



**TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER**

Texas Community Development Block Grant Program

FAST Grant Kick-off Webinar

Good morning and thank you for joining us. Welcome to TxCDBG's FAST Grant Kick-off Webinar. Today's webinar is intended for FAST grant recipients, their associated service providers and their designated grant administrators. We will be covering material specific to FAST procurement and contracts. Two webinars are being held in the next two weeks. The material covered at each webinar will be identical and attendance at least one (1) webinar is required for key grant recipient personnel and administrators.

Please note that there will be time for questions after the presentation. You may also contact TDA offline with any other questions or concerns. The webinar slides will be made available to FAST grant recipients.

Please remember to mute your lines and let's get started.



Introduction

Key Points for Discussion:

- **Contract**
 - Timelines
 - Documents
- **Allowable Administrative Costs**
- **Eligible Procurement Types**

During today's webinar, we will discuss:

- Contract timelines and documents.
- Eligible administrative costs, as they relate to pre- and post-award procurement activities;
- Procurement, specifically the types of procurement options available to FAST grant recipients, including sealed bids, small purchase procurement and third-party procurement services.



Contracts

FAST Contract Timeline:

- TDA will be issuing 18-month contracts for *FAST*
- Contract period: Oct 1, 2019 – March 31, 2021
- Contracts anticipated prior to November 1, 2019
 - Contracts will be sent electronically for signature via DocuSign
 - TDA requires the direct email address of the authorized signatory (individual identified in the application resolution)
 - Authorized signatory email addresses should be sent to both:
Pamela.McIntyre@TexasAgriculture.gov and
Michelle.Phares@TexasAgriculture.gov

!!!Audit Certification Form (ACF) delinquency will delay contract execution!!!

Due to reported long lead times for vehicle components, TDA will be issuing 18-month contracts for FAST funded projects. The FAST contract period started October 1, 2019 and will end March 31, 2021. TDA anticipates sending out contracts in the very near future. Contracts will be sent electronically via DocuSign to the authorized signatory's email address. The authorized signatory is the individual identified in the application resolution. If the email included on the applicant's SF-424 was not the direct email address of the authorized signatory, please send the correct email address to the Pam and Michelle at the email addresses listed.

Please note that Grant Recipients with delinquent Audit Certification Forms (ACFs) from previous TxCDBG grants were notified of deficiencies via a 90-day letter, which was included with their award letter. Grant Recipients with delinquent ACFs will not receive contracts for signature until the ACF delinquency is resolved. Next steps to remedy ACF delinquencies are included in the 90-day letters.



Contracts

FAST Contract Documents:

- **Contract:**
 - Formal agreement between grant recipient and TDA
- **Key Exhibits:**
 - **Exhibit A: Performance Statement**
 - ✓ Based on information in application
 - ✓ Describes the need and how proposed project will meet this need
 - ✓ Describes proposed project and location
 - ✓ Describes proposed beneficiaries
 - ✓ Assurances regarding administrative costs

FAST funded Grant Recipients will receive a contract, including Exhibits A, B, C, D, E and F. Key exhibits include A, B and D. Exhibit A is the Contract Performance Statement. Key project details, included in the application, are distilled and formalized in this one-page document. The performance statement describes:

- The need for the proposed project and how the proposed project will meet this need;
- The constituent area of the proposed project and the location of the vehicles and equipment, when not in use;
- The proposed total and LMI beneficiaries; and
- Assurances regarding administrative costs.



Contracts

FAST Contract Documents: (continued)

- Exhibit B: Budget
 - ✓ Includes project costs taken directly from Table 1 of the application
 - ✓ Both vehicle/equipment costs and administrative costs included
 - ✓ Delineates requested TxCDBG funds versus matching funds
 - ✓ Source of matching funds identified (as stated in the resolution)

Exhibit B is the Project Budget. Key project costs, included in Table 1 of the application, are described in this one-page document. Both vehicle/equipment costs and administrative costs are included in the budget and TXCDBG funds are delineated from matching funds. The Budget also includes the source of matching funds as identified in the application resolution and letters of commitment.



Contracts

FAST Contract Documents:

- **Exhibit D: Special Conditions**
 - ✓ **Includes a condition for release of funding**
 - Environmental Review (completed)
 - “Group A” documents (financial forms, civil rights policies)
 - “Group B” documents (procurement and other program documentation)
- **Please see “Chapter 2: Financial Management” in the TXCDBG Implementation Manual for more details.**

Exhibit D includes the Special Conditions associated with a particular program and contract. Special Conditions listed in the “Other Special Conditions” section of this Exhibit include:

Conditions describing the documents needed before TDA releases grant funding. For FAST awards, the environmental review requirements have already been satisfied. Group A and Group B documents are standard program documents that every Grant Recipient must provide to document compliance with federal, state, and program requirements. In some cases, the list found in Chapter 2 of the TxCDBG Implementation Manual may not be relevant – for example, Labor Standards Officer Appointment forms. In other cases, the policies or documents are required regardless of the project type. Fair Housing is a good example – all communities receiving CDBG funds must take action to affirmatively further fair housing choice, even if the CDBG-funded project is not directly related to housing.

