



Texas Department of Agriculture  
Texas Community Development Block Grant Program  
PO Box 12847  
Austin, TX 78711

## POLICY ISSUANCE CDBG 25-01

Effective Date: January 1, 2026

### **SUBJECT: Updates to the 2025 TxCDBG Implementation Manual**

The Texas Department of Agriculture announces the following changes to the TxCDBG Implementation Manual:

- Revisions for clarity in Chapter 5 Procurement Procedures and Chapter 8 Force Account Labor.
- New guidance in Chapter 1 Administration and Reporting for state public hearing requirements.
- New guidance in Chapter 2 Financial Management for changes to timing of disbursement documentation requirements.
- New guidance in Chapter 4 Contract Special Conditions for federal requirements.

**ACTION:** The TxCDBG Implementation Manual is modified as follows:

- Chapter 1 is modified to revise section 1.1.5 Public Participation;
- Chapter 2 is modified to revise section 2.4 Payment Request Procedures;
- Chapter 4 is revised to update section 4.1.7 Buy America Preference and to add new section 4.2.9 Projects Requiring Citizenship or Immigration Status Verification
- Chapter 5 is revised to update sections 5.1.1 Features of Good Procurement Systems, and 5.5.2 Award by Governing Body; and
- Chapter 8 is revised to clarify section 8.3 Force Account Recordkeeping, Closeout.

### **APPLICATION:**

These changes will apply to all open TxCDBG grants as of January 1, 2026.

Thank you for your efforts to ensure compliance with all federal, state and program requirements. If you have any questions or if we can provide any further assistance, please contact me [CDBGReporting@TexasAgriculture.gov](mailto:CDBGReporting@TexasAgriculture.gov).

A handwritten signature in blue ink that reads "Suzanne Barnard".

---

Suzanne Barnard, State Director  
Texas Community Development Block Grant Program  
Texas Department of Agriculture

## **1.1.5 Public Participation**

### **Public Hearing Provisions**

A key component of the program is the opportunity for residents to express their needs and concerns, regarding TxCDBG funded projects, to the Grant Recipient.

- The Grant Recipient must hold a public hearing prior to authorizing submittal of the grant application.
- If the project is funded, the Grant Recipient must hold a public hearing concerning any proposed substantial change, as determined by TDA, in the use of TxCDBG funds, see *Chapter 11 Grant Agreement Amendments*.

**NOTE:** When public participation requires both a public hearing and a local governing body resolution to support the same action, the public hearing **must** precede passage of the resolution.

- Upon completion of all project activities, the Grant Recipient must hold a public hearing and review its program performance, including the actual use of TxCDBG funds.

Public hearings, as required by the fund specific Application Guide and *Chapters 11 and 12* and *Section B* of this manual, must comply with the following:

- Hearings must be held in a location convenient to the project beneficiaries;
- Hearings must be held at, or after, 5 p.m. on a weekday or on a Saturday or Sunday;
- Grant Recipient must provide accommodations for persons with disabilities;
- Hearings must 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. The Grant Recipient must adhere to its Limited English Proficiency (LEP) Plan, see *Chapter 10 Civil Rights*;
- Grant Recipient must provide notice of the hearing to the public prior to the scheduled hearing -
  - a. Notice must be given at least three days in advance – neither the date of publication nor the date of the hearing are included in the three day notice period;
  - b. Notice must include the date, time, location of the hearing, and the topics to be considered; and
- Records related to the hearing must be made available to the public.<sup>1</sup> Required documentation includes the public hearing notice, sign-in sheet with a list of attendees, the minutes of the hearing, and a summary of public comment(s).

---

<sup>1</sup> Texas Government Code, Chapter 552 (Texas Public Information Act).

## **2.4 Payment Request Procedures**

Detailed step-by-step instructions for submitting a Payment Request in TDA-GO may be found on the TDA website.

If TDA staff identifies minor revisions to the data, staff may make certain adjustments and note those changes in the TDA Comments box.

**EXAMPLE:** The payment request exceeds a funding threshold (e.g., Groups A, B, C, etc.) that has not been satisfied, but the costs are otherwise eligible, TDA staff will reduce the grant amount requested and note the amount which may be claimed on subsequent payments. If costs included on the reported invoice are not eligible for the TxCDBG program, TDA staff will note the disallowed amount in the appropriate column and reduce the grant amount requested.

Under no circumstances will any TDA staff member increase the amount of grant funds requested on behalf of the Grant Recipient. If additional costs can be claimed, TDA staff may return the payment request to be revised and recertified by the Grant Recipient.

Once a payment request has been submitted, the Grant Recipient may check the status of the request in TDA-GO by navigating to the same payment request. The document landing page will include the current status of the request.

If TDA staff needs additional information or is unable to proceed, the payment processor or administration consultant will be contacted within ten (10) business days of the payment request submittal.

Once funds are approved and disbursed, document the local deposit of grant funds and the disbursement of grant and/or matching funds to appropriate parties on the Disbursement of Funds page in TDA-GO. Complete and accurate documentation must be provided prior to release of any subsequent grant funds.

Note: For existing grants ending on or after March 1, 2026, Grant Recipients should begin uploading documentation for previously approved Payment Requests. TDA will begin holding Payment Requests for grants that have not yet provided this documentation on March 1, 2026.

## **4.1.7 Buy America Preference**

...

