

Texas Community Development Block Grant Program Engineer Webinar



TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER

Today's Topic

- Grant Agreement-Beneficiaries and Project Maps
- Davis-Bacon Labor Standards
- When Ready to Bid
- Payment Requests
- Amendments
- Construction Closeout

Grant Agreement - Beneficiaries and Project Maps

- Project activities
- Beneficiaries
- Timelines
- Special Conditions (if applicable)
- Budget
- General Terms and Condition



TEXAS DEPARTMENT OF AGRICULTURE

GRANT AGREEMENT

GRANTEE	Cross Plains
GRANT PROGRAM	CDBG - Community Development Fund - 2021
PROJECT TITLE	CDBG - Community Development Fund - 2021
CFDA NUMBER	14.228
PERFORMANCE PERIOD/ AGREEMENT TERM	2/1/2023 Through 1/31/2025
AUTHORITY AND PURPOSE	
<p>The United States Government has awarded Community Development Block Grant ("CDBG") funds to the State of Texas for activities authorized under Title I of the Housing and Community Development Act of 1974 ("HCD Act"), as amended (42 U.S.C. 5301 et seq.). The Texas Department of Agriculture ("Department") administers the State Community Development Block Grant ("TxCDBG") Program pursuant to Texas Government Code §487.051.</p> <p>Grant Recipient has submitted a request for assistance under this Grant Program, hereinafter referred to as the "Application," hereby incorporated by reference into this Grant Agreement ("Agreement"). This Agreement sets forth the obligations of the parties along with the terms and conditions under which the Department will provide Grant Program funds to Grant Recipient under this award. Grant Recipient agrees to administer the project as described herein ("Project"), and the Department agrees to fund the Project up to the Grant Amount.</p>	
PROJECT DESCRIPTION	
<p>Ground storage tank (GST) and elevated water storage tank (EST) rehabilitation in the City of Cross Plains.</p> <p>Grant Recipient agrees to carry out the Project and complete all approved activities in accordance with the terms of this Agreement, including the following Exhibits which are attached hereto and incorporated into this Agreement: Performance Plan and Specific Award Conditions (Exhibit A), Project Budget (Exhibit B), General Terms and Conditions (Exhibit C), Certifications and Assurances (Exhibit D), and to comply with all statutes and regulations as applicable to this award and such regulations and procedures as the Department may prescribe.</p>	
TOTAL GRANT AMOUNT NOT TO EXCEED	\$350,000.00
MATCH AMOUNT (if applicable)	\$17,500.00

Grant Agreement - Beneficiaries and Project Maps

Exhibit A

Performance Plan and Specific Award Conditions

A. Eligible Use of Funds

1. As a condition of receiving this award, Grant Recipient shall administer the Project funded under this Agreement and complete all activities described in this Exhibit A in accordance with the Project Schedule and performance goals outlined herein. Grant Recipient shall perform and complete all work and activities in a manner satisfactory to the Department and consistent with the terms of conditions of this Agreement and applicable statutes and regulations.

2. The use of Grant Program funds is premised upon, and conditioned on, Grant Recipient fulfilling one of the program's national objectives. Grant Recipient certifies that the activity (ies) carried out under this Agreement will meet the national objective of Urgent Needs. If Grant Recipient fails to meet a national program objective, as specified in this Exhibit A, Grant Recipient shall reimburse the Department all grant funds received under this Agreement within 30 days of notice or such timeframe as requested by the Department.

3. Grant Recipient will undertake the following activities and provide the following levels of program services.

Citywide - 03J

Grant Recipient shall address the following local need:
Deteriorated manholes resulting in inflow and infiltration into sewer system.

Grant Recipient shall complete the following work:
Rehabilitate thirteen (13) manholes including related pavement repair and all associated appurtenances.

Grant Recipient shall perform this work in the following location(s):
Manholes to be replaced along WWTP main line. This location is more fully described in Figure A1 below, which is incorporated herein. In the event of a conflict between this description and Figure A1, Figure A1 controls.

These activities shall benefit 535 persons, of which 342 or 63.9252336449 percent are of low- to moderate-income.

Grant Agreement - Beneficiaries and Project Maps

3. Grant Recipient will undertake the following activities and provide the following levels of program services.

City of Wilson - 03J

Grant Recipient shall address the following local need:

Insufficient water supply resulting in lack of capacity and redundancy.

Grant Recipient shall complete the following work:

Install 1 new water well including related sitework

Install 530 LF of 6-inch waterline

Install electrical and SCADA

Install fencing

Provide appropriate water well testing

and all associated appurtenances.

Grant Recipient shall perform this work in the following location(s):

The elevated storage tank and treatment facility at the corner of Houston Avenue and 11th Street to Merrem Avenue.

