for each item and copies of publications when applicable. Statements alone are not acceptable.</p>
<p>Construction Through Bid/Contract, including Testing Services Contracts. Note: procured through sealed bids/small purchase procedures</p>	<p>Billings/invoices from construction contractor and/or progress payment schedule with signed approval by engineer. <u>Actual quantities installed or purchased during the payment period</u>, unit costs, cumulative totals, and engineer's signature must be evident on the pay estimate.</p>



Financial Management: Ineligible Expenses

- Operating and maintenance expenses of public facilities, improvements and services are ineligible for CDBG funding.
- Inflow and infiltration identification methods (smoke testing, televising (TV'ing), and line cleaning (vacuuming, jetting, etc.) when used to identify project locations;



Financial Management: Ineligible Expenses

- Software is generally ineligible unless it is integral to the function of an improvement and not utilized for billing or other Operation and Maintenance (O&M) purpose;
 - Software required for the operation of a SCADA system is eligible.
 - If software is used for both functional and O&M (billing) purposes, up to 50% of the software costs may be considered eligible.
- Costs associated with Professional administration where the administrator had not been certified by TDA as required by 4 TAC § 30.80



Financial Management: Ineligible Expenses

- If these methods are used to identify specific sections of wastewater line that require maintenance to reduce or eliminate the amount of inflow or infiltration routed to the treatment facilities, they are considered maintenance activities.
- Costs for TV'ing and similar methods are considered eligible if used for preconstruction testing on a specific reach of line (manhole to manhole) and/or inspection of newly constructed lines to verify proper installation



Request for Payment Common Issues

Most Common Issues:

- Legibility of support documents!!
- Key information missing from invoices
- Form not signed and/or dated properly
- Clarity of Match documentation
- Period covered dates are outside the Contract dates with no explanation
- Best practice: Be sure and fill out all information under each tab on Request for Payment (A203)



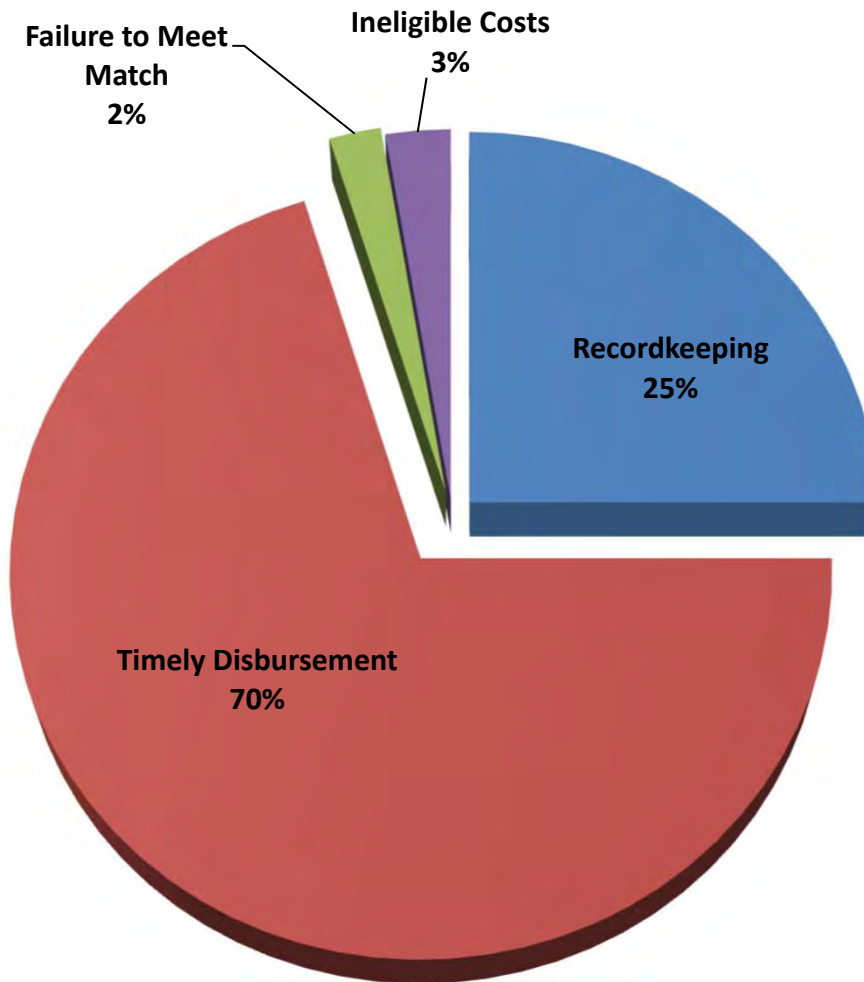
Financial Management: Denial of Payment

Reasons for Delay / Denial of Payment:

- ✓ Missing Group A, B, C documents
- ✓ Insufficient Backup documentation
- ✓ Grant Recipient is out of compliance
- ✓ Ineligible expenses
- ✓ For Projects Involving First-Time Water or Sewer Services Beneficiaries, no re-survey was completed prior to Bidding Construction



Financial Management: Compliance Findings



Chapter 11

Contract Amendments & Changes



TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER



Common Reasons for requesting Amendments/Modifications

- Funds available to extend project
- Beneficiary changes
- Change orders for construction contract
- Necessary engineering design changes
- Activity/Location changes
- Acquisition
- Adding or deleting alternates in bid
- To reconcile final quantities installed with the Performance Statement
- Contract (Time) extensions



Performance Statement Changes – Limits



**** All changes must be to related the project ****

Limits to Performance Statement Changes:

- Proposed changes in the scope of work must be supported by the original application.
- TDA will not approve requests to add a different or new project or activity that was not included in the application --- This includes proposing a new project because the original project has been determined unsuccessful or not feasible.
- If changes are large enough to affect original scoring/criteria, these can affect the chances of TDA approval



Performance Statement Changes

- TDA may consider approval of a new project if the Grant Recipient is unable to complete the original project due to either:
 - 1) *a natural disaster event, documented by presidential or governor's declaration; or*
 - 2) *a decision by a federal or state agency which prevents the contractor from completing the original project.*
- If a proposed amendment alters the original application score to the degree that the project would not have been recommended for funding based on that criteria, the amendment request will not be approved.



Performance Statement Changes

There are two levels of Performance Statement changes:

Performance Statement Modifications (PS Mod)

- Changes to the scale of the original project
 - Increase of beneficiaries in the same target area; or
 - Decrease of beneficiaries less/equal to 25%
- It also documents minor changes or corrections to the project description.

Performance Statement Amendments

- If Adding/Removing an entire target area
- Change in beneficiaries greater than 25%
- May require Citizen Participation



Documentation Required For Performance Statement Changes

Submit for all Performance Statement changes:

- *Contract Change Request Form* (Form A-1101);
- *A revised Performance Statement*, using “track changes” or similar format
- Re-evaluation of *environmental* findings* is critical, and this section require approval. **This section must be signed by Chief Elected Official*
- If any change in the project location/target area is proposed, provide a *revised project map* showing the locations of the original and amended project activities, using required **Color Coded markings** (see next slide)
- Letter from engineer with justification of changes proposed is ***highly recommended***



Project Map Revision guide

Color coded revised project maps for original and amended project activities w/change in location or target area.

Use separate colors/markings to identify changes on the same map - as follows:

- **Original**/previously approved project locations - Mark these locations in **Purple and/or single solid lines**
- **Deleted** locations proposed from – Mark deleted areas w/ **Orange and/or dashed lines**
- **Added** locations proposed to be to the project - Mark added locations in **Yellow and/or double solid lines**
- **Service area** for the project - Mark service area with **black** and/or bubble outlines



Performance Statement Modification

Each request for a Performance Statement Modification will be reviewed by TDA to ensure that the proposed changes:

- ✓ Do not require an amendment;
 - ✓ Do not change the scope of the project; and
 - ✓ Continues to meet a National Program Objective.
- If the changes to the Performance Statement will also require a change to the contract Budget, or a change order to the construction contract, submit these items with the Performance Statement request.
 - Once a bid has been accepted, evaluate the Performance Statement, and submit an amendment or modification as appropriate to accurately reflect the project that will be awarded.



Performance Statement Modification

There is a great tool to help determine if your changes require a Modification or an Amendment, found on Page 4 of Chapter 11.

Is this a Modification?	
Will the project as requested serve the same number of beneficiaries as the current Performance Statement? <input type="checkbox"/> no change in beneficiaries, regardless of quantities; <input type="checkbox"/> increase in beneficiaries, but no new target area; or <input type="checkbox"/> decrease in beneficiaries of less than or equal to 25% (based on number of persons or households).	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are the activities' categories the same as the current Performance Statement?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does the project still solve the same problem identified in the current Performance Statement?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p><i>If the answer to all three questions is "Yes", the requested change may be submitted as a Modification. However, TDA reserves the right to require a full amendment at its discretion.</i></p> <p><i>If the answer to any question is "No," please submit the requested change as a Contract Amendment or contact your Contract Specialist for further guidance.</i></p>	



Performance Statement Amendment: Requiring Citizen Participation

Performance Statement Amendment requiring Citizen Participation if the proposed change will:

- Change the scale of the project beyond the original target area, either removing or adding
 - Decrease the persons benefiting from the project more than 25%
 - Substantial changes to the Performance Statement require full contract amendments
-
- Amendments will only be considered after the citizens of the Grant Recipient have had an opportunity to comment on the proposed changes.
 - Citizen Participation is required for amendments that propose changes that do not meet the qualifications for a Performance Statement modification.



Required Documentation: Amendments

In addition to the documents required for Performance Statement change requests, the following items are also required for a **Contract Amendment**:

- A revised Exhibit C proposing a new timeline for completion – submitted with Track Changes, in Word format
- A resolution from the local governing body (i.e., city council or commissioner's court) that indicates support for the proposed changes; and
- If Citizen Participation is required:
 - Submit a copy of the Public notice/publication of the public hearing held regarding the amendment changes
 - Public notice must include a brief description of the proposed project changes. Check the communities LEP plan, to verify if posting in second language is required.



Budget Changes

- A Grant Recipient may request to transfer TxCDBG funds between budget categories in order to reflect the actual costs of the project.
- If the changes to the Budget will also require a change to the TxCDBG Performance Statement, or a change order to the construction contract, these items should be submitted with the Budget change request.



Budget Changes: Limits



- Requests to move TxCDBG funds from construction and/or acquisition activities to Engineering or General Administration activities **must be submitted to TxCDBG prior to the date of the final inspection** – as documented on the Certificate of Construction Completion (COCC).
- TDA will not approve a budget change to allow the General **Administration** activity grant funds to exceed **16%** of construction and acquisition/relocation grant funds.
- If a proposed budget change causes the **Engineering** activity grant funds to exceed **25%** of construction and acquisition/relocation grant funds, additional justification must be submitted for TDA approval and may not be approved.



Budget Changes: Documentation Required

The following documentation is **required for all Budget changes**:

- *Contract Change Request Form (Form A1101)*; and
- A Revised Contract Budget (Exhibit B), using “track changes” or similar format
 - Indicate all added, deleted, or changed text - submit electronic copy in Word Format
 - Contract Specialist can provide WORD version copy if needed

The image shows the TxDOT Contract Amendment/Modification Request Form A1101. The form includes fields for Grant Recipient Name, Contract No., Modification No., Start Date, End Date, and Contract Amount. It also has checkboxes for "Select A Fair Price Schedule", "Select A Budget", "Contract Fixed (estimated)", and "Select A Condition". A section for "What changes are proposed for the contract?" is followed by a large text area for "Why are the proposed changes requested for this contract?". Below this is a table for "For Budget Amendment/Modification Requests" with columns for "Activity", "Original Budget", "Current Budget", "Proposed (+/-) Change", and "Revised Budget". The table has several rows and a "Totals" row. At the bottom, there are checkboxes for "Do the proposed revisions more than 25% of the total grant funds?", "Do the proposed revisions require new budget activities?", and "Do the proposed revisions more than 25% of the total grant funds?". A "TDA Staff, Revised (change to BGS)" checkbox is also present.

Activity	Original Budget	Current Budget	Proposed (+/-) Change	Revised Budget
Totals				



Budget Modifications

A Grant Recipient may request to transfer funds between budget categories identified in the Budget without triggering an amendment to the original contract if:

- ✓ The cumulative dollar amount of transfers among budget categories is **less than or equal to 20%** of the total amount of the contract (Exhibit B)
- ✓ The transfer of budgeted funds will not change the scope or objective of the TxCDBG funded project(s); and
- ✓ If funds are to be transferred into professional services, the total dollar amount in the line item does not exceed the following:
 - General Administration – 16%.
 - Engineering (all line items) – 25% of the total Construction/Acquisition budget



Budget Amendment

- A contract **Budget Amendment** is necessary whenever:
 - A transfer of contract funds between budget categories is **exceeds 20%** of the contract amount, or
 - Results in changes in the scope of the project funded.
- A Budget Amendment is also required for budget changes resulting in an **engineering budget that exceeds 25%** of the total grant construction and acquisition budgeted funds.



Contract Period Extensions

Contract extensions always require a Contract Amendment.

- When considering a contract extension amendment, TDA will only **consider circumstances clearly beyond the control of the Grant Recipient.**

To avoid interruptions to the contract or possible exclusion of reimbursement for project costs, Grant Recipients should submit a request for a contract extension as soon as a delay is foreseen.

- **Submit within 60 days of contract end date, but no later than 30 days prior to the contract end date (expiration date).**



Contract Period Extensions

- Contract extension requests should be submitted approximately **sixty (60) days prior to the expiration date** of the contract.
- A request for contract extension received **less than 30 calendar days** prior to the expiration date **will only be considered** if:
 - The project was reasonably expected to be completed within the contract period; **AND**
 - Either a natural disaster event, documented by presidential or governor's declaration, or a decision by a federal or state agency occurred in the 60 days prior to the contract expiration date which prevented the chief elected official from certifying the project's completion. Normal weather conditions are not considered extenuating circumstances.



Extension Request Documentation

The following documentation shall be submitted for a contract extension:

- A revised timeline showing how the Grant Recipient plans to complete the project within the proposed period
 - Submit revised Project Implementation Schedule - **Exhibit C** - using “track changes” to indicate all added, deleted, or changed text
 - *Contract Change Request Form (Form A1101).*



Best Practices & Common Issue to Avoid

- When Bid Tab received, review for significant changes or differences with the Performance Statement and submit Mods early – Don't wait until closeout variance indicates or change order dictates
- Onsite Single Sewer Facility (OSSF) and water/sewer yard lines typically alter final household and beneficiary numbers, so anticipate this in advance
- Ensure Environmental is re-evaluated, if needed, and signed by the Chief Elected Official –
 - ❖ *The Environmental portion is a critical step to ensure no jeopardy is brought to the project*
- A letter from the engineer (on business letterhead) with a detailed and relevant justification for the proposed changes is **highly recommended**
- Important: Be sure to complete a **detailed narrative** in the box asking for WHY proposed revisions are needed. This is often too vague and doesn't include enough information for TDA to understand exactly what is needed and why.
 - It should clearly reflect what circumstances occurred that required changes and specifics on what precise changes are needed.
 - Include as much detail as needed to understand the changes and reasons change is required



Best Practices & Common Issue to Avoid

- Changes to activities or scope may impact the initial scoring of project, which can impact whether the Mod/Amendment will be approved
- ANY beneficiary changes require Mod or Amendments - depending on variance
- Project must be current on Audit Certification Form (ACF) or Single Audit (SA) – Since Mods/Amendments cannot be processed until compliant
- Send “track changes” page in WORD, not PDF
- Maps must indicate original and revised areas with clarity – use **Color Code** guidelines



Best Practices (Cont.)

Finally.....

- Adjustments in **Matching** funds only require a MOD if CDBG funds also need changes, otherwise not necessary
- Consider implementing **DOCUSIGN** in your community, and this will expedite the process, eliminating much “back and forth” – verify with the Manual which documents allow **DocuSign**, and which require an actual signature
- When in doubt, check the **2019 Implementation Manual** for instructions, guidelines and FAQs

Section B

TxCDBG Planning



TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER



Planning And Capacity Building Fund (PCB)

The Planning and Capacity Building Fund is a competitive grant program for local public facility and housing planning activities.

Eligible Applicants:

Eligible non-entitlement cities and counties with a need for comprehensive or targeted planning.

Award Amounts

Awards are made on an annual basis through a statewide competition.

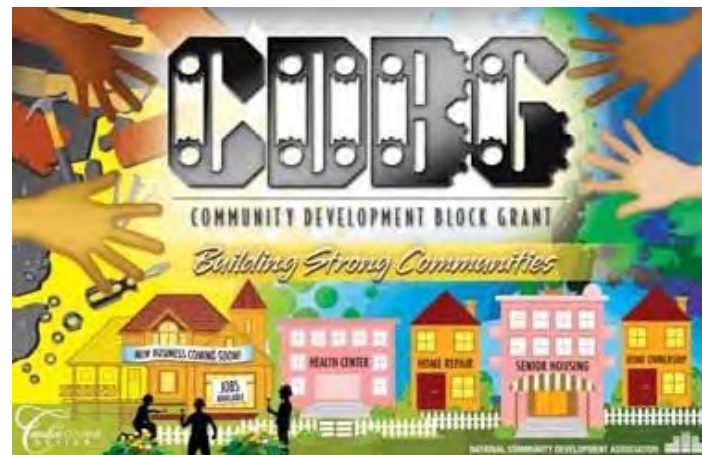
Maximum grant award: \$55,000.



Planning And Capacity Building Fund (PCB)

Typical activities regard topics such as:

- Base Mapping,
- Land Use,
- Housing,
- Population,
- Street Conditions,
- Parks and Recreation,
- Water Distribution and Supply,
- Wastewater Collection and Treatment,
- Drainage (streets & flood hazard areas),
- Economic Development and/or Tourism,





Planning And Capacity Building Fund (PCB)



KEYS TO SUCCESS

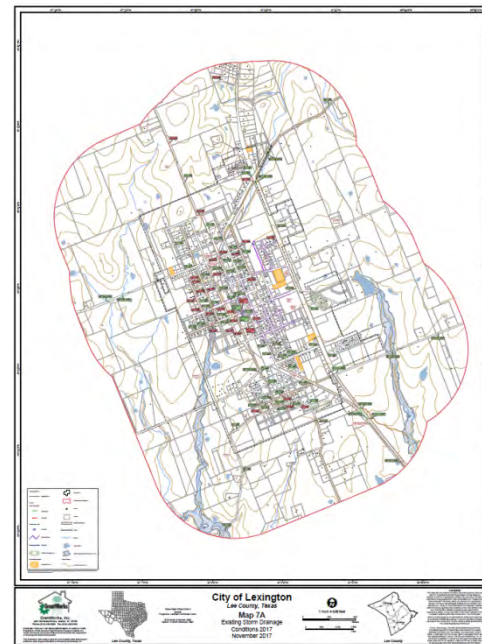
1. PLEASE USE SECTION B AND USE ITS INSTRUCTIONS AND FORMS TO START-UP AND ADMINISTER YOUR CONTRACT.
 - Section B is grounded in the Implementation Manual's Section A.
Pay attention to:
 - Chapter 1: Administration and Reporting
 - Chapter 2: Financial Management
 - Chapter 3: Environmental Review
 - Chapter 4: Special Conditions



Planning And Capacity Building Fund (PCB)

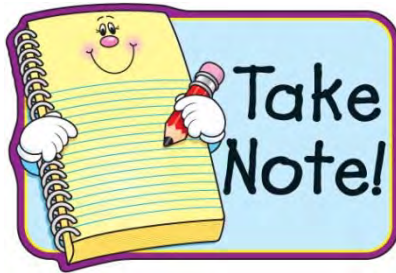
- Chapter 5: Procurement
- Chapter 10: Civil Rights Requirements
- Chapter 11: Contract Amendments
- Chapter 13: Monitoring
- Chapter 14: Audit Requirements

2. PLEASE READ AND USE THE CONTRACT'S EXHIBIT A PERFORMANCE STATEMENT TO GOVERN YOUR PLANNING PROCESS AND TO PREPARE YOUR TEXT AND MAPS PRODUCTS.