The Buy America preference applies to articles, materials, and supplies that are consumed in, incorporated into, or affixed to an infrastructure project. An item meets BABA requirements if:

- Iron and steel –
  - All manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.
- [Manufactured products](#) –
  - The item was manufactured in the United States; or
  - The cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product; or
  - The components of the manufactured product meets another standard for determining the minimum amount of domestic content of the manufactured product established under applicable law or regulation.
- [Construction Materials](#) -
  - [All manufacturing processes occurred in the United States.](#)

The Grant Recipient must provide an itemization to identify the products, quantities, and costs as support documentation.

- The bid tab must be sufficiently detailed to itemize each separate product or material and indicate BABA applicability, OR a separate schedule must be attached to identify BABA applicability for all products or materials.
- If a change to the contract includes new products or materials, and updated itemization must be submitted with the change order.

Documentation of BABA compliance must be provided for a minimum of 95% of all iron, steel, manufactured products, and construction materials used in the project, according to the phased implementation schedule. [The BABA Reporting Page in the Group B Performance Report in TDA-GO documents all permanently installed materials incorporated into the infrastructure project. This form must be updated throughout the project, especially prior to each Payment Request for construction costs. Based on the guidance received from HUD, TDA will accept the following as proof of BABA compliance:](#)

- [A copy of the product description or technical specifications provided by the manufacturer that:](#)
  - [Identifies the item purchased, and](#)
  - [Provides sufficient detail to conclude that the materials comply with BABA.](#)
- [A certificate, letter, or other documentation provided by the manufacturer that:](#)
  - [Identifies the item purchased;](#)
  - [Provides sufficient detail to conclude that the materials comply with BABA; and](#)
  - [Signed by an authorized company representative OR issued by a verified regulatory compliance office within the company.](#)
- [A signed certification from the contractor of a project certifying compliance with BABA.](#)

The optional forms BABA Contractor Certification (**Form A402**) and BABA Manufacturer Certification (**Form A403**) meet these requirements.

#### **4.2.9 Projects Requiring Citizenship or Immigration Status Verification**

Pursuant to the *Personal Responsibility and Work Opportunity Reconciliation Act of 1996, as amended*, the Grant Recipient must verify that beneficiaries of certain activities are eligible based on their immigration and/or citizenship status. Further guidance from HUD is pending and will be provided to Grant Recipients for impacted projects as it becomes available.

### **5.1.1 Features of Good Procurement Systems**

...

Procurement for eligible costs must **not** include the following:

- Cost-plus-a-percentage-of-cost or percentage of construction cost methods of contracting. Contracts using this method will be disallowed entirely, ineligible for any cost reimbursement or match credit;
- Percentage-of-grant methods of contracting. Interested firms responding to a request for proposals for services may not propose a contract fee as a percentage of the prospective CDBG award. Service firms may only propose an estimated fixed cost, which will be subject to negotiation through the competitive proposal process;
- Line items that do not describe actual work to be completed. Any line item for profit, overhead, contingency, or other related terms that do not describe actual work to be performed will not be reimbursed. [Line items noted as “allowance” that do not identify specific work to be performed will be considered contingency items.](#)
- [Note: For line items noted as “allowance” to be considered eligible, the work to be performed must be identified and a not-to-exceed amount must be included in the bid. ex. “testing allowance” for work to be performed by a subcontracted engineering firm or laboratory;](#)
- Retainer contracts/agreements are considered non-competitive and are not an allowable form-of procurement;
- Conflicts of interest. TDA cannot grant an exception to, or waiver of conflict-of-interest regulations related to procurement, regardless of mitigating circumstances, see *Chapter 1 Administration and Reporting*; or
- Any situation considered to be restrictive of competition such as specifying a brand name product.<sup>2</sup>

---

<sup>2</sup> 2 CFR §200.319(b)(1-7)

## **5.5.2 Award by Governing Body**

The Grant Recipient's governing body must award the contract(s) to the selected contractor/service provider.

- **Competitive Proposals Only** – The local governing body has the final authority to award contracts. The local governing body is encouraged to follow the committee's recommendation but may select another Respondent if the minutes of the local governing body meeting include justification for the selection.
- **Sealed Bids and Small Purchase Only** – The Grant Recipient must award the contract to the lowest appropriate bidder. The award amount must equal the amount of the bid, including any bid alternates awarded. If the contract is awarded to a bidder that does not propose the lowest price, the Grant Recipient must document the decision in compliance with Texas Local Government Code.<sup>3</sup>

Minutes documenting award of the contract(s) by the local governing body must include, at a minimum,

- The grant number (or sufficient information to identify a proposed application not yet awarded),
- The name of the contractor/service provider [awarded](#),
- The purpose of the contract/agreement, and
- The amount of the awarded contract. [For professional services, this requirement may be satisfied by a statement that the contract amount will be negotiated for a fixed price prior to execution.](#)

Update the MSR with contract award information. Detailed step-by-step instructions for completing and submitting an MSR in TDA-GO may be found on the TDA website.

---

<sup>3</sup> *Tex. Loc. Gov't Code, §252.043 (Municipalities), §262.027 (Counties)*

## **8.3 Force Account Recordkeeping**

...

### **Closeout**

Upon completion of the construction, a *Certificate of Construction Completion for Force Account (Form A807)* must be submitted to TDA. The certificate must provide a detailed description of the quantities installed and scope of work completed by force account crews.

In addition, the total costs claimed as grant and/or matching funds using the force account method must be recorded on the appropriate TDA-GO MSR. Use the change order function to update the MSR.