Your contract specialist will provide a checklist to the grant administrator to follow.



Contracts

FAST Contract Documents:

- **Exhibit D: Special Conditions (*continued*)**
 - ✓ **Includes condition specifying:**
 - Certification that vehicles/equipment will only primarily benefit the service area (this will not prevent mutual aid)
 - Location of vehicle/equipment when not in use
 - Restrictions on uses (law enforcement, general conduct of government, personal transportation, non-emergent uses)
 - ✓ **Includes condition describing grant recipient reporting requirements and five (5) year compliance period**

Exhibit D includes a certification that the vehicle(s) and/or equipment purchased under the contract will only be used to primarily benefit the project service area (not preventing the recipient from providing mutual aid). This condition also specifies:

- the location where the vehicle(s) and/or equipment funded under the contract will reside, when not in use.
- A certification that the vehicle(s) and/or equipment funded under the contract will not be used for law enforcement purposes, the general conduct of government, personal transportation or any non-emergent transportation or general use.
- A certification that the vehicle(s) and/or equipment funded under this contract will be used for emergency response purposes only.

FAST contracts include a condition describing grant reporting requirements, due dates and the 5-year compliance period. The Grant Recipient will confirm each year that the vehicle or equipment is still being used to primarily benefit the community described in the application. This confirmation is very important to comply with the terms of the HUD funding and ensure that TDA can continue to offer programs like FAST.

AND.....



Contracts

FAST Contract Documents:

- **Exhibit D: Special Conditions (*continued*)**
 - ✓ **Includes condition requiring interlocal agreement between:**
 - Grant recipients and service providers
 - Grant recipients and Co-applicants (for multi-jurisdictional applicants only)

Exhibit D also requires the execution of an interlocal agreement between the grant recipient and service provider (as applicable) or the grant recipient and co-applicant (for multi-jurisdictional applications). In the event, that the fire, rescue or EMS provider is not a city or county department (such as a volunteer fire department or private third-party EMS provider), an interlocal agreement is required between the grant recipient and the service provider so that all parties have signed on to the terms of the grant.



Contracts

FAST Contract Documents:

- **Exhibit D: Special Conditions (*continued*)**

NOTE: The Interlocal Agreement should include:

- the responsibilities of the Contractor and service provider;
- a description the vehicle(s) and/or equipment purchased;
- a description of the function and purpose of the vehicle(s) and/or equipment;
- the term for provision of services for the vehicle(s) and/or equipment;
- a description of the designated primary service area;
- a stipulation as to how the procurement of vehicle(s) and/or equipment will be administered; and
- a provision stating that the service provider will comply with federal, state and TxCDBG procurement policies.

The interlocal agreement must include the following:

- a description of the responsibilities of the Contractor and service provider;
- a description the vehicle(s) and/or equipment purchased;
- a description of the function and purpose of the vehicle(s) and/or equipment;
- the term for provision of services for the vehicle(s) and/or equipment;
- a description of the designated primary service area;
- a stipulation as to how the procurement of vehicle(s) and/or equipment will be administered; and
- a provision stating that the service provider will comply with federal, state and TxCDBG procurement policies.

Note that TDA allows for either the Grant Recipient or the service provider to be the purchasing entity for the FAST vehicle and equipment, but this responsibility must be clearly identified, and the same competitive procurement requirements will apply regardless to either entity.



Pre-agreement

Clarification:

- **FAST Pre-agreement effective as of 1/31/2019**
 - Administrative costs to complete the environmental review
 - Administrative costs for competitive procurement of the project

A couple clarifications on key contract dates:

For *FAST* applicants who completed and submitted the Pre-Agreement Cost Approval Certification form in the *FAST* grant application, TDA may reimburse certain administrative costs incurred prior to the Contract Start Date. For the *FAST* fund, those costs were limited to those necessary to complete the environmental review and competitive procurement of the vehicle/equipment. For *FAST* purposes, the pre-agreement period is January 31, 2019, to September 30, 2019. Please note that costs for purchasing procedures that do not comply with TxDBG competitive procurement requirements – such as vehicle quotes – are considered application preparation and are not reimbursable under pre-agreement.



Pre-agreement

Clarification:

- As of October 1, 2019, *FAST* awardees are in the contract period
- Eligible project costs may be incurred, even before the grant contract is executed, including:
 - Administration costs
 - Vehicle and/or equipment costs

The FAST contract period started October 1, 2019. This is the FAST contract start date. As of October 1st, costs incurred by the grant recipient are eligible for reimbursement (if otherwise meeting program requirements). We know many of you are anxious to get started, and administrative activities associated with procurement are included as eligible.



Procurement

Eligible Procurement Types for *FAST*:

1. Sealed Bids
2. Small Purchase Procurement
3. Third-Party Procurement Services

The key federal compliance area for the FAST Fund will be competitive procurement. The TxCDBG procurement procedures may differ slightly from your local policies, so It is important to keep all key personnel in the loop before committing to a purchase.