Planning And Capacity Building Fund (PCB)



KEYS POINTS TO REMEMBER

- Prepare a general plan regarding the (contracted) planning activities using generic population and other broad parameters for the purpose of funding allocation...
- Engineering-related and design costs are not allowable;
- Administration-related costs, including the cost of audit are not allowable;



Planning And Capacity Building Fund (PCB)

- Cash match pledged in the application must be spent entirely on the planning project;
- Appropriate consideration shall be given to local participation in the planning process;
- Before reimbursement, supply contracted planning document(s) transmitted by local official with evidence of local review.



Chapter 14

Audit Requirements



TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER



Single Audit

The Single Audit, required by Subpart F of the OMB Uniform Guidance, is a rigorous, organization-wide audit or examination of an entity that expends \$750,000 or more of federal assistance (commonly known as federal funds, federal grants, or federal awards) received for its operations.

Single Audit Objective:

- Usually performed annually
- Provide assurance to the US federal government as to the responsible and ethical management of funds awarded.



History: Single Audit Act 1984

Single Audit Act of 1984 standardized audit requirements for States, local governments, and Indian tribal governments that receive and use federal financial assistance programs.

Single Audit Act of 1984 with Amendments: U.S. Congress adopted the Single Audit Act (SSA) in 1984

This was to establish entity-wide audit requirements for state and local governments and Indian tribal governments.



Goal, Objectives & Administration

The goal of the SAA is that one audit can provide both a basis for an opinion on the recipient entity's financial statement and a basis for determining whether federal financial assistance program resources are being managed and controlled appropriately and used in accordance with legal and contractual requirements.



Timeline

- In 1985, the US Office of Management and Budget (OMB) issued OMB Circular A-128, "Audits of State and Local Governments"
- In 1990, OMB Administratively extended the Single Audit process to non-profit organization by issuing OMB Circular A-133, "Audits of Institutions of Higher Education and other Non-Profit organizations"
- December 26, 2013, OMB issued the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR 200.
- 2 CFR 200, also known as the Uniform Guidance, which went into effect December 26, 2014, was meant to simplify federal rules and regulations regarding grant management and make everything more efficient.



Single Audit or Program Specific Audit Threshold

- For Fiscal years ending after December 26, 2014,
\$750,000 of total federal expenditures (not revenues)
or
- For Fiscal years ending December 26, 2014, \$750,000
total state expenditures (not revenues)
or
- Program Specific audit election: allowed for entities
whose expenses come from a single federal or single
state assistance program and the Grant Recipient is
not required by other laws or regulations to have a
financial statement audit



Frequency of Audit

- Annually, if the \$750,000 expenditure threshold is met or exceeded
- Submit the Single Audit (SA) within the earlier of 30 days after receipt of the auditor's report(s), and within 9 months after your fiscal year end.

Single Audit Package should include:

- Single Audit (SA) report
- CPA firm's Management Letter along with Grant Recipient's response and planned corrective action for any deficiencies



Grant Recipient's Responsibilities

- Management must fully complete & submit an Audit Certification Form (ACF) annually if a grant recipient has an open Grant.
 - A grant is considered open when:
 1. Within contract period.
 2. Contract period expired but draws pending,
 3. Contract period expired, fully funded but not programmatically closed out. (pending add'l. info.)
 - An ACF is due annually, within 60 days after fiscal year end, for as long as the contract remains open.



Grant Recipient's Responsibilities

- A non single audit report (Financial Statement or GAS audit) will not be accepted in lieu of the annual ACF filing requirement.
- An ACF must include all open grants (from all funding sources, TDA's and others).
- Must include all open grants even if no expense activity.
- List & total separately all Federal Grants & State Grants to determine if threshold of \$750k met. Do not combine federal & state expenditures.



Audit Certification Form

An Audit Certification form (ACF) notifies TDA:

- Of a community's Capacity to track & report all open grants and if the \$750,000 expense threshold, requiring a community to have a Single Audit completed.
- If the threshold was not met, the ACF captures all open federal and state grants & incurred expenditures for the fiscal year, all open grants even those without activity.
 - The expense information confirms that the expense threshold was not met.
 - Note: Any local match expenditures related to a federal or state grant is not included in the ACF.
- An ACF must be signed by the Grant Recipient's certifying officer, designee, or CPA firm.
 - Grant management consultants may not certify the ACF.



Delinquent or Incomplete ACF or Single Audit (SA)

Non receipt or incomplete ACF or SA submissions may result in:

- A hold placed on contract amendment request
- Suspended funding on all open contracts
- Place a hold on a newly awarded contracts
- Ineligible to apply for TxCDBG grant



Submit ACF

- Complete on-line at TDA's website:
www.texasagriculture.gov/forms.aspx
- Complete Hard copy and either :
- Email to: CDBGAuditACFexternalEmail@TexasAgriculture.gov or

Mail to:

Texas Department of Agriculture
Compliance Audit Section
P. O. Box 12877
Austin, TX 78711-2877

Audit Staff:

Delfino Serna, Compliance Team Lead (512) 936-7881
E-mail: Delfino.Serna@TexasAgriculture.gov

John Arce, Program Auditor (512) 936-7882
E-mail: John.Arce@TexasAgriculture.gov



Submit Single Audit (SA)

- The Federal Clearing House (FCH):
<https://harvester.census.gov/facweb>
Must be submitted within the earlier of 30 days after receipt and within 9 months after your fiscal year end.
- Must notify TDA:
 - (1) When the SA has been filed and accepted by FCH,
 - (2) If a separate Internal Control Management letter was issued by CPA, (check with CPA firm)
 - (3) If a management letter was issued, submit a copy along with management's response to each finding or recommendation made by CPA
- Exception: Single Audit driven by State Grant expenditures, are not submitted to FCH.



Single Audit Report: Common Issues

SA with unresolved findings may have:

1. Grantee Pays Back Disallowed Costs
2. Suspension or Termination of Grant
3. Ineligible for future Grant Funding Awards.

Qualified or Disclaimer Opinions

1. Management provides Corrective Action Plan (CAP)
2. TDA follows up in future years to see if CAP implemented
3. Disclaimer Opinions: TDA does not accept SA reports with Disclaimer Opinion. Management must resolve or address all issues to have CPA remove Disclaimer

Opinion.

4. If Disclaimer Opinion not resolved, community gets placed in a 5-year suspension, ineligible to apply for TDA-CDBG grants and possible terminate open grants.



Common ACF Mistakes: Local Gov't

- Expenditures reported includes: (Federal & State Funds)
 1. Cumulative to date.
 2. Uses Grant Award.
 3. Uses Total Draws submitted or Received vs expenses
 4. Unsure what year to capture end of year activity, current or next,
 5. Will list both federal or state grants under one section. Should be listed separately.
- Incomplete Header and Footer information
 1. Signature, title, Date, phone number, email, etc.,
- Contract Number
 1. Wrong number.
 2. Omits open grants with no activity.
 3. Includes contracts closed prior year.
- Late submission of ACFs

Chapter 7

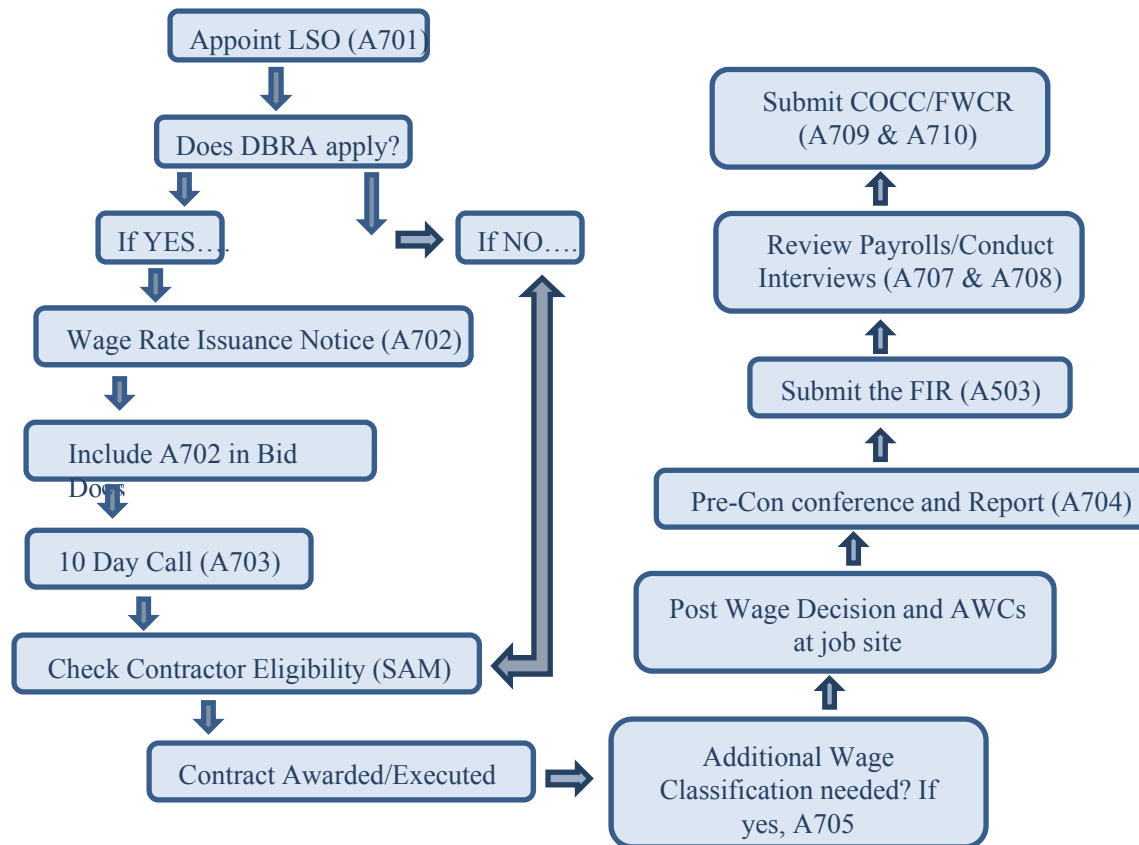
Labor Standards



TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER



Labor Standards – Contract Life Cycle





Labor Standards – Basics

What is Davis-Bacon and Related Acts (DBRA)?

Title I of the Housing and Community Development Act of 1974 requires the payment of Davis-Bacon Act prevailing wage rates (which are determined by the U.S. Department of Labor) to all workers on CDBG construction projects in excess of \$2,000.

Objectives:

- Apply Davis-Bacon requirements properly.
- Support Grant Recipient compliance with labor standards through education and advice.
- Monitor Grant Recipient performance.
- Investigate probable violations and complaints of underpayment.
- Pursue debarment and other available sanctions against repeat labor standards violators.



Labor Standards – Basics

What is Contract Work Hours & Safety Standards Act (CWHSSA)?

- If the project is greater than \$100K, the employer is required to pay overtime for hours in excess of 40 in a work week.
- If overtime is not paid, liquidated damages are assessed by the Department of Labor (DOL) for every day the employee was owed overtime wages (current rate is \$27/day).
- The employer may request a reduction/waiver under certain circumstances. If <\$100, strongly encouraged to request waiver.



Labor Standards – Basics

DBRA Exemptions:

- Construction contracts of \$2,000 or less;
- Construction contracts of \$100,000 or less are exempt from CWHSSA only;
- Single-family homeowner residences
- Rehabilitation of residential property designed for fewer than eight families;
- Demolition and/or clearance activities (for example, debris removal), unless related to construction (demolition and clearance as independent functions are not considered construction);
- Labor/installation charges on equipment or materials purchases, if that portion of the contract is less than 13% of the total cost of the item(s) purchased;
- Construction work performed by the employees of the Grant Recipient (force account) that are engaged on an otherwise covered project; and
- Construction work performed by a public utility extending its own utility system



Labor Standards – Basic Process

- 1. Appoint a Labor Standards Officer (A701) who is responsible for:**
 - Providing labor standards preconstruction advice and support, including ensuring that no prime or sub-contract is awarded to a contractor that is ineligible (i.e., debarred) for federally-assisted work;
 - Providing the proper Davis-Bacon wage decision and ensuring that the wage decision and contract clauses are incorporated into the contract for construction and any sub-contracts;
 - Monitoring labor standards compliance by conducting interviews with construction workers at the job site, reviewing payroll reports; and ensuring that the applicable Davis-Bacon wage decision and the Department of Labor's "Notice to All Employees" are posted at the job site; and
 - Overseeing any enforcement actions that may be required



Labor Standards – Basic Process

2. Obtain the proper Wage Decision:

- <https://beta.sam.gov> (new site)
- **HIGHWAY CONSTRUCTION** -- Highway projects include the construction, alteration or repair of roads, streets, highways, runways, taxiways, alleys, trails, sidewalks, paths, parking areas, and other similar projects not incidental to building or heavy construction.
- **BUILDING CONSTRUCTION** -- Building construction generally is the construction of sheltered enclosures with walk-in access for the purpose of housing persons, machinery, equipment, or supplies. It includes all construction such as structures, residential structures greater than four(4) stories, the installation of utilities and the installation of equipment, both above and below grade level, as well as incidental grading, utilities and paving. Additionally, such structures need not be "habitable" to be building construction. The installation of heavy machinery and/or equipment does not generally change the project's character as a building.
- **RESIDENTIAL CONSTRUCTION** -- Residential projects for Davis-Bacon purposes are those involving the construction, alteration, or repair of single family houses or apartment buildings of no more than four (4) stories in height. This includes all incidental items such as site work, parking areas, utilities, streets and sidewalks.
- **HEAVY CONSTRUCTION** -- Heavy projects are those projects that are not properly classified as either building, highway or residential. Unlike these classifications, heavy construction is not a consistent classification. Because of this catch-all nature, projects within the heavy classification may sometimes be distinguished on the basis of their particular project characteristics, and separate schedules issued. For example, separate schedules may be issued for dredging projects, water and sewer line projects, dams, major bridges, and flood control projects.



Labor Standards – Basic Process

- **Incidental** items are elements of a project whose function is to support the principal purposes and do not change the overall character of work.
- **Substantial** is defined by DOL in terms of relative cost: more than 20% of the total project cost, and/or in terms of absolute costs: \$1M or more.



Wage Determination Type

☒ Davis-Bacon Act (DBA)

☐ Service Contract Act (SCA)

☐ Collective Bargaining Agreement (CBA)

Location

Select State

Texas ✕

Select County/Independent City

Denton ✕

DBA: Construction Type

Select Construction Type

Highway ✕

i Wage Determinations Search


The Wage Determination filters to the left ask a series of questions to determine if the best WD is available on the site. If any criteria such as a specific location is not present or the non-standard service does not strictly apply, please click [here](#) to submit an e98 form. Users should note that the only WDs applicable to a particular solicitation or contract are those that have been incorporated by the contracting officer in that contract action.

[DBA Rollover Crosswalk](#) 

[DBAs to be revised](#)

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[DBA Rollover Crosswalk](#) 

[DBAs to be revised](#)

Search Results

Showing 1 - 1 of 1 results

Sort By

Sort By



Davis-Bacon Act WD #: TX20190025

State
Texas

County/ies

Archer, Callahan, Clay, Collin, Dallas, Delta, Denton, Ellis, Grayson, Hunt,
Johnson, Jones, Kaufman, Parker, Rockwall, Tarrant, Wise

Wage Determination

Modification #
0

Construction Type
Highway

Published Date



Labor Standards – Basic Process

3. Include the Wage Decision in the bid documents (A702)

- Review available decisions by State and by County by Category and choose most appropriate
- MUST include in bid package



Labor Standards – Basic Process

4. Ensure the Wage Decision is current before bid opening - - 10 Day Call (A703)

- Must be submitted to Labors email at least 5 days and no more than 10 days PRIOR to bid opening.
- Must attach the wage decision.
- Bid opening is the “lock-in” date for the wage decision if awarded within 90 days.
- If small purchase, the due date for requests for quotes is “lock-in” date.



Labor Standards – Basic Process

- 5. Check contractor (including principal owners) for Eligibility – System for Award Management (SAM) PRIOR to contract award.**
 - The LSO must print records of these verifications from the SAM website and retain copies in the local files.
 - The date the contractor is “cleared” must be recorded on the Financial Interest Report (FIR) (Form A503)



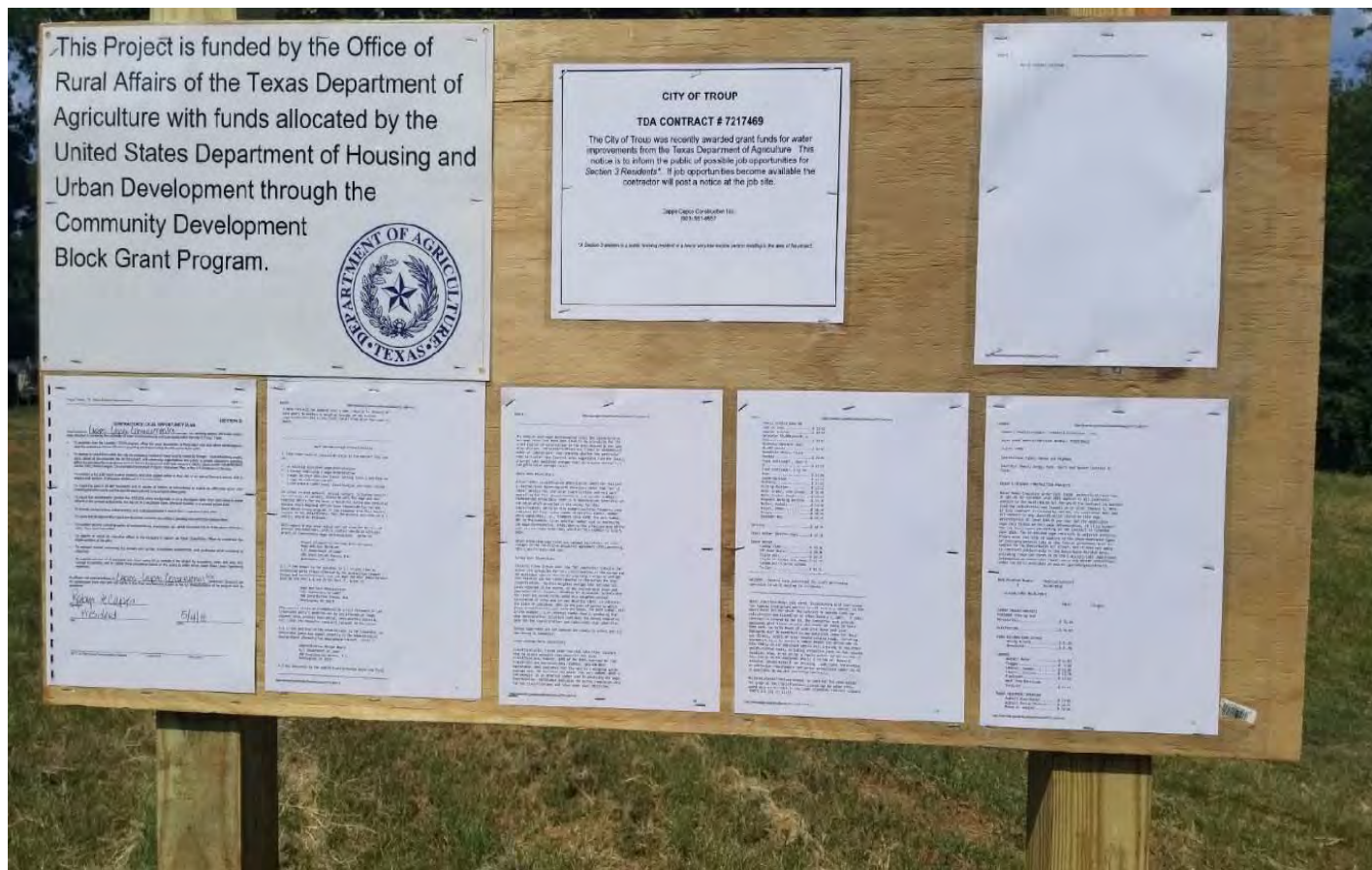
Labor Standards – Basic Process

**6. Award / Execute the Contract and
Determine if Additional Wage Decision
needed (A705)**



Labor Standards – Basic Process

7. Post Wage Decision at job site





Labor Standards – Basic Process

8. Pre-Construction conference (A704)

- Advice to all parties regarding their responsibilities and obligations on a federally funded or federally assisted project;
- Discussion of applicable federal, state, local, and program guidelines;
- Discussion of all construction details, time frame of project, payment requirements, and labor standards;
- Delivery of all bonds and certificates of insurance to the Grant Recipient; and
- Delivery of all necessary General Wage Decisions, labor posters, and any additional classifications to the contractor along with instructions that will assist in completing the project.



Labor Standards – Basic Process

9. Submit the Financial Interest Reports (A503)

- Describes the work to be performed by the business or other entity;
- Verifies that all required clearances have been completed prior to executing a contract with the business or other entity;
- Discloses the financial interest of the business or other entity;
- Provides Minority Business Enterprise information for the business owner (not required for Councils of Government and other non-business entities);
- Identifies Section 3 business concerns and anticipated Section 3 employment opportunities; and • Provides Davis-Bacon wage decision numbers and other key contract dates.



Labor Standards – Basic Process

10. Review Payrolls and Conduct Interviews during construction (A707 and A708)

On-site Interviews:

- Representative of all classifications on the project
- Each Prime and Sub – at least 1 employee in each classification
- Confidential
- Minimal disruption



Labor Standards – Basic Process

10. Review Payrolls and Conduct Interviews during construction (A707 and A708)

Project Payroll Reviews Ensure:

- Workers are properly listed for days, class, and rate of pay (compare to interviews)
- Payrolls are complete and signed
- Employees are paid no less than wage rate for classification
- Apprentice & Trainee certificates submitted where applicable
- Authorizations for deductions submitted where applicable



Labor Standards – Basic Process

11. Submit Certificate of Construction Completion (COCC) and Final Wage Compliance Report (FWCR), if applicable (A709 and A710)

- Required for each Prime
- Required prior to final draw for each Prime and engineering – “C” documents




Labor Standards – Reminder

Remember to use the most CURRENT forms!

This form must be submitted to TxCDBG for all contracts that exceed \$2,000 within 30 days of executing the contract.

This form is required as of July 1, 2019.
All previous versions no longer valid.

 TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER

Search (800) Tell-TDA 835-5832
eServices ▼

HOME NEWS & EVENTS GRANTS & SERVICES REGULATORY PROGRAMS LICENSES & REGISTRATIONS FOOD & NUTRITION EDUCATION & TRAINING REPORTS & PUBLICATIONS ABOUT AGENCY FORMS

Grants & Services > Rural Economic Development > Rural Community Development Block Grant (CDBG) > Forms

Implementation Manual, Forms and Appendices

Click [HERE](#) for a letter from the Director regarding the 2019 Revisions to the TxCDBG Project Implementation Manual.
Click [HERE](#) for a chart of changes to the 2019 manual.

Some browsers do not correctly display or open PDF files. If you have trouble opening the below files, please first try a different browser or download the form to your computer before opening. If you continue to have issues, contact TDA staff for assistance.

These forms may be updated as needed.

Complete TxCDBG Implementation Manual (Select forms are ONLY available below)			2018 Effective 9/1/2018	2019 Effective 9/1/2019
Chapter	Form No.	Form Description	Availability	
Table of Contents			Download	
Acronym List			Download	
Section A Community Development Program Overview			Download	Download
Chapter 1 Administration and Reporting			Download	Download
1 Admin. and Reporting	A102	Administrative Activities Checklist	Download	
1 Admin. and Reporting	A103	Filing System	Download	
1 Admin. and Reporting	A104 DR	Disaster Relief Quarterly Report (1 Year)	Download	
Chapter 2 Financial Management			Download	Download
2 Financial Management	A201	Sample Signatory Resolution	Download	Download
2 Financial Management	A202	Depository-Authorized Signatories Designation	Download	Download
2 Financial Management	A203	Request for Payment	Download	Download
2 Financial Management	A206	Balance Adjustment Notice	Download	
2 Financial Management	A207	Backup for Eligible Costs	Download	Download

Current forms can be found on Implementation Manual Web Page





Email

Email ALL Labors Forms to:



Labors@TexasAgriculture.gov



**Only Labors-related
forms should be sent to
Labors email!**

- ✓ LSO Appt Form (A701)
- ✓ 10-day Call (A703)
- ✓ Add Wage Classification (A705)
- ✓ FIR (A503)
- ✓ COCC (A709) & FWCR (A710)



Labor Standards – 2019 Changes

- LSO updates
- Wage decision/SAM site:
<https://beta.sam.gov>
- Apprentices/Trainees
 - allowable if **individually registered** in an **approved program** or certified to be eligible
 - paid % according to program
 - allowable ratio



Labor Standards – 2019 Changes

- Wage Determination Archive Search

Wage Determinations

Status

☐ Active Only

Keywords

tx20180084 ✕

Clear All



Labor Standards – 2019 Changes

- SAM registration eliminated
- Contract award >90 days must submit change order if modification issued and wages paid accordingly
- Additional Wage Classification (AWC) not necessary for apprentices & trainees
- FIR changes and clarification for DBRA-exempt and subcontracts



Labor Standards – 2019 Changes

- FIR – DBRA Exemptions

Davis-Bacon Wage Decision Number	<input type="text"/>	Race of Owner	<input type="text"/>
This contract is Davis-Bacon (DBRA) Exempt <input checked="" type="checkbox"/>		Ethnicity of Owner	<input type="text"/>
Bid Opening Date (or date of quotes/proposals)	<input type="text"/>	Gender of Owner	<input type="text"/>
System for Award Management Clearance Date (Clear company and principals at SAM.gov)	<input type="text"/>		
Contract Award Date (if applicable)	<input type="text"/>		
Contract Executed Date	<input type="text"/>		

SELECT THE APPLICABLE DBRA EXEMPTION FOR THIS CONTRACT:

- | | |
|--|---|
| <input type="checkbox"/> Single-family homeowner residence or residences | <input type="checkbox"/> Construction contract of \$2,000 or less |
| <input type="checkbox"/> Demolition and/or clearance activities (i.e. debris removal) unless related to construction | <input type="checkbox"/> Rehabilitation of residential property designed for fewer than eight families |
| <input type="checkbox"/> Construction work performed by a public utility extending its own system | <input type="checkbox"/> Labor/installation charges on equipment or materials purchases, if that portion of the contract is less than 13% of the total cost of the purchase |
| | <input type="checkbox"/> No federal funds were used to pay for the contract |



Labor Standards – 2019 Changes

- Payroll copies of apprentice registration/approved program
- Ratio of apprentices/trainees – if greater than allowable, must pay journeyman's rate and restitution, if applicable
- FWCR section added for reporting complaints
- DOL overtime liquidated damages/penalty rate per day \$27 currently



Labor Standards – 2019 Changes

- FWCR section added for reporting complaints

PART III – Complaints

Were any worker wage or equal opportunity complaints received? → ☐ Yes → ☐ No

If so, referred to: → ☐ DOL ☐ HUD

Brief description of complaint(s):



Labor Standards – Common Pitfalls

DATE discrepancies/errors:

- FIR Environmental Clearance = Authority to Use Grant Funds (AUGF) date in body of form and NOT date of signature or otherwise
- Bid Opening = 10-day and FIR and AWC
- Award date = FIR and AWC
- Execution dates = FIR and COCC
- Inspection/Completion date = COCC & FWCR



Labor Standards – Common Pitfalls

DATE discrepancies/errors:

- FIR Environmental Clearance = AUGF date in body of form and NOT date of signature or otherwise

Authority to Use Grant Funds	Texas Department of Agriculture P.O. Box 12847 Austin, TX 78711
The Honorable Jennifer Smith Mayor, City of Ruralia P.O. Box 007 Ruralia, Texas 77777	Ms. Mary Johnson Environmental Specialist Admin, Inc. 1000 First St. Urbana, Texas 70007
We received your Request for Release of Funds and Certification form HUD-7015.15 on	July 10, 2018
Your Request was for State Identification Number	TxCD7123456
All objections, if received, have been considered. And the minimum waiting period has transpired. You are hereby authorized to use funds provided to you under the above HUD/State Identification Number. File this form for proper record keeping, audit, and inspection purposes.	
This is to inform you that as of July 26, 2018, upon execution of an official contract, is hereby authorized, according to the terms of such contract, to use funds provided to you under the above State Identification Number. The specific activities of this project identified below required a full Environmental Assessment under 24 CFR Part Sec. 58.36 Environmental Assessments and 58.40 Preparing the environmental assessment.	
Project/Activity: The city will complete an infrastructure improvements project that will support the development of a new manufacturing facility for Darling Ingredients, Inc., a global manufacturer of sustainable natural ingredients, such as pharmaceutical, food, pet food, fuel, bio-energy, and fertilizer from edible and inedible bio-nutrients. The company plans to acquire an approximately 226-acre parcel of land east of	



Labor Standards – Common Pitfalls

DATE discrepancies/errors (continued):

- Bid Opening = 10-day and FIR and AWC

Ten-Day Confirmation Form A703

Grant Recipient Name	
TxCDBG Contract #	
Detailed Description of Bid Activity (and performance statement)	
Location of Project (must include county)	
The Grant Recipient's LSO determined that the following General Wage Decision to be applicable for this construction contract.	
Wage Decision Number	Published
Type of Work (check one)	<input type="radio"/> Heavy <input type="radio"/> Highway <input type="radio"/> Building <input type="radio"/> Residential
Issued By	
Date LSO Issued / Wage Rate	
Bid Opening Date	

REQUEST FOR AUTHORIZATION OF ADDITIONAL CLASSIFICATION AND RATE Form A705

PAPERWORK REDUCTION ACT STATEMENT: Public reporting burden for this collection of information is estimated to average .5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing this collection of information. Send comments regarding this burden estimate or any other aspects of this collection of information, including suggestions for reducing this burden, to U.S. General Services Administration, Regulatory Secretariat (MVCB)/C 9000-0085, Office of Governmentwide Acquisition Policy, 1800 F Street, NW, Washington, DC 20405.

INSTRUCTIONS: THE CONTRACTOR SHALL COMPLETE ITEMS 3 THROUGH 10, KEEP A PENDING COPY, AND SUBMIT THE REQUEST, ALONG WITH THE APPLICABLE WAGE DECISION TO: Labors@TexasAgiculture.gov

1. TO: ADMINISTRATOR, WAGE AND HOUR DIVISION, U.S. DEPARTMENT OF LABOR, WASHINGTON, DC 20210	2. FROM: Texas Community Development Block Grant Program, Texas Department of Agriculture, P.O. Box 12947, Austin, TX 78711
3. CONTRACTOR	4. DATE OF REQUEST
5. CONTRACT NUMBER	6. DATE BID OPENED (SEE ALSO BIDDING)
7. DATE OF AWARD	8. DATE CONTRACT WORK STARTED
9. DATE OPTION EXERCISE APPLICABLE (SERVICE CONTRACT ONLY)	
10. SUBCONTRACTOR (IF ANY)	
11. PROJECT AND DESCRIPTION OF WORK (ATTACH ADDITIONAL SHEET IF NEEDED)	

FINANCIAL INTEREST (& LABOR STANDARDS) REPORT A503

Grant Recipient Name: Contract Number:

Contact Information		Financial Interest Disclosure	
Name of Company		TxCDBG Funds	Match Funds
Federal Tax ID Number		Additional Local Funds	Total Dollars
Name(s) of Principle(s)			
Point of Contact		<input type="checkbox"/> Prime Contractor, no subcontractor anticipated	
Phone No.		<input type="checkbox"/> Prime Contractor, list of subcontractors attached	
Email		<input type="checkbox"/> Subcontractor	
Mailing Address		If a subcontractor, list Prime	
Type of Procurement			
Trade			
Service Provided			
Section 3 Report			
<input type="checkbox"/> The company reported qualifies as a Section 3 Business Concern.			
<input type="checkbox"/> The contract reported is for \$100,000 or more. (Company is subject to Section 3 reporting requirements if checked.)			
Minority Business Enterprise Report			
<input type="checkbox"/> The company reported is a business with a contract for at least \$10,000. (Report MBE info below if checked.)			
Race of Owner			
Ethnicity of Owner			
Gender of Owner			

Key Dates and Clearances	
Environmental Clearance Date (for activities other than admin/engineering)	
Davis-Bacon Wage Decision Number	
This contract is Davis-Bacon (DBA) Exempt	<input type="checkbox"/>
Bid Opening Date (or date of quotes/proposals)	
System for Award Management Clearance Date (Clear company and principals at SAM.gov)	



Labor Standards – Common Pitfalls

DATE discrepancies/errors (continued):

- Inspection/Completion date = COCC & FWCR

A709

Certificate of Construction Completion (COCC)
(Submit one for each Prime Construction Contract)

Grant Recipient: _____ Tx CDBG Contract No: _____

This is to certify that all construction work has been completed and a final inspection of the project described below was conducted on the _____ day of _____, _____ Contract was entered into on the _____ day of _____, _____ between the city/county of _____ and _____ for the construction of _____

A710

Final Wage Compliance Report
(Submit one for each Prime Construction Contract over \$2,000)

Grant Recipient: _____ Tx CDBG Contract No: _____

Construction Completion Date: _____ Final Construction Contract Amount: \$ _____

Prime Contractor: _____

Sub-contractor(s): _____



Labor Standards – Common Pitfalls

DATE discrepancies/errors (continued):

- Award date = FIR and AWC

FINANCIAL INTEREST (& LABOR STANDARDS) REPORT A503

Grant Recipient Name: _____ Contract Number: _____

Contact Information	
Name of Company	_____
Federal Tax ID Number	_____
Name(s) of Principle(s)	_____
Point of Contact	_____
Phone No.	_____
Email	_____
Mailing Address	_____
Type of Procurement	_____
Trade	_____
Service Provided	_____

Financial Interest Disclosure			
TxCDBG Funds	Match Funds	Additional Local Funds	Total Dollars
_____	_____	_____	_____
<input type="checkbox"/> Prime Contractor, no subcontractor anticipated			
<input type="checkbox"/> Prime Contractor, list of subcontractors attached			
<input type="checkbox"/> Subcontractor			
If a subcontractor, list Prime			

Section 3 Report	
<input type="checkbox"/> The company reported qualifies as a Section 3 Business Concern.	
<input type="checkbox"/> The contract reported is for \$100,000 or more. (Company is subject to Section 3 reporting requirements if checked).	

Minority Business Enterprise Report	
<input type="checkbox"/> The company reported is a business with a contract for at least \$10,000. (Report MBE info below if checked.)	
Race of Owner	_____
Ethnicity of Owner	_____
Gender of Owner	_____

Key Dates and Clearances	
Environmental Clearance Date (for activities other than admin/engineering)	_____
Davis-Bacon Wage Decision Number	_____
This contract is Davis-Bacon (DBA) Exempt <input type="checkbox"/>	
Bid Opening Date (or date of quotes/proposals)	_____
System for Award Management Clearance Date (Clear company and principals at SAM.gov)	_____
Contract Award Date (if applicable)	_____

AUTHORIZED FOR LOCAL REPRODUCTION

REQUEST FOR AUTHORIZATION OF ADDITIONAL CLASSIFICATION AND RATE

CHECK APPROPRIATE BOX
☐ SERVICE CONTRACT
☐ CONSTRUCTION CONTRACT

Form A705

PAPERWORK REDUCTION ACT STATEMENT: Public reporting burden for this collection of information is estimated to average .5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspects of this collection of information, including suggestions for reducing this burden, to U.S. General Services Administration, Regulatory Secretariat (MVCB)/IC 9000-0089, Office of Governmentwide Acquisition Policy, 1800 F Street, NW, Washington, DC 20405.