There are three (3) primary eligible procurement types for *FAST* funded projects:

1. Sealed Bids
2. Small Purchase Procurement
3. Third-Party Procurement Services



Procurement

Eligible Procurement Types for *FAST*:

- **Sealed Bids**
 - For purchases greater than \$50,000
 - Eligible for *FAST* vehicle and equipment purchases
 - Formal advertising required
 - Results in firm-fixed price contract to bidder with lowest price
- **Please see “Chapter 5: Procurement Procedures” in the TXCDBG Implementation Manual for more details.**

Sealed bidding is the procurement method most often utilized for TxCDBG infrastructure projects that include both labor and materials. Even though *FAST* funded projects will essentially be materials-only contracts, this type of procurement is available to *FAST* grant recipients. Sealed bids are appropriate for purchases greater than \$50,000 in value. Formal advertising is required and should result in a firm-fixed price contract to the bidder with the lowest price. Please consult the Chapter 5 of the TxCDBG Implementation Manual for more details with regards to processes, procedures and documentation requirements associated with sealed bid procurement.



Procurement

Eligible Procurement Types for *FAST*:

- **Small Purchase Procurement**
 - For purchases up to \$50,000 (cumulative)
 - Eligible for *FAST* equipment purchases, in the right circumstances
 - Prices or quotes from three (3) qualified sources required
 - The contract must be awarded to the lowest appropriate bidder
- **Please see “Chapter 5: Procurement Procedures” in the TXCDBG Implementation Manual for more details.**

In the right circumstances, small purchase procurement may be an option for *FAST* funded applicants. Small purchase procurement is specifically designed for project-related purchases equal to or less than \$50,000 in value (cumulative). Small purchase procurement is a relatively simple and informal procurement method where price or rate quotations must be requested from at least three (3) qualified sources and the contract is awarded to the lowest appropriate bidder. Please note that Local Government Code specifically prohibits the use of the small purchase procurement method to make separate, sequential, or component purchases of items or services, with the intent of avoiding the competitive bidding requirements. Please consult the TxCDBG Implementation Manual for more details with regards to processes, procedures and documentation requirements associated with small purchase procurement.



Procurement

Eligible Procurement Types for *FAST*:

- **Third-Party Procurement**
 - Eligible for FAST vehicle and equipment purchases
 - Examples of third-party procurement services include BuyBoard and HGACBuy
 - State, local and federal procurement requirements are conducted by the third-party purchasing cooperative.
- **MUST retain documentation of competitive procurement procedures**

A third option is also available for FAST Fund procurement – Third Party Procurement such as the HGACBuy or BuyBoard. In this method the purchasing co-op conducts many of the competitive procurement requirements on behalf of its members. However, TxCDBG grant recipients must still retain documentation that these competitive requirements were met.



Procurement

Eligible Procurement Types for *FAST*:

- **Third-Party Procurement (*continued*)**

Procurement procedures documented by co-op

- Invitation for bids advertisements published in a local newspaper during two consecutive weeks.
- Documentation of affirmative steps to include **Minority Business Enterprises and Women's Business Enterprises in contracting opportunities when possible.**
- Bid tabulation of bids received and opened.

Contract Documents

Fire Service Apparatus (All Types)

FS12-17

Solicitation Documents

Vendor Documents

Alamo Fire Apparatus, LLC

All-American Fire Equipment, Inc.

Generally, the purchasing cooperative will have available much of the required procurement documentation.

At a minimum, the elements listed here must be included in your local file. The screenshot shown on this slide is from the HGACBuy website and is an example of where you may find this type of documentation. If not available online, be sure that you request this information from the purchasing cooperative.



Procurement

Eligible Procurement Types for *FAST*:

- **Third-Party Procurement (*continued*)**

Procurement procedures documented by co-op

- Interlocal agreement between the local purchasing entity and the purchasing cooperative.
- Documentation verifying non-debarment status on the System for Award Management
- Board minutes or other record of the official contract award.
- Executed contract with awardee or a purchase order.
- Invoice(s) for payment

In addition to the purchasing cooperative's documentation, the applicant must document the remainder of the procurement process. This includes a copy of the agreement with the co-op, the SAM clearance for the vendor, and award and contracting information for the FAST vehicle and equipment. Invoices will be required with each Request for Payment for the grant funds.



Procurement

Contract Provisions

- **Regardless of the type of procurement used, the contract/purchase order must include federal provisions**
- **Please see “Chapter 5: Procurement Procedures” and Appendix B in the TXCDBG Implementation Manual for more details.**

Regardless of which type of procurement is used, contracting requirements apply. The TxCDBG Implementation Manual identifies the federally required contract provisions. Other procurement requirements also apply such as recordkeeping and reporting requirements, and prohibitions on conflicts of interest. If you have any questions regarding Chapter 5 of the TxCDBG Implementation Manual, please contact your Contract Specialist.

For additional information or questions,
contact your Contract Specialist or
Melissa Gonzales at
Melissa.Gonzales@TexasAgriculture.gov



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That concludes the FAST Grant Kick-off webinar. You may now ask questions.