INSTRUCTIONS: THE CONTRACTOR SHALL COMPLETE ITEMS 3 THROUGH 10, KEEP A PENDING COPY, AND SUBMIT THE REQUEST, ALONG WITH THE APPLICABLE WAGE DECISION TO: Labors@TexasAgriculture.gov

1. TO: ADMINISTRATOR, WAGE AND HOUR DIVISION U.S. DEPARTMENT OF LABOR WASHINGTON, DC 20210		2. FROM: Texas Community Development Block Grant Program Texas Department of Agriculture PO Box 12847 Austin, TX 78711		
3. CONTRACTOR		4. DATE OF REQUEST		
5. CONTRACT NUMBER	6. DATE BID OPENED (SEALED BIDDING)	7. DATE OF AWARD	8. DATE CONTRACT WORK STARTED	9. DATE OPTION EXERCISED (IF APPLICABLE) (SERVICE CONTRACT ONLY)
_____	_____	_____	_____	_____
10. SUBCONTRACTOR (IF ANY)				

11. PROJECT AND DESCRIPTION OF WORK (ATTACH ADDITIONAL SHEET IF NEEDED)				



Labor Standards – Common Pitfalls

DATE discrepancies/errors (continued):

- Execution dates = FIR and COCC

FINANCIAL INTEREST (& LABOR STANDARDS) REPORT A503

Grant Recipient Name: _____ Contract Number: _____

Contact Information

Name of Company _____
Federal Tax ID Number _____
Name(s) of Principle(s) _____
Point of Contact _____
Phone No. _____
Email _____
Mailing Address _____
Type of Procurement _____
Trade _____
Service Provided _____

Key Dates and Clearances

Environmental Clearance Date (for activities other than admin/engineering) _____
Davis-Bacon Wage Decision Number _____
This contract is Davis-Bacon (DBRA) Exempt ☐
Bid Opening Date (or date of quotes/proposals) _____
System for Award Management Clearance Date (Clear company and principals at SAM.gov) _____
Contract Award Date (if applicable) _____
Contract Executed Date _____

A709

Certificate of Construction Completion (COCC) → → ¶
(Submit one for each Prime Construction Contract)¶

Grant Recipient: → → → → → TxDBG Contract No: → → → → → ¶

This is to certify that all construction work has been completed and a final inspection of the project described below was conducted on the → day of → → → → Contract was entered into on the → day of → → → → between the city/county of → → → → and → → → → for the construction of → → → → ¶

Race of Owner _____
Ethnicity of Owner _____
Gender of Owner _____



Labor Standards – Common Pitfalls

- Original Contract Amounts Different – FIR and COCC and FWCR
- Subcontractor Clearance at time of FWCR
- Employee Interviews – **REQUIRED**
- Payrolls not submitted and not in order (use no-work week too)
- Employees interviewed but not on payrolls
- Classifications and pay rate match General Wage Decision (GWD)
- End of Construction / Final Inspection
- End of Construction and Payroll Dates do not match



Labor Standards – Common Pitfalls

- FIRs not submitted (Prime and sub)
- LSO appointment or change not submitted timely
- 10 Day Call – submitted late
- Additional Wage Classification (AWC) requests – DATES and incomplete – follow instructions
- Signatures – missing/persons not authorized to sign/stamp
- Change Orders not submitted

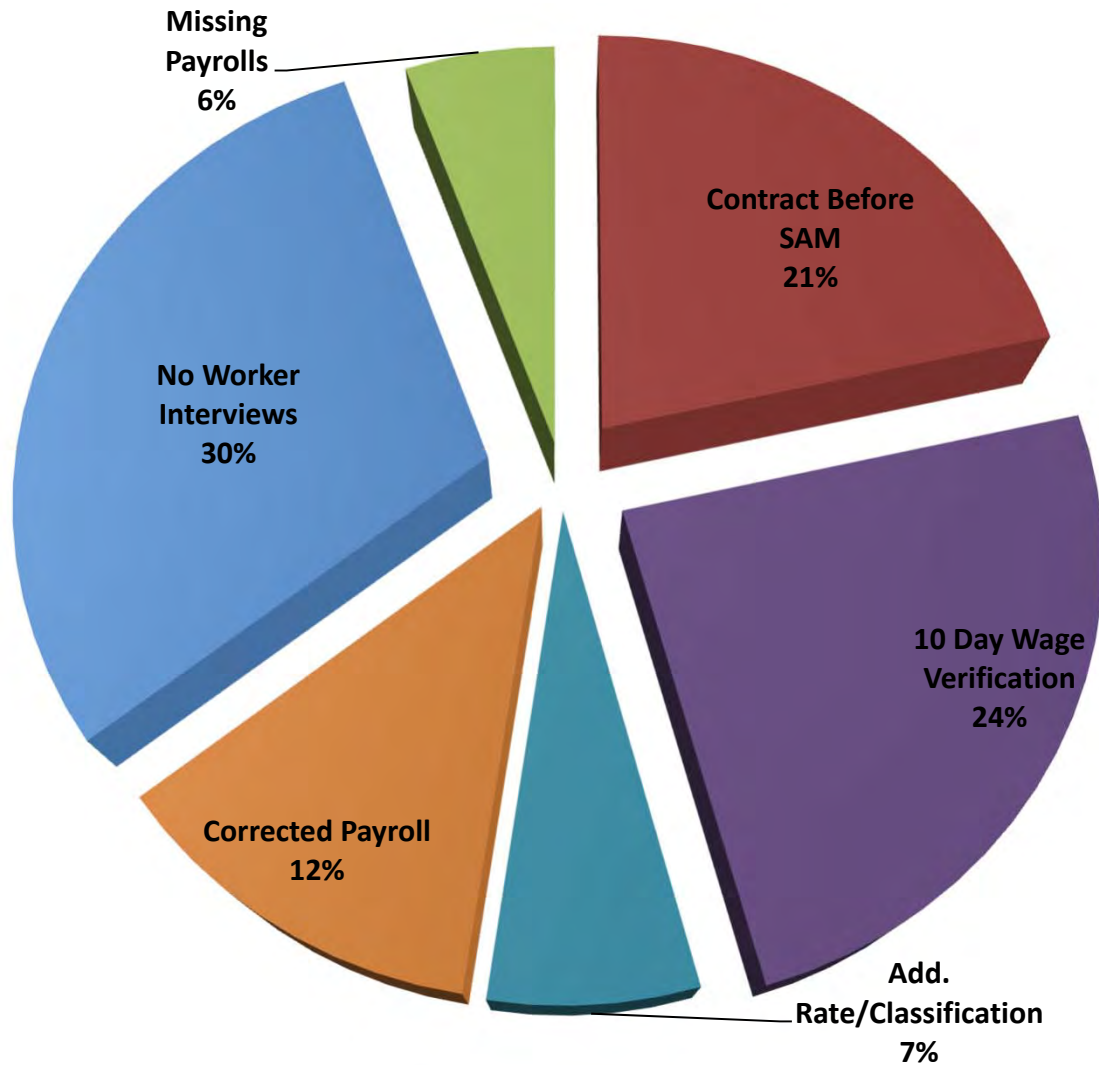


Labor Standards – Compliance Findings

1. No Employee Interviews – **REQUIRED for PRIME & SUB**
2. 10-Day Wage Verification late
3. SAM Clearance AFTER award
4. Corrected payroll issues
5. AWC/Classifications not submitted
6. Missing Payrolls – each work week including no-work weeks – sequential & chronological



Labor Standards – Compliance Findings





Labor Standards – Increase Efficiencies

Over 50% of Labor forms are submitted in error/declined causing delays and rework for TDA and Administrators!!!

How can we assist in accurate submissions?

Suggestions?



Labors Contact Information

Primary:

Mary Davison

512-936-6729

Labors@TexasAgriculture.gov

Back-Ups:

Ricardo Gonzalez 512-463-2248

or

Michelle Phares 512-936-6702

Chapter 10

Civil Rights



TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER





Civil Rights Protections

- ✓ Civil Rights offers Protections for the following classes:
 - ✓ Race
 - ✓ Religion
 - ✓ Sex
 - ✓ Disability
 - ✓ National origin
 - ✓ Age
 - ✓ Familial Status





Civil Rights Requirements

- Part A: Civil Rights Requirements at Project Start-Up
 - Prior to TDA approval of first draw
- Part B: Civil Rights Requirements After Project Start-Up –





Part A: Requirements at Project Start-Up

1. Set up Civil Rights & Citizen Participation File
2. Designate a Civil Rights Officer (CRO)
3. Adopt policies and grievances procedures regarding Citizens Participation
4. Adopt policies and pass resolution/proclamation/ordinances regarding Civil Rights
5. Take affirmative steps to assist SBE, MBE, WBE
6. Publish Citizen Participation and Civil Rights notices



Step 1: Set up a Civil Rights and Citizen Participation File Documents

- State & Federal Requirements Includes:
 - Equal Employment Opportunity
 - Section 3
 - Excessive Force
 - Section 504
 - Affirmatively Furthering Fair Housing
 - Limited English Proficiency
 - Utilization of SBE, MBE, WBE
 - Citizen Participation



Civil Rights Checklist (Form A1016)

CIVIL RIGHTS RESPONSIBILITIES CHECKLIST	
Date(s):	A. <u>Civil Right requirements at project start-up (before TxCDBG approval of first draw)</u>
	1. Set up a <u>CDBG Civil Rights file</u> (Chapter 1 and Chapter 10)
	2. Designate a Civil Rights Officer (CRO) responsible for ensuring all requirements in Chapter 10 (Implementation Manual) are met; Submit Designation Form (A1008) to TDA
	3. Adopt and publish policies/plan regarding Citizen Participation Plan and Complaint Procedures to encourage citizen participation, particularly by low and moderate income persons who reside in slum or blighted areas and areas in which CDBG funds are proposed to be used. Adopt policy that outlines grievance procedures and requires timely response to written complaints and procedures. (Overview, Chapter 10 & 24 CFR 570.486) (A1013, A1014, and A1005)
	a. Make policy/plan available to public; and
	b. Provide the address, phone number, and times for submitting complaints and grievances, and provide timely written answers to grievances and complaints and publish either: (1) publish in local newspaper supported by advertisement/tear sheet; 2) post at both courthouse/city hall & target area, supported by affidavit; or, 3) post in courthouse/city hall supported by affidavit & Grant Recipient's website during the term of the contract. If posting, take legible photos of posted documents.
	c. Consider if the communities Limited English Proficiency (LEP) Plan, requires policies, plans, publications or postings to be provided or published in another language in addition to English.
	4. Adopt Civil Rights Policies, Plans and/or Pass Resolutions [Text deleted]/Ordinances regarding Civil Rights: Citizen Participation Plan and Grievance Procedures; Section 3 (contracts >\$100K/new hires)(A1002); Excessive Force(A1003); Section 504 (if >15 employees, also adopt grievance procedures)(A1004); Affirmatively Furthering Fair Housing (AFFH)(A1015 or A1007) (Sample Resolution Form A1014); and Code of Conduct. All required resolutions, ordinances, plans and policies regarding civil rights, equal opportunity, and citizen participation must be in effect throughout the TxCDBG contract period. Prior to the release of funds for any TxCDBG contract, Grant Recipients are required to submit a copy of the policies to TDA, adopted or reaffirmed no more than two years prior to the contract start date, to ensure that such policies are current. Limited English Proficiency (LEP) Plans are grant/project specific, therefore apply only to the particular grant period.
	5. Send hard copies or one PDF file of all civil rights documentation including Code of Conduct to TDA as part of Group A documents (see Chapter 2).
	6. Take affirmative steps assisting SBE's, MBE's, and WBE's such as including them on solicitation lists, emailing copies of solicitation advertisements to MWBE@texasagriculture.gov, and soliciting them for RFPs and RFQs.
	7. Publish Citizen Participation and Civil Rights Notices in 1) local newspaper supported by advertisement/tear sheet; or 2) post at courthouse/city hall & target area, supported by affidavit; or, 3) post at courthouse/city hall & Grant Recipient's website, supported by affidavit.
	<ul style="list-style-type: none"> For Citizen Participation Plan, ensure that citizens are aware of the location and hours at which they may obtain a copy of the written complaint procedures and the address, phone number, and times for submitting complaints (A1005)
	<ul style="list-style-type: none"> Sec. 504 policy and name of designated CRO (A1005)



Step 2: Designate a Civil Rights Officer (CRO)

- Select Civil Rights Officer
- Best Practice: Local Staff Member
- Send Designation including name and title of designated officer to TDA

➤ Form A-1008



Step 3: Adopt Policies/Grievance Procedures regarding Citizens Participation

- Prepare citizen participation plan that encourages citizen participation at all stages of the project.
 - Must satisfy requirement of 24 CFR 570.486
- Develop and adopt grievance procedures for citizens to submit complaints and grievances that include timely responses within 15 days where practicable.

A1013 Sample Citizen Participation Plan

A1014 Sample Resolution regarding Civil Rights



Step 4: Adopt Civil Rights Policies & Pass Resolutions or Ordinances

All Grant Recipients must prepare and **adopt written policies and plans** on the following:

- Non-Discrimination/Equal Opportunity
- Section 3 Economic Opportunity (Section 3)
- Excessive Force
- Section 504 of the Rehabilitation Act of 1973
- Affirmatively Furthering Fair Housing (AFFH)
- Limited English Proficiency (LEP) Standards
- Code of Conduct



Civil Rights – **New !**

Section 3 Requirements

Section 3 Business Concern:

Per 24 CFR Part 135, defines a “Section 3 business concern” as a business concern —

- 51 Percent or more owned by Section 3 residents; or
- At least 30 Percent of its full-time employees include persons that are currently Section 3 residents or within three years of date of hire with the business concern were section 3 residents; or
- Provides evidence, as required, of a commitment to subcontract in excess of 25 Percent of the dollar award of all subcontracts to business concerns that meet one of the first two qualifications set forth in paragraph 1 or 2 in the definition of Section 3 Business concern.



Step 5: Participation by MBE/SBE/WBE

- Take affirmative steps – Small Businesses & Women & Minority Owned
- Utilize State and Federal Resources:
 - Minority Business Development Centers
 - Small Business Administration
- Send in published solicitations to:
 - MWBE@texasagriculture.gov



Step 6: Publish/Post Citizen Participation and Civil Rights Notices

Grant Recipients must give notice and publish/post the following:

- Citizen Participation and Notice of Complaints Procedures
- Section 504
- Affirmatively Further Fair Housing

Notice may be given in one of three ways:

- Publish in a newspaper of general circulation
- Post in public places (City Hall and location of target area) during contract term
- Post on GR's website during contract term and post at Courthouse/City Hall, etc.



Part B: Civil Rights Requirements after Project Start-Up

7. Place Equal Opportunity (EO) certifications in bid packets for contractors
8. Include Section 3 and EO in contracts between GR and Contractor
9. Continue complying with Civil Rights responsibilities
10. Take action to Affirmatively Further Fair Housing
11. Further action and Reporting Requirements regarding to assurance that the requirements are being met for:
 - Citizen Participation
 - Equal Opportunity
 - Section 3
 - Resolutions
 - Section 504
 - Fair Housing
 - LEP



Civil Rights Requirements For Limited English Proficiency (LEP Standards)

10.2.7 Limited English Proficiency (LEP) Standards

- If a portion of the community's beneficiaries would be considered LEP under LEP's safe harbor guidelines below, then vital documents including environmental notices, citizen participation notices, and civil rights notices would have to be published in English and in any other LEP language that falls within those parameters. For environmental notices required by 24 CFR 58, communities have the option to give notice to the public by either publication or by posting. However, floodplains/wetlands notices required under 24 CFR Part 55, must be published in a local newspaper. A link used in the publication to the community's website which has the translated notice is not sufficient to meet LEP requirements; the entire translated vital document must either be published or posted depending upon the type of notice required. In addition, a reference in the publication regarding translation availability is insufficient. *See Part A, Step 6 for more information on publication/posting notices.*
- Vital documents are those documents that ensure that an eligible LEP person can meaningfully have access to the CDBG project. Thus, vital documents may include Citizen Participation notices (e.g., complaint procedures, hearings notices), civil rights notices, environmental notices and any other published notice that may allow an eligible person with limited English proficiency to participate in discussing proposed CDBG activities.



Step 7: Place in Bid Packages for Contractors

- Include Equal Opportunity certification and guidelines in bid packets
- Provide adopted Section 3 Policy in bid packets. Require bidders to certify that a Contractor's Section 3 Plan will be submitted if they are awarded the contract.



Step 8: Construction contracts between Grant Recipient and Contractor

In Construction contracts between the Grant Recipient and Contractor should include:

- Section 3 Clause
- Equal Opportunity Clause for construction contracts greater than \$10,000.
- Refer to Ch. 5-Procurement Procedures of the Implementation Manual for contract language and requirements.



-



Step 10: Affirmatively Further Fair Housing

- One additional Fair Housing activity per contract term
- Best practice: Pass an ordinance, proclamation / resolution and conduct one activity
- (this is in addition to adopting Fair Housing Policy)
- List of suggested activities are in Manual





Step 11: Further Action and Reporting Requirements

- Citizens Participation
 - Written Citizens Participation & Grievance Procedures
 - Complaints, of any and actions taken
- Equal Opportunity
 - Detail of Beneficiaries
 - Any handbooks, policies, procedure manuals, resolutions or ordinances
 - Provide Advertisement of employment if available
- Section 3
 - Written Section 3 plan for Grant Recipient and for all other parties under contract including engineering, administrators and construction contractors.



Fair Housing related Discrimination Complaints

- Texas Workforce Commission, Civil Rights Division <http://www.texasworkforce.org>
- Equal Employment Opportunity Commission <http://www.EEOC.gov>
- For housing complaints, Texas Workforce Commission
housingcomplaints@Twc.state.tx.us
and
US Dept. of Housing and Urban Development



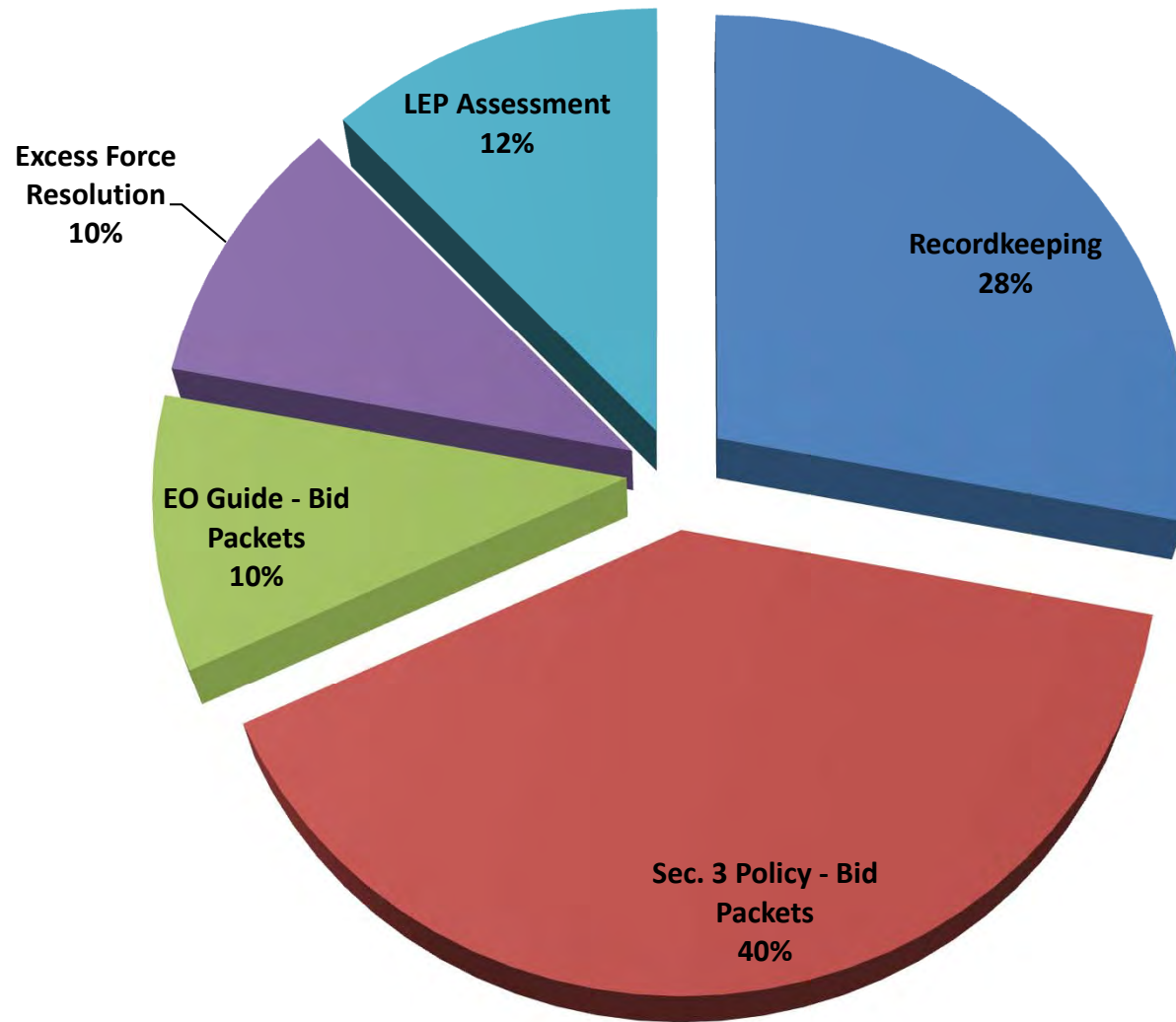
Final Step requirements for Monitoring

- Recordkeeping a MUST
- Final Public Hearings
- Concerns/Findings





Civil Rights: Compliance Findings



Chapter 6

Acquisition Procedures



TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER



Acquisition Basics

What is URA?

- The **U**niform **R**elocation **A**ssistance and Real Property Acquisition Policies Act of 1970 (URA) (signed into law in 1971) and Chapter 49 of Code of Federal Regulations Part 24
- Procedure and guidance for Acquisition can mostly be found in:
 - Code of Federal Regulations (49 CFR 24)
 - HUD Handbook 1378
 - Section 104(d) of the Housing & Community Development Act.



Acquisition Basics

- U.S. Department of Transportation's Federal Highway Administration (FHWA) is the lead federal agency for the URA. They create and maintain the federal regulations that implement the URA. HUD coordinates closely with the FHWA on the URA matters.
- *Additional URA training available on HUD Website*
<https://www.hudexchange.info/programs/relocation/training/>
- *Also refer to Chapter 6 of the current TxCDBG Implementation Manual on the TDA website*
[https://www.texasagriculture.gov/GrantsServices/RuralEconomicDevelopment/RuralCommunityDevelopmentBlockGrant\(CDBG\)/Forms.aspx](https://www.texasagriculture.gov/GrantsServices/RuralEconomicDevelopment/RuralCommunityDevelopmentBlockGrant(CDBG)/Forms.aspx)



Acquisition Basics

- 5th Amendment "Takings" Clause -***nor be deprived of life, liberty, or property without due process of law nor shall private property be taken for public use, without just compensation.***
- 5th Amendment "Just Compensation" Clause -***federal government has a constitutional right to "take" private property for public use, the Fifth Amendment's Just Compensation Clause requires the government to pay just compensation, interpreted as fair market value, to the owner of the property.***
- Important Bill passed for Texas Landowners(SB18)in 2011 partially as a result of a landmark ruling in the Kelo v. City of New London which caused major backlash thru many communities.

<https://www.youtube.com/watch?v=4N1svadJQ40>



URA Purpose

- ✓ To ensure that owners of real property acquired for federal and federally assisted projects are treated fairly and consistently,
- ✓ To encourage and expedite acquisition by agreements with such owners and to minimize litigation
- ✓ To ensure that persons displaced as a direct result of federal or federally assisted projects are treated fairly, consistently and equitably



Acquisition of Real Property

- Acquisition procedures apply to any acquisition of real property for programs and projects where there is Federal financial assistance in any part of project costs.
- Applies to:
 - ✓ Parcels of private or public property acquired for the project
 - ✓ Permanent and temporary easements
 - ✓ Property leased for a period of 15 years or more



Choice Limiting Action

- **Cannot acquire any interest in property until environmental has been cleared (24 CFR 58.22)**
- If the acquisition is done before the environmental is cleared and accepted by TDA, then TDA cannot pay for such acquisition and it will be disallowed.
 - In addition, an alternative location will need to be purchased.



Types of Acquisition - Voluntary

Voluntary Acquisition occurs when all four of the following apply:

- No specific site is needed; other properties could be acquired to reach the same goal.
- Acquiring entity informs the owner in writing that property will not be acquired through eminent domain authority.
- The property is not part of an intended, planned or designated project area where other properties will be acquired within specific time limits.
- Acquiring entity informs the owner in writing of the property's market value.



Types of Acquisition - Involuntary

Involuntary Acquisition occurs when:

- Acquiring entity has eminent domain authority which could potentially be invoked.
- Specific site is required for the project.
- In addition the acquiring entity must provide the landowner with owner rights brochures:
 - When a Public Entity Acquires Your Property
 - Landowner's Bill of Rights (Required under the Texas Property Code)
- Appraisal of Property may be required.



Eminent Domain

- Who has Eminent Domain authority?
 - Municipalities and Counties – conferred under the Local Government Code.
 - Water Supply Corporations and Water Districts – conferred by the Texas Water Code.
 - Political Subdivisions and various governmental entities.

Comptroller's Online Eminent Domain Database (COEDD)

<https://coedd.comptroller.texas.gov/>



Eminent Domain

Acquiring entity does not have eminent domain authority if:

- Property owner is a governmental entity, such as a school district. This means government to government acquisition
- Economic Development project - The acquiring entity's eminent domain authority is limited by law.

See Texas Government Code Section 2206.001(b)



Steps in Acquisition of Real Property

1. Form A600 (Initial Acquisition Report) Must be completed regardless of whether acquisition or no
(Required for NO Acquisition and planned Acquisition)

[https://www.texasagriculture.gov/GrantsServices/RuralEconomicDevelopment/RuralCommunityDevelopmentBlockGrant\(CDBG\)/Forms.aspx](https://www.texasagriculture.gov/GrantsServices/RuralEconomicDevelopment/RuralCommunityDevelopmentBlockGrant(CDBG)/Forms.aspx)

2. Submit the report at start of contract period to:
CDBGReporting@TexasAgriculture.gov
3. If Acquisition is needed for the project:
 - a. *Determine whether voluntary or involuntary*
 - b. *Go to step by step in manual for acquisition*
 - c. *Make sure to include parcel maps showing actual property to be acquired*
 - b. *Make sure acquisition activity is in Contract Performance Statement*



Acquisition Steps - Voluntary

Voluntary Acquisition

1. Determine parcels needed for project and submit Initial Acquisition Report (Form A600) to TDA.

(Must have acceptance by TDA before proceeding)

- Chief local official must certify that acquisition meets all conditions qualifying it as Voluntary per 49 CFR 24.101(b)(i)-(iv).
- Appraisal requirement not applicable
- Include alternative site locations

Submit Initial Acquisition Report (Form A600) to

CDBGReporting@TexasAgriculture.gov

2. Notify owner in writing of interest in property and that eminent domain authority will not be used to acquire land.
3. Notify owner in writing of estimated market value.



Acquisition Steps - Voluntary

Voluntary Acquisition – Cont'd

4. Purchase price may be negotiated by acquiring entity and owner. (Refer to Step 6 in the Manual)
5. Ensure environmental review is completed and that TDA has authorized use of grant funds.
 - Failure to comply with HUD regulations could result in disallowed costs.
6. Execute sale, lease, or donation agreement and record the deed with the county.

Submit (Form A600, A601) and all Acquisition documents to:
CDBGReporting@TexasAgriculture.gov



Acquisition Steps - Involuntary

Involuntary Acquisition

1. Determine parcels needed for project and submit Initial Acquisition Report (Form A600) to TDA.
 - Requires TDA approval.
 - If estimated value is \$10,000 or less, request TDA approval for waiver valuation.

Submit Initial Acquisition (Form A600) to:

CDBGReporting@TexasAgriculture.gov

2. Notify property owner of interest in property and provide owner rights brochures.
3. If an appraisal of property is required, notify owner of right to accompany the appraiser.



Acquisition Steps - Involuntary

Involuntary Acquisition – (Cont.)

4. Have property appraised, if required.
 - Appraiser must be licensed/certified by state law (Occupations Code)
 - Fee appraiser must be competitively procured according to TxCDBG policy and Professional Services Procurement Act.
5. Appraisal **must** be reviewed by a Review Appraiser.
6. Make just compensation offer based on appraisal or according to market value if waiver valuation.
 - Provide owner basis for the offer of just compensation.



Acquisition Steps - Involuntary

Involuntary Acquisition – (Cont.)

7. Parties may negotiate the purchase price.
 - If negotiated price exceeds just compensation amount, prepare an Administrative Settlement statement (submit to TDA).
8. Ensure environmental review is completed and that TDA has authorized use of grant funds.
 - Failure to comply with HUD regulations could result in disallowed costs.
9. Execute sale, lease, or donation agreement and record the deed with the county.



Submit (Form A600, A601) and all Acquisition documents to:

CDBGReporting@TexasAgriculture.gov



Donation of Real Property

When notifying the property owner of interest in acquiring land, the Acquiring Entity may invite an owner to donate property.

- Applies to Voluntary and Involuntary procedures.
- All applicable notices are still required, including notice of just compensation value.
- Owner must waive right to an appraisal in writing.



Important Notes

- Do not assume that owner's willingness to donate/sell land automatically constitutes Voluntary acquisition.

Voluntary or Involuntary is determined by potential use of eminent domain authority and whether acquisition required is site specific or not.

- Complete an appropriate level of environmental review and obtain TDA approval to use grant funds before finalizing or executing any acquisition agreement (see 24 CFR §58.22).
- Acquiring Entity should consult with their legal counsel to ensure compliance with federal and state policies.



Important Notes

- Ensure that a complete Initial Acquisition Report (Form A600) has been filed with TDA.
 - Include description and parcel map.
 - Form must be certified by the Chief Elected Official or designee.
 - File updated report with TDA if acquisition is later necessary for the project.
- Include acquisition in the scope of activities of TxCDBG Contract Performance Statement.
- The use of CDBG funds to support the use of eminent domain on an economic development project that primarily benefits a private entity is prohibited.



Important Notes

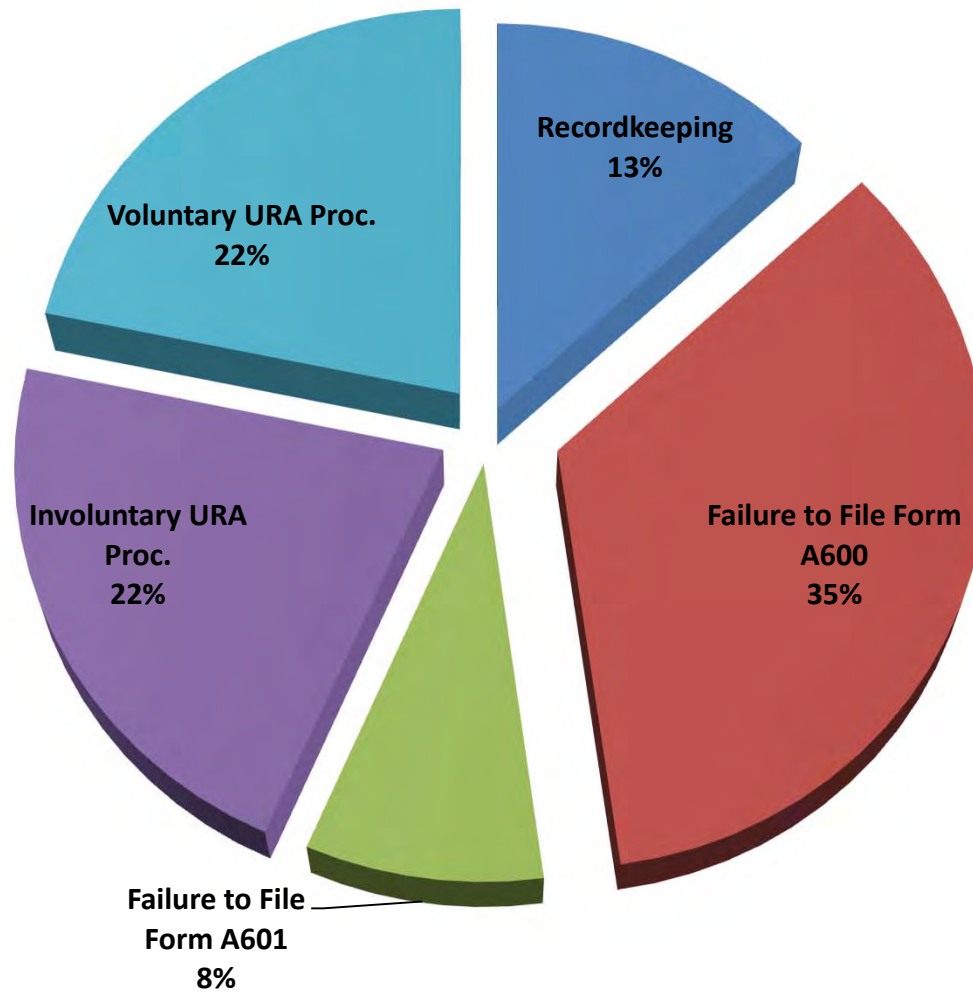
- Permits and licenses such as railroad permits do not constitute real property acquisition and therefore, are not subject to URA (Uniform Relocation Act)
- It is the Grant Recipients responsibility to follow all the Rules and Regulations that apply to Acquisition

Submit *all Acquisition* documents to:

CDBGReporting@TexasAgriculture.gov



Acquisition: Compliance Findings



Chapter 12

Contract Closeout



TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER



Contract Closeout

The TxCDBG contract closeout process is designed to ensure that all CDBG activities are completed and funds are expended in accordance with the contract, program rules, and state and federal requirements.



Contract Closeout

The closeout process should begin when:

- All costs to be paid with TxCDBG funds have been expended and payment requests submitted, except for closeout costs (final administrative and audit costs), and other costs approved in writing by TDA;
- The work described in the most recently approved Performance Statement has been completed; and
- The Grant Recipient's other responsibilities under its agreement with TDA have been met.



Contract Closeout

- Closeout Components:
 - Final Public Hearing
 - Closeout Report
 - Project Completion Report-PCR(Form A1200)
 - Special Conditions
 - Final Administrative Draw-if applicable





Contract Closeout – Final Public Hearing

Final Public Hearing-FPH

Grant Recipients shall provide for and encourage citizen participation by holding a public hearing for residents of the areas in which TxCDBG funds were used. The TxCDBG Contract and 24 CFR 570.486 require a Final Public Hearing regarding the activities completed under the TxCDBG contract.





Contract Closeout – Final Public Hearing

FPH Requirements: Schedule

- Schedule the FPH **after** completion of the project and **prior to** submitting PCR;
 - At a location convenient to the contract beneficiaries;
 - On or after 5 p.m. on a weekday or on a Saturday or Sunday;
 - Provide accommodation for citizens with disabilities;
 - Hearings should be conducted in a manner to meet the needs of non-English speaking residents where a significant number of non-English speaking residents can be reasonably expected to participate.
 - Please adhere to the Language English Proficiency (LEP) Plan.



Contract Closeout – Final Public Hearing

FPH Requirements: Notice

- Notice is **published** in the non-legal section of the newspaper with at least 72 (3 days) hours prior to hearing;
- Include date, time and location of the hearing and the topics to be considered.
- Notice is posted prominently in public buildings and distributed to identified interested community groups;
- Document the Hearing and make the records available to the public as required by Texas Government Code, Chapter 552. Required documentation includes the public hearing notice, sign in sheet (with a list of attendees) and the minutes of the hearing





Contract Closeout-Report

Project Completion Report (PCR) Form A1200 or D1200 (TX Capital Fund)

- Must be submitted **within 60 calendar days after the contract end date, OR,**
- If construction is completed prior to contract end date, then PCR is **due within 60 days after** construction is completed.

PCR-Components:

- Part I: General Report
- Part II: Performance Report
- Part III: Beneficiary Report
- Part IV: Final Interest Report (FIR)



Contract Closeout- Report

Part I: General Reports

- Total Persons Benefitting: report the total number of beneficiaries and the number of low to moderate beneficiaries.
- Certificate of Expenditures: this section documents the financial status of the completed.
- Certifications: the chief elected official must sign the PCR.
- Civil Rights & Citizen Participation: by checking the appropriate boxes the Grant Recipient certifies compliance with this section.

PROJECT COMPLETION REPORT *Grant Recipient Name* *Contract Number*
A1200

Grant Recipient Name: Contract No: Region:
Contract Start Date: Contract End Date: DUNS No:

Part I. General Reports

Total Persons Benefitting: Total Contract Beneficiaries: Low-to-Moderate Income Beneficiaries:

Certificate of Expenditures:

Activity	TXCDBG Budget	TXCDBG Funds Drawn To-Date	TXCDBG Reserved Funds	Unutilized Funds (Draw)	Local Contribution	Percent Matched
Total						0 %

Note: If a contract activity is not listed, click on the Activity field and type the needed Activity name.
For Reserved Funds, list specific costs:

Project Completion Status: ☐ Complete ☐ Conditionally Complete

Name and Title (Print)	Signature	Date
<input type="checkbox"/> Original Submittal	<input type="checkbox"/> Revision	Date revised: <input type="text"/>

Civil Rights & Citizen Participation:

☐ Equal Opportunity Requirements ☐ Section 3 Requirements ☐ Promotion of MBE Participation ☐ Excessive Force Policy Requirements

☐ Section 504 Requirements ☐ Fair Housing Requirements ☐ Citizen Participation Requirements ☐ Limited English Proficiency Requirements

Fair Housing Activity (describe):

Final Public Hearing Comments:

Final Public Hearing Date: Hearing Publication Date: Work Completed Date:

Attachments: The following documents support this report.

Final Public Hearing Publication (w/ affidavit or tearsheet)	<input type="checkbox"/> Attached
Section 3 Annual Report	<input type="checkbox"/> Attached
Project Map (for all construction projects)	<input type="checkbox"/> Attached <input type="checkbox"/> N/A
Evidence of Benefit (projects on private property)	<input type="checkbox"/> Attached <input type="checkbox"/> N/A

ALL fields are required
hold the cursor over each field for instructions.

This form required as of September 1, 2017
All previous versions no longer valid

Page 1 of 3



Contract Closeout - Report

Certificate of Expenditures:

			TxCDBG Funds not Received (including pending draws)						
Activity	TxCDBG Funds	TxCDBG Funds Drawn To-Date	TxCDBG Reserved Funds	Unutilized Funds (Deob)	Match Funds	Additional Local Funds	Percent Matched		
03J Water Improvements ▾	\$320,000.00	\$315,000.00		\$5,000.00			+	-	
03J Water Imp-Engineerin ▾	\$45,000.00	\$45,000.00		\$0.00	\$10,000.00		+	-	
21A General Administrati ▾	\$35,000.00	\$30,000.00	\$5,000.00	\$0.00			+	-	
01 Acquisition ▾						\$7,000.00	+	-	
Total	\$ 400,000.00	\$ 390,000.00	\$5,000.00	\$5,000.00	\$10,000.00	\$7,000.00	2.5	%	

Note: if a contract activity is not listed, click on the Activity field and type the needed Activity name

- TxCDBG Funds: Funds allotted to each budget activity.
- TxCDBG Drawn-To-Date: Funds drawn form the Request for Payments
- TxCDBG Reserve funds: Cost that have been incurred but have not been paid by TDA
- Unutilized Funds (Deob)- Funds that will NOT be requested, including funds not drawn to date or reserved.
 - If funds are deobligated, the administrative and the engineering costs charged to the grant will be reevaluated to ensure 16% (administration) or 25% (engineering) thresholds.



Contract Closeout - Report

Attachments:

For each attachment, indicate whether the document is attached or not required.

- **Publication, Final Public Hearing**
 - the publication may be submitted electronically.
- **Project Map**
- **Section 3 Annual Report (Form A1011)**
- **Evidence of Benefit for work on private property—**
 - If the project includes work on private property funded through grant or match funds, including water and sewer service connections, the Grant Recipient must attach evidence that the households occupying those properties are in fact receiving a benefit:





Contract Closeout - Report

Part II: Performance Report

Actual Accomplishments

- This section of the PCR reports all work completed, organized by the activities and must correspond to the most recent approved Performance Statement and be described in quantitative terms.
- A contract modification or amendment is generally required when quantities vary by more than 15% and in other cases as appropriate.

HUD Performance Measures

- This section of the PCR reports performance measures as required by HUD (described in more detail in the Program Overview section of this manual).

PROJECT COMPLETION REPORT Grant Recipient Name Contract Number
A1200

Part II. Performance Report Report work performed and performance measures for each contract budget activity.

Actual Accomplishments:

Activity	Item Installed or Action Performed	Units	Perf. Stat Quantities	Actual Quantities	% Change
					0

Does the current Performance Statement accurately reflect the project location(s)?

Have final project record drawings been received by the Contractor Locality?

HUD Performance Measures:

Activity	Objective	Outcome
Benefit Indicator		No. of Beneficiaries
Special Category		

Check this box if this project includes Housing activities (other than water/sewer connections) ☐



Contract Closeout - Report

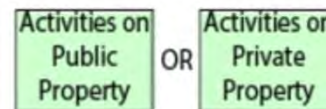
Part III: Beneficiary Report

Click the appropriate buttons to create Beneficiary Detail Reports. A new report will appear on the next page each time a button is clicked.

- Click "Activities on Public Property" for activities that occurred only on public property, including public easements. Creates Part III(a).
- Click "Activities on Private Property" for activities that occurred on private property. Creates Part III(b).

Part III Beneficiary Report

Click **the** green button(s) to the right to create the appropriate Beneficiary Detail Report(s) (reports appear on the next page)



All activities that benefit exactly the same beneficiaries may be reported together. Activities that benefit a different group of beneficiaries (including a subset of a group already reported) must be reported on a separate Beneficiary Detail Report.



Contract Closeout - Report

Part IV: Final Interest Report

(FIR)

- List all contracts and final contract amounts
- Includes contractors, professional services providers, construction contractors and subs, and suppliers with contracts of **\$2,000** or more
- All initially reported on Financial Interest Report (Form A503)
- If there are subcontractors, use the Contracts with Prime and Subcontracts option

PROJECT COMPLETION REPORT Grant Recipient Name Contract Number
A1200

Part IV Final Financial Interest Report
Report all contracts executed under this TxCDBG contract that are valued at or above \$2,000.

Contracts with no subcontractors

Type of Services	Business Name	Contract Amount			Qty Executed	+ contract - contract
		TxCDBG Funds	Other Funds	Total Dollars		

☐ At least one contract executed under this TxCDBG contract
Includes subcontracts valued at or above \$10,000.

☐ No contracts executed under this TxCDBG contract
Include subcontracts valued at or above \$10,000.

Contracts with Prime and Sub Contractors

Type of Services	Contract Amount			Qty Executed	+ contract - contract
	TxCDBG Funds	Other Funds	Total Dollars		
Prime (name)					+ sub
Subcontractor					- sub



Contract Closeout - Report

Acceptance of Closeout Reports

- Once the PCR is submitted, the Contract Specialist will review the report for accuracy and completeness:
 - Incomplete reports not accepted
 - Minor deficiencies corrected in 15 days
 - Serious deficiencies not accepted





Contract Closeout

Acceptance of Closeout Reports

Scanned versions of the **signed** PCR may be emailed to TDA; an acceptable complete PCR, including all required attachments, will be considered “received” on the date the email is received by TDA.

Submit electronic copies to:

Closeouts@texasagriculture.gov

Subject line: Grant Recipient name,
Contract No., Contract Specialist Name



Hardcopy – Mail to:

TDA

Office of Rural Affairs – CDBG

P.O. Box 12847

Austin, Texas 78711

Chapter 13

Monitor Review



TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER



Role of Program Monitor

- Comprehensive monitoring of Grant Recipient's compliance with program policies.
- Identify and investigate possible fraud and abuse.
 - Comprehensive review of expenditures
 - Ensure eligibility



Role of Program Monitor

- Program oversight
- Provide technical assistance
 - Training opportunities
 - Avoid potential issues in future
- Final review of Project Completion Report (PCR) and closeout documents
 - Actual accomplishments
 - Eligible and verifiable expenditures



Risk-Based Review

TxCDBG project will fall into one of three categories:

- 1) Grant Recipient self-administered monitoring reviews
- 2) TDA Desk Reviews
- 3) On-Site Reviews

Regardless of type, all projects require comprehensive review of financial management records.



Monitoring Review

- In general, occurs when either:
 1. Approximately 75% of total contract funds expended or construction is nearly complete; Contract not previously monitored; construction substantially complete; or
 2. Project Completion Report (PCR) received.
- Other reasons:
 - Need for interim review identified
 - Grant Recipient request
 - Complaint received
 - Program staff request (with management approval)



Monitoring Review

- Risk-Based Assessment Procedure
 - Examples of Factors:
 - >\$500K Grant
 - Type of project
 - Prior performance
 - Amount of Match
 - New to TxCDBG program
- Concurrent Review of Financial Management Records by TDA
- 10% Selected for Desk Review



Self-Monitoring Review - Steps

- 1) Grant Recipient notified
- 2) TDA requests documentation
 - Financial Management
 - Self-monitoring checklist
- 3) TDA may notify Grant Recipient of corrective action required
- 4) Acceptance by TDA following receipt of certified results and completed review of financial records



Completing the Self-Review Checklist

- Utilize Grant Recipient source documentation
- Include written remarks (when appropriate)
- If section is not applicable, mark as such
- If violations are identified, submit:
 - ✓ relevant documentation
 - ✓ Grant Recipient written Corrective Action Plan (CAP), or
 - ✓ evidence that finding can be remediated
- Monitor may request additional documentation
- Chief elected official/designated official must sign certification

Outcome

- acceptance of Self-Monitoring Review
- TDA may assess additional sanctions or penalties



Pitfalls – Self Review Checklist

- ✓ Self-Review Checklist
 - Based on Grant Recipient documentation
 - Include notes in comment box
 - ✓ why not applicable?
- ✓ Include **all sections** of checklist
 - At minimum cover page



Pitfall - Identify Findings

- ✓ Identify findings – policy or procedural violation
 - ✓ Just the facts
 - ✓ Attach relevant documentation



Can Finding be remediated?

- ✓ Yes - explanation & documentation
- ✓ No - Corrective Action Plan



Desk Review

- 1) TDA notifies Grant Recipient & requests documents.
 - ✓ *Send complete set of records*
 - ✓ *Organized files*
- 2) TDA reviews all records for compliance
- 3) TDA follows up with written report



On-Site Review

1. Risk assessment results in a high risk rating and at least 50 % TxCDBG funds drawn.
2. Complaint received or serious matter
3. TDA reserves the right to conduct on-site review.



Monitor Review Report

TDA sends Monitor Review Report (desk and on-site):

- ✓ In compliance
- ✓ Substantially the same as Performance Statement
- ✓ Concerns
- ✓ Technical Assistance Provided
- ✓ Findings require Corrective Action



Monitor Review Report

- Following the review, attempt to resolve preliminary findings.
- Non-Compliance Letter
 - Details findings and/or concerns
 - Provides resolutions and/or recommendations to resolve findings and/or concerns
 - ❖ Resolution of a finding may require a Corrective Action Plan (CAP)
 - ❖ Finding may result in disallowed costs
- The Grant Recipient must provide a complete response in writing within 30 days from the date of the findings letter.



Non-compliance Procedures

- Grant Recipient needs to respond in writing within date specified
- Failure to resolve non-compliance
 - ✓ Funds on hold
 - ✓ Disallowance of costs/deobligated
 - ✓ Reduction of administrative fees
 - ✓ Other settlement:
 - ✓ Scoring penalty
 - ✓ Prohibition from applying



Pitfalls - Financials

- ✓ Financial Ledgers
- ✓ Complete set of bank records
 - ✓ include local injection
- ✓ Transferring funds between accounts
- ✓ Invoices - checks differ:
 - ✓ explanation where appropriate
 - ✓ include unrelated invoices
 - ✓ Identify grant/local injection



Pitfall- Utilize Current Checklist

LIMITED ENGLISH PROFICIENCY (LEP)				
28.	Does the Grant Recipient have any Limited English Proficiency (LEP) speaking populations within its community? (LEP group is >5% or >1,000 individuals according to American Fact Finder Data)			<div>% of LEP Group: _____</div> <div>LEP Language: _____</div>
29.	If the Grant Recipient identified an LEP group(s) did they prepare an LEP plan?			<div>Date adopted/implemented: _____</div>
30.	Does the LEP Plan call for acceptable procedures for meeting LEP group needs (e.g. translated vital documents, translated public notices, translation services, or adequate number of bilingual staff)? (See also safe harbor written language assistance recommendations.)			
31.	Were required published notices (other than procurement) published in English and the LEP language?			<div><input type="checkbox"/> Public Hearing Notices</div> <div><input type="checkbox"/> Environmental Review Notices</div> <div><input type="checkbox"/> AFFH - Fair Housing Publications</div> <div><input type="checkbox"/> Section 504 Non-discrimination Policy</div> <div><input type="checkbox"/> Citizen Participation Notices (including citizen complaint procedure)</div> <div><input type="checkbox"/> Community Outreach Notices (e.g., publicizing available housing rehabilitation and OSSF assistance)</div>



Administratively Complete

Administratively Complete notice issued:

- ✓ Project objectives have been fulfilled
- ✓ findings/concerns have been satisfactorily resolved.
- ✓ related expenditures have been accepted

HINTS:

- *Identify actual accomplishments*
- *Submit PS modification/amendment to CS*
- *Eligible match – documented appropriately*
- *Submit all verifiable financials*



Administratively Complete

2 CFR 200.344 closeout of CDBG award does not affect:

- TDA's right to disallow costs and /or recover funds on the basis of a later audit or other review;
- The Grant Recipient's obligation to return funds as a result of subsequent refunds, corrections or other transactions;
- Grant Recipient's responsibilities for record retention;
- TxCDBG property management and disposition requirements; and/or
- Audit requirements.



Compliance Team

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Chapter 8

Force Account



TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER



Force Account – REALLY???



**KEEP
CALM
AND
Don't
Do it**



Force Account - Definition

- Professional services, construction, rehabilitation, repair or demolition that is performed by municipal or county employees.



Force Account

Force account applies to the Grant Recipient's following employees:

- Permanent employees;
- Temporary employees, not contracted, to specifically perform work on a federally funded or federally assisted construction project;
- Employees of a county who are carrying out public facilities improvements through an intergovernmental agreement; or
- Employees of a public utility district or utility company on a case-by-case basis.



Force Account - Disadvantages

1. No warranty for work performed by the Grant Recipient;
2. Construction may be slower and not meet contract time frame;
3. Extensive record keeping is required;
4. Skilled local workers and appropriate equipment may be insufficient;
5. Additional documentation is required for each drawdown;
6. Delayed payments due to required documentation review;
7. Procurement requirements for necessary materials; and
8. Ongoing inspections may not be readily available to ensure quality construction.



Force Account – Minimal Advantages

1. Exempt from Davis-Bacon
2. Cost effective if the activity is one that traditionally is done by city/county personnel;
3. Jobs are kept in the community; and
4. Greater local control over scheduling and costs



Force Account – Allowable Costs

- Labor
 - Reasonable wages must be supported by adequate documentation.
 - Only time worked on the project may be claimed.
 - Overtime costs incurred are eligible.
 - Fringe benefits are eligible including sick, holiday, Social Security, insurance, unemployment insurance, worker's comp, and retirement.



Force Account – Allowable Costs

- **Materials**
 - All materials must be adequately procured.
 - Using materials already on hand will be based on the actual cost of the material at the time of original purchase.
 - Unused supplies greater than \$5,000 can be used for other Federal projects or must be reimbursed.



Force Account – Allowable Costs

- Equipment - Grant Recipients may be compensated for the **use of equipment** based on an **hourly** rate.
 - Only actual hours of construction time “in use” at the project site are eligible.
 - Standby equipment costs are not eligible.
 - The hours charged for equipment use must agree with the corresponding hours documented for the equipment operator.
 - When the FEMA equipment rate capacity and/or horsepower of a piece of equipment does not match the community’s equipment specifications, default to the less expensive of the two (2) closest equipment classifications in the FEMA Schedule.



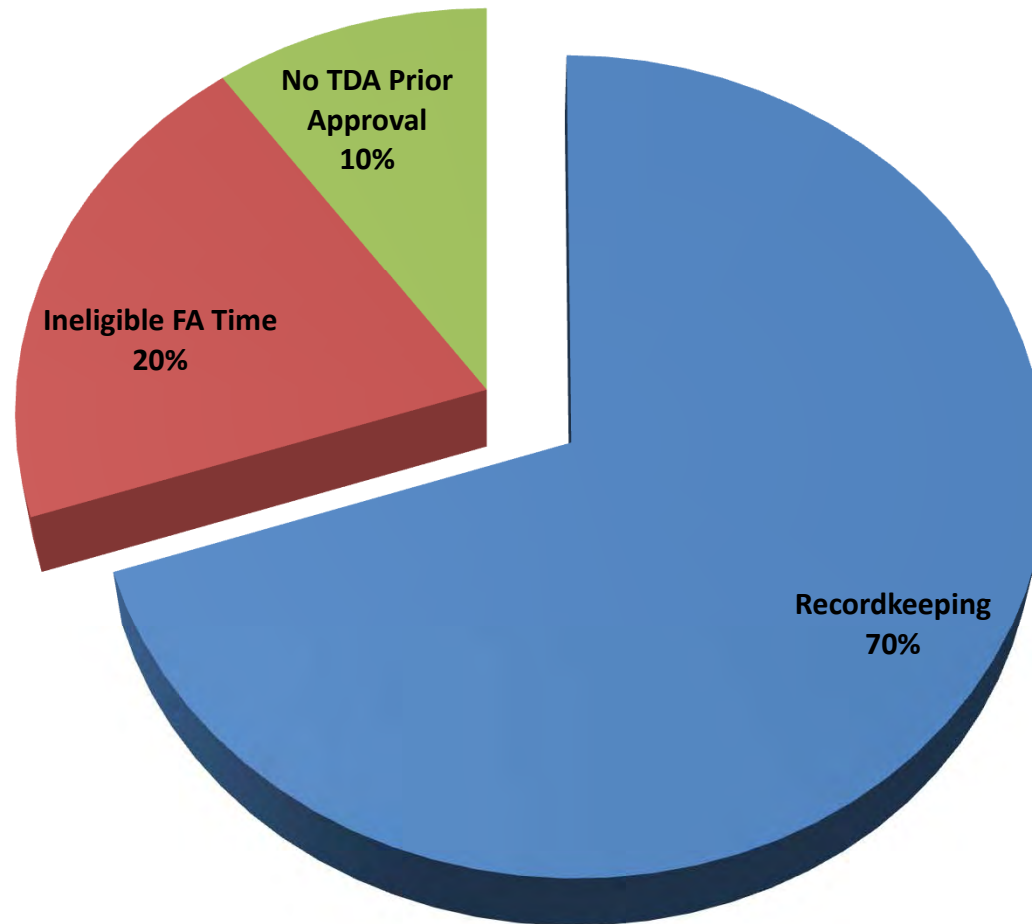
Force Account – Recordkeeping

Grant Recipient must maintain **thorough documentation of all costs:**

- Employees Personnel policies
- Personnel Cost Calculation Sheet
- Timesheets documenting the workers and work performed*
- All timesheets should correspond to the regular employee time sheets; no one should be charged to the project if they are not in attendance
- Equipment Cost Calculation Sheet
- Construction Personnel Time Sheet
- Invoices and cancelled checks for all construction materials and supplies



Force Account: Compliance Findings



Section C Part II

On-Site Sewer Facilities & First-time Service Yard Line Assistance



TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER



What is New for 2019!!

- Added Part CII2.0 to Section C for First Time Yard Line Assistance
 - Includes Definition, Instructions and Template for Yard Line Guidelines
- Added Template for OSSF Guidelines and Template for First Time Yard Lines
- OSSF Beneficiaries can be renters, however there are conditions and agreements with homeowners required



On-Site Sewer Facilities (OSSF) & First Time Yard Line Assistance

Program Definitions

On-Site Sewer Facilities (OSSF) - *First Time on-site sewage facilities or replacement of on-site sewer facilities.*

First Time Yard Line - *Scattered yard line connections (not associated with the installation of a main trunk line).*



On-Site Sewer Facilities (OSSF)

OSSF activities are governed at the State Level by:

- Title 30 Texas Administrative Code (TAC), Chapter 285, *Subchapter A contains the rules for OSSF application and permit requirements.*
- Title 30 Texas Administrative Code (TAC), Chapter 285, *Subchapter D contains the rules for planning, construction, and installation of an OSSF.*
- Texas Health and Safety Code Chapter 366, *Subchapter D is the state law that governs the OSSF permitting program.*



OSSF Continued

- Grant Recipient must develop OSSF Guidelines, which require TDA approval during application process prior to grant award.

***Submission of the guidelines with the grant application does not constitute approval by TDA. Grant Recipient must have written approval of the guidelines before being adopted by locality and conducting outreach for applicants.*

- The beneficiary of the OSSF assistance must be a LMI resident
 - Can be a renter or the owner of the single family dwelling;
 - If not owner occupied LMI, then the County must establish in the Guidelines how it will ensure that renters are LMI throughout the assistance period.
 - For LMI Renters - County will have to establish an agreement with the homeowners that they will not increase rent or change rental amounts to more than the annual Home Rental Limits published by HUD.

Refer to Section C Part II of the TxCDBG Implementation Manual



OSSF Action Steps

- 1) Designate an OSSF coordinator.
- 2) Complete Environmental reviews:
 - a. Broad Level AND a site-specific environmental review must be completed. (Consult with TDA's Environmental Specialist for any guidance for program compliance)
- 3) Outreach –
 - a. Publicize the availability of OSSF installation for designated project area
 - b. Applications accepted from homeowners
 - c. Grant Recipient verifies property ownership, primary residence and income eligibility



OSSF Action Steps Continued

- 4) Grant recipient develops applicant list of proposed OSSF assisted homeowners.
- 5) Grant Recipient screens homeowner applications for eligibility and priority criteria.
 - a. Once applicant list is finalized – make sure the site specific environmental reviews are complete
- 6) Site Evaluation and Design
 - a. Site evaluation is considered a construction activity and the evaluator is a service provider
 - b. evaluator prepares a soil evaluation report for each OSSF unit



OSSF Action Steps Continued

7) Procure Septic System Installers

- a. Must follow all laws and guidelines for procuring construction services
- b. Installers must be licensed by TCEQ
- c. Grant Recipient must send the soil evaluations for each septic system to be installed to list of qualified installers for quotes
- d. Prospective installers must bid unit prices for, plumbing improvements, basic installation and connection and the mitigation.

8) Submit Certificate of Construction Completion for OSSF (Form CII709)



OSSF Steps Continued

9) Installer and Grant Recipient must certify all sewage systems have been decommissioned and fully mitigated per Title 30, Subchapter D, Chapter 285 of Texas Administrative Code. See Form CII709 or CII709I

10) Must submit TCEQ OSSF Permit Letters to TDA.

*Generally submitted concurrently with COCC

11) Final Construction will not be reimbursed until both the COCC, Permit Letters, Certification of full mitigation and all back up is received.



Site Mitigation

Texas Administrative Code §285.36. Abandoned Tanks, Boreholes, Cesspools, and Seepage Pits.

(a) A tank that is not to be used again for holding sewage shall be abandoned.

(b) To properly abandon, the owner shall conduct the following actions, in the order listed.

- (1) All tanks, boreholes, cesspools, seepage pits, holding tanks, and pump tanks shall have the wastewater removed by a waste transporter, holding a current registration with the executive director.
- (2) All tanks, boreholes, cesspools, seepage pits, holding tanks, and pump tanks shall be filled to ground level with fill material (less than three inches in diameter) which is free of organic and construction debris.



Important Notes for OSSF

- ✓ Engineering costs for design will not be considered an eligible cost unless the site location and size requires engineering by TCEQ regulations
- ✓ Complete all the appropriate levels of environmental review
- ✓ Follow procurement process for site evaluator – submit bid tab/schedule or Form (CII504) for OSSF Small Purchase Procurement Record, FIR, Service Contract, Invoices to TDA
- ✓ If procurement of installation is in groups of 8 units or more – Davis Bacon Labor Standards apply
- ✓ OSSF Guidelines must be approved by TDA before being adopted by locality and before advertising for applicants
- ✓ NEW – OSSF Guidelines Template on the TDA Website



Yard Line Assistance Action Steps

- 1) Submit Yard Line Assistance Guidelines to TDA for Approval.
- 2) Complete Proper Environmental reviews:
 - a. Refer to Chapter 3 (Consult with TDA's Environmental Specialist for any guidance for program compliance)
- 3) Outreach –
 - a. Publicize the availability of First Time Yard Line Assistance for designated project area
 - b. Applications accepted
 - c. Grant Recipient verifies applicant residency and income eligibility
- 4) Construction Procurement per Chapter 5



Important Notes for First Time Yard Line Assistance

- ✓ Must have TDA approval of Yard Line Assistance Guidelines before adopting & outreach
- ✓ Complete all the appropriate levels of environmental review
- ✓ Construction Procurement per Chapter 5
- ✓ Davis Bacon Labor Standards generally do not apply to Single-family homeowner residences
- ✓ If Yard Lines are replacing an OSSF or other sewage disposal method (IE, seepage pit), all mitigation requirements apply
- ✓ Must submit evidence of LMI resident actually being served (connected) (submit copies of utility bills)

Chapter D

Texas Capital Fund

<https://www.nhaustin.com/training->



TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER



Infrastructure & Real Estate Programs

- Provide funds to eligible Grant Recipients for infrastructure and/or real estate improvements
- Supports a specific business that commits to create/retain jobs in community
- TCF project activities must be necessary for job creation/retention



TCF RE/Infra: Eligible Use of Funds

- Public and Private Infrastructure
- Acquire, construct, or rehabilitate commercial/industrial buildings and other real property improvements (RE Program)
- Providing economic development services in connection with otherwise eligible CDBG economic development activities



TCF RE/Infra: National Program Objective

- Create or retain permanent, full-time jobs where at least 51% of the jobs involve the employment of low and moderate income (LMI) persons
 - Example: Grant Recipient obligated to create 30 jobs → $30 \times .51 = 15.3$ → 16 LMI jobs must be created
 - If retain jobs, evidence that jobs would have been lost without CDBG assistance and 51% are LMI
 - Document income levels by certifications or census tract data



Documenting Jobs

- Job creation = Full Time Equivalent (FTE) basis as follows:
 - Full time employee status requires a minimum work schedule of 35 hours per week.
 - Part time employee status requires a minimum work schedule of 20 hours per week – two part time employees equal one FTE.
 - Employment must be consistent.
- For an employee to be considered towards job creation requirements, the person must:
 - Be employed at least 30 days prior to the submittal of closeout documents or contract expiration, whichever comes first; and
 - Be employed at the location identified in the TxCDBG contract Performance Statement.



Documenting Jobs

Jobs **not** eligible to meet the National Objective include:

- Seasonal jobs,
- Temporary jobs,
- Contract labor jobs,
- Jobs transferred from other locations*, and
- Jobs held by principals of the Benefitting Business(es).



Documenting Jobs – Transferring Employees

For Companies with Multiple Locations

- Up to 20% Newly Created Jobs to be filled by Transferred Employees
- Must identify employee replacing Transferred Employee



Quarterly Reporting Requirements

Due the 20th of May, August, November & February:

- Quarterly Employee Certification Report (ECR) (Form D5)
- Texas Workforce Commission's (TWC) Texas Employer's Quarterly Report (first page)
- Current payroll report of the benefitting business(es) upon request from TDA

Business and Grant Recipient should retain job creation documentation



Contract Special Conditions: Release of Funds

- Items listed in Chapter 2
- Starting Payrolls for the Benefitting Business(es) and other locations within a 50 mile-radius of the project location
- Agreement between Grant Recipient and Benefitting Business (Company-Contractor Agreement)

Real Estate/Private Infra:

- Repayment Agreement between Grant Recipient and Benefitting Business or TDA
- For Real Estate Improvements: Lease Agreement between Grant Recipient and Benefitting Business



Contract Special Conditions: Release of Funds (construction)

In addition to Ch. 2 requirements:

- Loan Agreement between Benefitting Business and a lender for private funding required to complete the project (if applicable)
- Environmental Site Assessment
- For Infrastructure Improvements: Evidence of the Start of Building Construction
- For Real Estate Improvements:
 - ✓ Tri-Party Agreement between Grant Recipient, Benefitting Business, and a lender
 - ✓ Appraisal for property to be purchased
 - ✓ Evidence of Flood Insurance for property to be purchased
 - ✓ Evidence of the owner's Title Insurance commitment for property to be purchased



Funds Committed by Business

- Work completed on private property and entirely with private funds may be excluded from many federal and program requirements; some federal regulations still apply.

Examples of federal requirements that could apply:

- Environmental review
- Davis-Bacon Labor Standards
- Competitive Procurement Requirements
- Acquisition Requirements



Funds Committed by Business, Cont.

- Davis-Bacon Labor Standards requirements apply to the entire construction contract.
- If any acquisition of real property is required to meet the job creation/retention.
- If funds are used for materials or service contracts, even if the contract is primarily funded through private investment competitive procurement requirements apply.



Evidence of Occupancy

Notify TDA of the date that the business occupies the project site benefitting from the TCF funded infrastructure within 60 days of occupancy.

- Certificate of Occupancy
- If a Certificate of Occupancy is not required by local authority:
 - submit a letter from a third party licensed professional approved by TDA who is knowledgeable about required safety standards stating that a formal Certificate of Occupancy is not required and certifying the date that the benefitting business was approved to use the facility and/or improvements funded through the TCF grant.
- Should occur prior to the business starting operations



Evidence of Occupancy

The date of occupancy will determine

- The first date that jobs created or retained by the project may be considered eligible; and
- The date on which the first payment is due to TDA under the Repayment Agreement (3 months after the date of occupancy).



Payrolls

Employee hours (*hours worked + documented leave*) meet required weekly work schedule for each of four (4) consecutive weeks

Or

Employee hours met required number of hours for 10 out of 12 consecutive weeks

Weekly hours will **not** be averaged over time to determine full-time or part-time status of employee



Payroll Reports

Type	Milestone	Purpose
Recent Payroll	With Application	Retained jobs: establish number of jobs and Created jobs: point of reference for application review
Starting Payroll	At contract start date	Identify number of jobs existing prior to project, including employee names. Final jobs cannot drop below this number, but this is not the job creation start date)
First Job Creation Payroll (optional – may be specifically requested for large projects)	At Certificate of Occupancy or approved job training date	Establish names of employees prior to first date for job creation (If not submitted, will look at Final Payroll for a hire date matching this)
Ending Payroll	30 days prior to contract end date (or closeout if submitted early)	Final record of jobs created during contract period



Payroll Reports

- Electronic file format
- Must be able to verify the number of persons employed at location specified in contract
- At a minimum, payroll report should include:
 - Employee full name
 - Employee ID number **NO SSN #'s**
 - Employee gender & ethnicity
 - Full-time or Part-time



Repayment Requirements

Real Estate Improvements – are intended to be **owned** by the GR and **leased** to the business and require full repayment. Payments repaid by the business through a lease agreement.

Private Infrastructure Improvements - Infrastructure that will be located on the business site, or on adjacent and/or contiguous property to the site that is owned or leased by the business, requires full repayment.

Grant funds are repaid by the business through a repayment agreement with the following terms:

- no interest;
- not to exceed twenty (20) years or 10 years for awards less than \$300,000;
- minimum monthly payment not less than \$500; and
- payments begin the first day of the third month following the construction completion date.



Contract Special Conditions: Prior to Closeout

The following items are required to be submitted no later than the date that the Project Completion Report is submitted.

1. Texas Department of Licensing and Regulation final approval letter;
2. Hazard and Liability Insurance;
3. Final Payroll Report for the Benefitting Business
 - a) Include all employees that were working for the business prior to the execution date of the Grant Recipient TCF contract AND all newly hired employees .
 - b) The period reported on the final payroll must be at least 30 days prior to the TCF contract end date, but no more than 30 days prior to the date that closeouts are submitted if the closeouts are submitted before the contract expires.
 - c) Show that employees have been on the job for no less than one (1) month.
4. *Family Income/Size Certification (Form D7)* for each LMI employee.



Closeout

- The Grant Recipient must submit the *TCF Project Completion Report (PCR)* (Form D1200) with attachments no later than 60 days after the contract end date.
- 2 ways to report jobs created on PCR
 - Jobs creation and Contract Compliance – report jobs as described in Section D.1.1.
 - Job creation and HUD requirements – uses HUD formula based on both positions and hours worked. Used only for HUD reporting purposes.
- Any business that does not gather, complete and provide this data to both the Grant Recipient and TDA will not satisfy the National Program Objective to benefit low and moderate income families



PROJECT COMPLETION REPORT D1200

Grant Recipient Name

Contract Number

Grant Recipient Name:	<input type="text"/>	Contract No:	<input type="text"/>	Region:	<input type="text"/>	<input type="button" value="Reset Form"/>
Contract Start Date:	<input type="text"/>	Contract End Date:	<input type="text"/>	DUNS No.:	<input type="text"/>	<input type="button" value="Print Form"/>

Part I. General Reports

Total Persons Benefitting: **Total Contract Beneficiaries:** **Low-to-Moderate Income Beneficiaries:**

Certificate of Expenditures:

Activity	TxCDBG Budget	TxCDBG Funds Drawn To-Date	TxCDBG Funds not Received (Including pending draws)		Local Contribution	Percent Matched
			TxCDBG Reserved Funds	Unutilized Funds (Deob)		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	0 %

Note: If a contract activity is not listed, click on the Activity field and type the needed Activity name

For Reserved Funds, list specific costs

Certifications:

As chief elected official of the contractor jurisdiction, I certify that:

- All activities undertaken with funds provided under the contract identified in this report, have, to the best of my knowledge, been carried out in accordance with the contract agreement;
- The information contained in this Project Completion Report is accurate to the best of my knowledge;
- All records related to contractor activities are available for review;
- TxCDBG funds were not used to reduce the level of local financial support for housing and community development activities;
- No attempt to recover any capital costs of public improvements assisted in whole or in part with such funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements unless (a) such funds are used to pay the proportion of such fee or assessment that related to the capital costs of such public improvements that are financed from revenue sources other than such funds; or (b) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, contractor certifies that it lacks sufficient funds under this contract to comply with the requirements of clause (a);
- The persons to benefit from the activities described in Exhibit A, Performance Statement, of this contract are receiving service or a benefit from the use of the new or improved facilities and activities; and
- Proper provision has been made for the payment of all unpaid costs and unsettled third-party claims and the State of Texas is under no obligation to make any further payment to the recipient under the contract agreement in excess of the amount identified in the Certificate of Expenditures table as "TxCDBG Reserved Funds".
- The expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).

Name and Title (Print)	Signature	Date
Original Submittal	Revision	Date revised: <input type="text"/>

Civil Rights & Citizen Participation:

Equal Opportunity Requirements	Section 3 Requirements	Promotion of MBE Participation	Excessive Force Policy
Section 504 Requirements	Fair Housing Requirements	Citizen Participation Requirements	Limited English Proficiency Requirements

Fair Housing Activity (describe):

Final Public Hearing Comments:

Final Public Hearing Date: Hearing Publication Date: Work Completed Date:



PROJECT COMPLETION REPORT

D1200

Grant Recipient Name

Contract Number

Part II. Performance Report

Report work performed and performance measures for each contract budget activity.

Actual Accomplishments:

Activity	Item Installed or Action Performed	Units	Perf. Stat Quantities	Actual Quantities	% Change	+
					0	

Does the current Performance Statement accurately reflect the project location(s)?

Have final project record drawings been received by the Grant Recipient?

HUD Performance Measures:

Activity	Objective	Outcome		
			+ activity	- activity
Benefit Indicator		No. of Beneficiaries	+ indicator	- indicator
Special Category			+ category	- category

Actual Accomplishments (Continued):

Does this contract include Slum & Blight elimination activities? ☐ Does this contract include Job creation/retention activities? ☒

HUD Performance Measures - Job Creation

Report the number of businesses assisted for each category.

New Businesses Assisted:		Existing Businesses Assisted:		Total Businesses Assisted:	
Existing Businesses Expanding:		Existing Businesses Relocating:			
Businesses Assisted with Commercial Facade/Building Rehab:					
Businesses providing goods/services to a neighborhood or small service area:					
No. of persons who were unemployed prior to taking jobs created by the project:					
Number of persons with employer sponsored health care benefits:					
Business Name		DUNS Number			+
					x



Common Issues: Infra/RE Projects

- Incorrect payrolls
 - Inconsistent employment
 - Weekly hours/pay not shown
 - Reported date ranges are not consecutive weeks
- **Incorrect Form D7**
 - Must use correct D7 Form, as of date of hire
 - Incomplete, unsigned, missing information
- **Business Occupancy**
 - Must notify TDA date of business occupancy on project site
 - Untimely submission of COO to TDA
 - COO triggers start of jobs
- **Missing/late Quarterly Reports**
 - Late/delinquent quarterly reports – draws **will** be held until submittal
- **Ineligible Jobs**
 - Less than 4 weeks payroll does not count toward job creation
 - If one week of payroll is between 20-34 hours, counts as PT
 - Jobs created prior to date specified in Ex. D
 - Only jobs created at project site count
 - No seasonal, temporary, contract labor, or business principals
- **Match Documentation**
 - Need copies of check/proof of payment and ledger



Downtown Revitalization & Main Street Programs

Provide funds for infrastructure improvements in the central business district or designated Main Street area.

These programs address the National Program Objective (NPO) of aiding in the elimination of slum or blighted areas.



Slum/Blight National Program Objectives

- Economic development activities in the Main Street Improvements and Downtown Revitalization programs must qualify under the **Slum/Blight National Program Objective Area Basis.**
- The economic development activity must take place in an area that has been designated by the Grant Recipient as meeting a definition of a slum, blighted, deteriorated or deteriorating area under state or local law;
- Has a substantial number of deteriorated or deteriorating buildings or the public improvements are in a general state of deterioration; and
- The assisted activity must address one or more of the conditions that contributed to the deterioration of the delineated area.



DRP/MS: Closeout

- The Grant Recipient must submit the *TCF Project Completion Report (PCR)* (**Form D1200**) with **attachments** no later than 60 days after the contract end date.
- ~~Recent applications for Main Street and Downtown Revitalization programs have not allowed applicants to have an existing Main Street or Downtown Revitalization contract prior to an application deadline date, regardless of extensions granted.~~
- ~~If a TxCDBG application requires applicants to close an existing grant contract prior to submitting an application for new funding, the Grant Recipient **MUST** submit complete closeout documentation no later than **60** days before the application deadline in order to allow for a thorough review of the documents and completion of a monitoring review.~~



Small & Microenterprise Revolving Loan Fund (SMRF)

Provides capital for rural communities to invest in new and/or existing small businesses and microenterprises.

In cooperation with a qualified, nonprofit development organization (NDO), SMRF monies are loaned to local small businesses and microenterprises to support job creation/retention for predominately low- and moderate-income persons.



Eligible Activities

- Through a nonprofit development organization (NDO), SMRF funds are available to provide loans for “general support” to establish, stabilize, and expand eligible small businesses and microenterprises.
- SMRF loaned funds may be used for the following:
 - Lease Space
 - Purchase Inventory
 - Working Capital
 - Machinery & Equipment
 - Raw materials



Definitions

- A “microenterprise” is a commercial enterprise that has five (5) or fewer employees, one or more of whom owns the enterprise
- A “small enterprise” or “small business” is a commercial enterprise that has 25 or fewer employees, one or more of whom owns the enterprise or business.



Documenting Jobs

- Job creation = Full Time Equivalent (FTE) basis as follows:
 - Full time employee status requires a minimum work schedule of 35 hours per week.
 - Part time employee status requires a minimum work schedule of 20 hours per week – two part time employees equal one FTE.
 - Employment must be consistent.
- For an employee to be considered towards job creation requirements, the person must:
 - Be employed at least 30 days prior to the submittal of closeout documents or contract expiration, whichever comes first; and
 - Be employed at the location identified in the TxCDBG contract Performance Statement.



Documenting Jobs

Jobs not eligible to meet the National Objective include:

- Seasonal jobs,
- Temporary jobs,
- Contract labor jobs,
- Jobs transferred from other locations*, and
- Jobs held by principals of the Benefitting Business(es).



Loan Requirements

- The maximum allowable loan is \$25,000 per job created and/or \$10,000 per job retained. No single loan may exceed \$50,000.
- Prior to SMRF Loan Execution Every loan to be funded with SMRF funds must submit appropriate environmental review documentation to TDA prior to commitment for assistance.



SMRF: Prior to Release of Funds

- NDO must submit a completed SMRF Loan Information/Certification (Form D9) within 30 days of loan execution.
 - Supporting documentation for each fully-executed SMRF loan, such as loan closing documents and/or settlement statements, must be submitted to TDA prior to drawdown of SMRF grant funds.
- Upon the completion of the financial underwriting, SMRF Underwriting Certification (Form D10) must be completed and submitted to TDA.
 - All underwriting documentation will be retained by the NDO, subject to monitoring by TDA.
- A copy of the company's most recent payroll must be submitted to TDA.



SMRF: Prior to Contract Termination

For each SMRF loan executed, the following items are required to be submitted no later than the date that the Project Completion Report is submitted:

1. Final Payroll Report for the Benefitting Business(es)
2. A copy of the TCF Survey Questionnaire (Form D7) for each LMI employee.
3. Supporting documentation required for matching funds described in Exhibit B of the TCF contract with copies of invoices and proof of payment(s).
4. A completed SMRF Loan Expense Ledger (Form D11) must be submitted to TDA.
 - This document is completed by the borrower and details the eligible expenses funded with the SMRF loan. The borrower and NDO representative certify the listed expenses are accurate. Supporting documentation for eligible loan expenses must be retained by the NDO, subject to TDA monitoring. Acceptable documentation may include copies of invoices and receipts.



SMRF: Closeout

The Grant Recipient must submit the TCF Project Completion Report (PCR) (Form D1200) with attachments no later than 60 days after the contract end date.

Any business that does not gather, complete and provide this data to both the Grant Recipient and TDA will not satisfy the National Program Objective requirement to benefit low and moderate income families.

Records Management



TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER



Drowning in a Sea of Records!







Playing by the Rules

The failure to maintain adequate documentation of CDBG-funded activities continues to be one of the **most serious administrative issues undermining program** performance and regulatory compliance of sub-recipients in the CDBG program.



Records Management

- **Knowing what you have;**
 - ☒ Establish a record-keeping system.
- **Where you have it;**
 - ☒ Files must be kept at City/County Offices.
- **How long you have to keep it.**
 - ☒ Records must be retained for 3 years from closeout of HUD's grant to the State.



Who is responsible for records management?

- ✓ Records must be available to HUD and TDA staff (2 CFR §200.336).
- ✓ Copies of all records must be kept at the City/County level.
- ✓ City/County is the archiver of records, not the Grant Administrator.



Electronic Records



Secured

- Flooding
- Fire
- Theft



Backup

- Computer “crash”
- City Copy
- Admin Copy



Employee Turnover

- Elections
- Admin changes





Administrative Activities Checklist

➤ Who's going to do what?

➤ Review with Grant Recipient.

A102

Administrative Activities Checklist

ACTIVITY	Recipient	Consultant	Eng/Arch	Other
A. Initial Administrative Procedures				
Set up all files pertaining to TxCDBG contract activities.				
Solicit for professional services / administration services and maintain all necessary and relevant documentation.				
Prepare the professional services / administration services contracts for attorney review.				
Arrange and conduct the 4-Month Conference Call				
B. Environmental Review/Special Conditions Clearance Procedures				
Designate environmental review liaison and environmental certifying officer.				
Establish and maintain environmental review file.				
Prepare environmental assessment.				
Coordinate activities with federal or state agencies responsible for implementing applicable laws.				
Publish and disseminate public notice.				
Document consideration of any public comments.				
Issue environmental impact statement (if applicable).				
Request release of funds, send certification to TDA.				
Clear project of CDBG contract special conditions.				
C. Fair Housing/Equal Employment Opportunity				
Designate a Civil Rights Officer				
Implement and document current and required new activities to affirmatively further fair housing during the contract period.				
Adopt Citizen Participation Plan including grievance procedures				
Pass resolutions and/adopt policy regarding civil rights				
a. nondiscrimination / EO				
b. Section 3				
c. Excessive Force				
d. Section 504 requirements				
e. Affirmative Fair Housing				
f. Limited English Proficiency Standards				
Monitor construction contractor to ensure that all required equal opportunity regulations have been followed.				
a. Include all applicable equal opportunity provisions and certifications in bid packet				
b. Section 3 Plan				
c. Civil Rights Certification				
Take affirmative steps assisting SBE, MBE, and WBE's				
Include EO & Sec. 3 Clause in contracts				
Document/report all final project beneficiaries by ethnicity and gender.				
Perform at least one AFFH activity				
Publish grievance procedures, 504 policy, and AFFH resolution/ordinance				
Report and maintain records				



Monitor Review Documents

- ◆ Monitor Review Support Documents
- ◆ Where is it?
- ◆ What's Different?

Texas Community Development Block Grant (TxCDBG)

CONTRACT SUPPORT DOCUMENTS

PROCUREMENT (Administration Services)

1. Request For Proposals (RFP)
2. Newspaper advertisement
3. Letters of solicitation; proof of mailing
4. Respondent reply to RFP
5. Rating Sheet(s)
6. Summary Score Sheet(s)
7. Minutes awarding administration firm
8. Executed contract(s)
9. Pre-Agreement Request/Approval, if applicable
10. Evidence of SAMs clearance

FINANCIAL MANAGEMENT

1. Ledger/spreadsheets for TxCDBG funds
2. Ledger/spreadsheets for local match funds
3. Bank statements related to CDBG fund deposits and disbursements
4. Copies of checks or check register showing check date, number, amount and payee
5. Local match invoices or timesheets and personnel cost calculation worksheets
6. Fidelity (Dishonesty Bond documents
7. Current Single Audit Report
8. Audit Certification Form

ENVIRONMENTAL REVIEW RECORD

1. Complete Environmental Review Record (See Chapter 3 of the TxCDBG Program Implementation Manual)

LABOR STANDARDS

1. Appointment of Labor Standards Officer
2. General Wage Decision
3. 10-Day Call
4. Labor Standards Record
5. Request for Additional Classification and Wage Rate
6. Pre-Construction Conference documents
7. Payrolls and Statements of Compliance
8. Designation of Inspector for employee interviews
9. Employee Interviews
10. Wage violation documentation

ACQUISITION

1. Complete Acquisition File, if applicable (See Chapter 6 of the TxCDBG Program Implementation Manual)

PROCUREMENT (Engineering Services)

1. Request For Proposals (RFP)
2. Newspaper advertisement
3. Letters of solicitation; proof of mailing
4. Respondent(s) reply to RFP
5. Rating Sheet(s)
6. Summary Score Sheet(s)
7. Minutes awarding engineering firm
8. Executed contract(s)
9. Pre-Agreement Request/Approval, if applicable
10. Evidence of SAMs clearance

CONSTRUCTION MANAGEMENT

1. Newspaper bid advertisement(s)
2. Bid documents with labor standards provisions
3. Bid Tabulation Form
4. Minutes awarding construction company/firm
5. Executed contract(s)
6. Change Orders
7. Amendments/Modifications
8. Small Purchase Procurement Records
9. Project Map
10. Project Pictures with required signage
11. Evidence of SAMs clearance for all contractors

CIVIL RIGHTS/FAIR HOUSING

1. Section 3 Local Opportunity Plan
2. Section 504 Procedures
3. Section 504 Published Notice (> 15 employees)
4. Section 504 Self-Evaluation Form
5. Section 504/Fair Housing Officer Designation Form
6. Grievance Procedures (adopted)
7. Complaint Procedures (adopted)
8. Excessive Force Policy (adopted)
9. Fair Housing Activity
10. HUD investigations, if applicable

SECTION 3 POLICY

1. Section 3 Policy (effective August 2011)
2. Copy of the prime construction contractor Section 3 Policy and Equal Opportunities Guidelines for Construction Contractors (Form A1012) or a similar formatted form (effective August 15, 2011)

HOUSING REHABILITATION

1. Housing Rehabilitation Case Files, if applicable

DEMOLITION and CLEARANCE

1. Complete Demolition File, if applicable



Filing System Guide

What is it?

Where is it?

Is it important?

YES!!

A103

FILING SYSTEM GUIDE

(NOTE: Grant files should be kept at city hall or county courthouse. List is not all inclusive.)

1. APPLICATION FILE
 - Grant Recipient's Application
 - Public Hearing Information
 - Surveys and Tabulation/Other Beneficiary Data
 - Responses to CDBG Requests for Additional Information
2. CONTRACT FILE
 - TDA Contract Award Letter
 - Executed Contract
 - Amendment Requests/Resolution
 - Executed Amendments
 - Approved Performance Statement Modification Letters
 - Approved Budget Modification Letters
 - Pre-Agreement Authorization (if applicable)
 - Non-Competitive Procurement Authorization (if applicable)
3. PROCUREMENT OF PROFESSIONAL SERVICES / ADMINISTRATION SERVICES
 - Rationale for the method of procurement
 - Evidence of affirmative steps taken to assure participation by small/minority businesses
 - Basis for the cost or price
 - Requests for Proposal/Advertisements
 - Requests for Proposal Package
 - Written Selection Criteria
 - Copies of all letters and advertisements requesting proposals/return receipts
 - Proposals received
 - Vendor approval through SAM
 - Professional services / Administration Services contracts
 - Minutes/Resolution awarding contracts
4. FINANCIAL MANAGEMENT FILE
 - Designated Depository/Authorized Signatory Form
 - Audit Report demonstrating financial capacity
 - Direct Deposit Authorization Form (if applicable)
 - Copy of Transaction Register/Accounting Records for CDBG funds and Local Matching funds
 - Documentation of Drawdown Transactions – Purchase Vouchers, Request Summaries, and all supporting documentation (i.e. invoices, personnel/equipment/material records, etc.).
 - Source Documentation to support the receipt and disbursement of CDBG and local matching funds (i.e. cancelled checks, deposit slips, monthly bank statements, bank account reconciliation records, etc.).
 - Register to document local commitment of funds
 - Funding Awards other than TxCDBG
 - Audit Report
 - All Documentation Regarding Response to Audit Report/Audit Compliance Letters



12 Sections to Your Files

Application File

Contract File

Procurement of Professional Services

Financial Management File

Environmental Review File

Public Works Construction (for EACH construction project)

Labor Standards

Civil Rights

Real Property Acquisition

Force Account Labor

Reports

Closeout Documents



"You may want to send a search party into Konklin's cubicle. No one has heard from him in three days."



1 – Application File

1. Grant Recipient's Application
2. Public Hearing Information
3. Surveys and Tabulation/Other Beneficiary Data
4. Responses to CDBG Requests for Additional Information



2 – TxCDBG Contract Files

1. TDA Contract Award Letter
2. Executed Contract
3. Amendment Requests/Resolution
4. Executed Amendments
5. Approved Performance Statement Modification Letters
6. Approved Budget Modification Letters
7. Pre-Agreement Authorization (*if applicable*)
8. Non-Competitive Procurement Authorization (*if applicable*)



3- Professional Procurement

1. Rationale for the method of procurement
2. Evidence of affirmative steps taken to assure participation by small/minority businesses
3. Basis for the cost or price
4. Requests for Proposal/Advertisements
5. Requests for Proposal Package
6. Written Selection Criteria
7. Copies of all letters and advertisements requesting proposals/return receipts
8. Proposals received
9. Vendor eligibility through SAM
10. Professional services / Administration Services contracts
11. Minutes/Resolution awarding contracts



4 – Financial Review Files

1. Designated Depository/Authorized Signatory Form
2. Audit Report demonstrating financial capacity
3. Direct Deposit Authorization Form (*if applicable*)
4. Copy of Transaction Register/Accounting Records for CDBG funds and Local Matching funds
5. Documentation of Drawdown Transactions – Purchase Vouchers, Request Summaries, and all supporting documentation (*i.e. invoices, personnel/equipment/material records, etc.*).
6. Source Documentation to support the receipt and disbursement of CDBG and local matching funds (*i.e. cancelled checks, deposit slips, monthly bank statements*)
7. Fidelity Bond/Employee Dishonesty Coverage
8. Funding Awards other than TxCDBG
9. Audit Report
10. All Documentation Regarding Response to Audit Report/Audit Compliance Letters



4 – Financial Records Management

Request for Payment

- **Form A203 (Draw Form) must be completed and signed**

Invoice(s)

- **Invoices must be legible**
- **Match invoices must be included**

Bank Statement(s)

- Bank statements must include**
- **Proof of deposit of TxCDBG funds**
 - **Copies of cleared bank checks**



- Payee(s)
- Invoices
- Receipts and Disbursements
- Days between TxCDBG Deposits and Disbursements

[illegible]

My Life...Files, Files, Files!





5 – Environmental Files

24 CFR §58.38 – “The responsible entity must maintain a written record of the environmental review undertaken under this part of each project. This document will be designated the Environmental Review Record (ERR) and shall be available for public review.”

1. Environmental Review Record/Assessment
2. Public Notices/Publisher's Affidavit
3. Coordination Letters to/from other Agencies (*i.e. Tribal, Texas Historical Commission, Environmental Protection Agency, etc.*)
4. Public Comments
5. Request for Release of Funds/Certification Form
6. TDA's Authority to Use Grant Funds (AUGF) signed by TDA
7. Documentation of Compliance with other applicable laws/authorities
8. Flood Plain Maps/Executive Order 11988 Compliance (*if applicable*)



6- Public Works/Construction File

(for EACH construction contract)

1. Final architectural/engineering design plans and specifications (*and cost estimates*)
2. TCEQ/Other Clearance Letters
3. Price or rate quotations for small purchases
4. Evidence of analysis of lease vs. purchase alternatives (*when applicable*)
5. Evidence of equitable distribution of purchases among suppliers for Bid/Contract Documents
6. Bid Advertisements
7. Bid Tabulation
8. Vendor eligibility through SAM
9. Copies of all bids received
10. Evidence of bidders receipt of addenda (*if applicable*)
11. Financial Interest Report
12. Evidence of council/commissioner's court award of construction contracts
13. Executed Construction Contract Documents
14. Payment/Performance/Bid Bonding Documentation
15. Minutes / Attendance Roster of Pre-Construction Conference
16. Approved Change Orders
17. Monitoring and Inspection (*Interim and Final*) Reports
18. Certificate of Construction Completion
19. Final Wage Compliance Report
20. Documentation of Recovered Materials regulation (2 CFR §200.322)



6 – Public Works/Construction File

Required Contract Provisions

APPENDIX B

REQUIRED CONTRACT PROVISIONS

REQUIRED CONTRACT PROVISIONS

Table of Contents

For all contracts

1. Debarment and Suspension	Pg. 1
2. Access to Records	Pg. 1
3. Retainage of Records – 3 Years	Pg. 1
4. Termination for Cause (>\$10K)	Pg. 1
5. Admin., Contractual, Legal Remedies (>\$150K)	Pg. 2

In addition to preceding provisions for construction contracts

6. HUD 4010	Pg. 3
7. Davis Bacon and Copeland Anti-Kickback (>\$2K)	Pg. 3
8. Equal Opportunity Clause (>\$10K)	Pg. 4
9. Recovered Materials (Purchases>\$10K)	Pg. 7
10. Byrd Anti-Lobbying (≥\$100K)	Pg. 7
11. Contract Work Hours and Safety Standards Act	Pg. 8
12. Section 3 Clause (>\$100K & federal funding \$200K)	Pg. 8
13. Clean Air and Water Act (>\$150K)	Pg. 9



6 – Marking your Files

Do your contracts have all the required language inserted?

- ✓ Use tabs (Post-it Notes, etc.) to mark sections of files (*ie* required clauses in contracts, separation of payroll records, etc.)





7 – Labor Standards Files

1. Appointment of Labor Standards Officer Resolution
2. Wage Rate Issuance Notice
3. General Wage Decision (GWD)
4. 10-Day Confirmation Form signed by TDA
5. Financial Interest Report (FIR)
6. Additional Wage Classification (*if applicable*)
7. Requests/Approval (*if applicable*)
8. Weekly Payroll Records (*initialed/dated by LSO*)
9. Employee Interviews



8 – Civil Rights Files

1. Civil Rights Officer (CRO) Appointment
2. Local governing body resolution adopting required policies
3. Complaints (*if any*) and action taken to notify TDA or HUD
4. Citizen Participation Plan including Grievance Procedures
5. Personnel Policies/Handbook (equal opportunity policy)
6. Equal Opportunity Provisions
7. Contractor Certification of Equal Opportunity Compliance
8. Sample Advertisements for Employment
9. Section 3 Plan or its equivalent
10. Contractor Certification of Section 3 Compliance
11. Excessive Force policy
12. Section 504 (If more than 15 employees) Self-Evaluation Review Form and Newspaper Publication
13. Documentation of Fair Housing Activities
14. Limited English Proficiency (LEP) Plan
15. Civil Rights Resolution(s) *Adopt all together in one resolution!*



9 – Real Property Acquisition Files

1. Preliminary Acquisition Notice (Form A600)
2. Invitation to Accompany Appraiser
3. Evidence of delivered landowner's rights brochures
4. Appraisal Reports
5. Statement of Just Compensation
6. Offer to Purchase
7. Administrative Settlement *(if sale is above market value)*
8. Recorded Contract of Sale *(deed, title, etc.)*
9. Statement of Settlement Costs
10. Warranty Deed/Right-of-Way Agreements
11. Receipt for Purchase Price
12. Notice that eminent domain will not be used *(if voluntary)*
13. Internal Valuation Reports *(if donations)*
14. Waivers of Right to Just Compensation *(if donations)*
15. Notice of Intent Not to Acquire *(if acquisition terminated)*
16. Documentation of Appeals/Resolution *(if applicable)*
17. Acquisition Reports (Form (A601))



10 – Force Account Files

1. Copy of TDA written authorization to use Force Account
2. Personnel Cost Calculation sheets
3. Construction personnel time sheets
4. Administrative personnel time sheets
5. Force Account Labor / Administrative Payroll Records
6. Force Account Equipment Use Time Sheets/Rate Records
7. Invoices/Justification of Equipment, Fuel and Repairs
(*non FEMA*)
8. Price or Rate Quotations for Small Purchases
9. Evidence of Analysis of Lease or Purchase Alternatives (*if applicable*)
10. Procurement records for equipment
(*lease/rental/purchase*)
11. Procurement records for materials



11 & 12 – Reports / Closeout Files

11 - REPORTS

1. Quarterly Reports - Employee Certification Reports
2. Financial Interest Reports
3. Section 3 Annual Reports

12 - CLOSEOUT DOCUMENTS

1. Project Completion Report (PCR)
2. Evidence of the Final Public Hearing
3. Map of actual construction locations
4. Evidence of benefit (*if applicable*)
5. *Section 3 Annual Report (Final) (if applicable)*
6. TDA Administratively Complete Letter

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**"I am not disorganized — I know *exactly* where everything is!
The newer stuff is on top and the older stuff is on the bottom."**



Electronic Records – REPEAT!

- ✓ Secured
- ✓ Backup
- ✓ Employee Turnover



TxCDBG Implementation Manual

The screenshot shows a web browser window displaying the Texas Department of Agriculture (TDA) website. The address bar shows the URL: <http://www.texasagriculture.gov/GrantsServices/RuralEconomicDevelopment/Forms>. The page title is "Implementation Manual, Forms and Appendices". Below the title, there is a note: "Some browsers do not correctly display or open PDF files. If you have trouble opening the below files, please first try a different browser. If you continue to have issues, contact TDA staff for assistance." and a statement: "These forms may be updated as needed." The main content is a table listing various forms and their availability for download.

Complete TxCDBG Implementation Manual* (Select forms are ONLY available below)				Download
Chapter	Form No.	Form Description	Availability	
Table of Contents (Word version)				Download
Acronym List (Word Version)				Download
Introduction - Program Overview (Word Version)				Download
Chapter 1 Administration and Reporting (Word Version)				Download
1 Admin. and Reporting	A102	Administrative Activities Checklist		Download
1 Admin. and Reporting	A103	Filing System		Download
1 Admin. and Reporting	A104	Quarterly Progress Report		Download
1 Admin. and Reporting	A104 DR	Disaster Relief Quarterly Report (1 Year)		Download
Chapter 2 Financial Management (Word Version)				Download
2 Financial Management	A201	Sample Signatory Resolution		Download
2 Financial Management	A202	Depository-Authorized Signatories Designation		Download
2 Financial Management	A203	Request for Payment		Download
2 Financial Management	A206	Balance Adjustment Notice		Download
2 Financial Management	A207	Backup for Eligible Costs		Download
Chapter 3 Environmental Review (Word Version)				Download
3 Environmental Review	A301	Request for Exemption from SHPO Review		Download
3 Environmental Review	A302	Full Environmental Assessment (EA) Checklist		Download
3 Environmental Review	A303	Exempt or Categorical Exclusion Not Subject to 58.5		Download