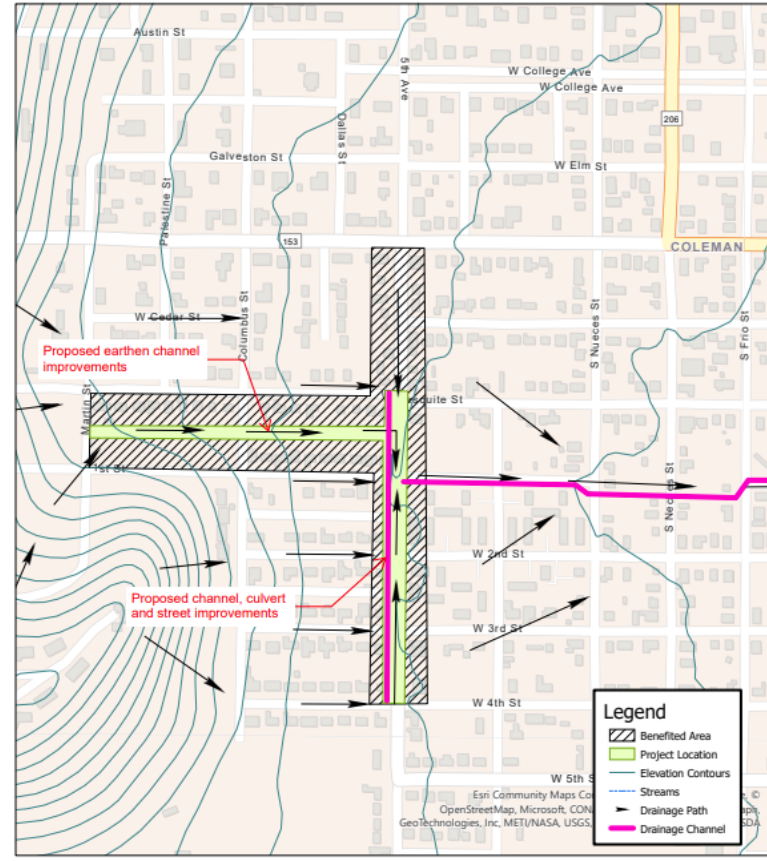
This location is more fully described in Figure A1 below, which is incorporated herein. In the event of a conflict between this description and Figure A1, Figure A1 controls.

These activities shall benefit 360 persons, of which 190 or 52.78 percent are of low- to moderate-income.

Grant Agreement-Beneficiaries and Project Maps



Grant Agreement-Beneficiaries and Project Maps



Grant Agreement - Timeline

C. Timeline

Grant Recipient will comply with the following Project Schedule. Failure to meet any of the below milestones may result in sanctions as outlined in the TxCDBG Project Implementation Manual, Requests for Applications, other published guidance, and conditions of this agreement.

Pre-Agreement Cost Begins:	5/3/2023
Grant Contract Period Begins:	2/1/2024
Environmental Review/Plans & Specifications Recommended to be Complete:	8/1/2024
Group B Forms Required to be Complete:	2/1/2025
Project Recommended to be Complete, including inspections:	10/1/2025
Grant Contract Period Ends:	1/31/2026
Final Payment and Closeout Documentation Required to be Submitted:	4/1/2026

Grant Agreement - Special Conditions

D. Special Conditions

Grant Recipient agrees and assures the Department that it will comply with all the special provisions and requirements of the award described herein.

....

9. The Grant Recipient must comply with the requirements of the Build America, Buy America (BABA) Act, 41 USC 8301 note, and all applicable rules and notices, as may be amended, if applicable to the Grant Recipient's infrastructure project, including iron, steel, and specified construction materials. Any funds obligated under this grant agreement are subject to BABA requirements as described in Chapter 4 of the TxCDBG Project Implementation Manual, unless excepted by a waiver.

10. In addition to the documentation required by Chapter 2 of the Project Implementation Manual, funds awarded under this Agreement will not be disbursed to Grant Recipient until these special conditions are met. Grant Recipient shall submit to the department:

Certification of compliance with the requirements of the Violence Against Women Act Reauthorization of 2022 and the Right to Report Crime and Emergencies from One's Home, confirming that no ordinances, local regulations, or policies adopted by the local government and currently in effect contain any financial or regulatory penalty imposed on property owners or residents as a result of any use of emergency services as required by TxCDBG Policy Issuance 23-01.

11. Grant Recipient shall provide to the Department a copy of the Final Inspection Approval letter from the Texas Department of Licensing and Regulation for the plans and specifications specified in the Performance Statement.

Project Specific Conditions

- 2025 grants: #14 and higher
- 2023-2024: #10b and higher
- 2021-2022: #9 and higher

Grant Agreement - Budget

Exhibit B

Budget

A. Approved Budget

1. It is understood and agreed that the total amount of grant funds under this award shall be used for the Project outlined in this Agreement. Grant Recipient shall expend grant funds under this award in accordance with the approved Project budget specified herein. All Project-related expenses must be reasonable and necessary.
2. The Department may require a more detailed budget breakdown than the one contained herein, and Grant Recipient shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the Department.
3. Any amendments to the Project budget must be approved in writing by both the Department and Grant Recipient.

HUD Activity	Awarded Amount
03J	\$405,670.00
14A	\$199,330.00
Engineering	\$85,000.00
Admin	\$60,000.00
Total Grant Awarded	\$750,000.00
Committed as Match	\$15,000.00
Match Ratio	2.00%

Grant
Agreement-
Beneficiaries
and Project
Maps



Davis-Bacon Labor Standards



The **Davis–Bacon Act** of 1931 is a United States federal law that establishes the requirement for paying the local prevailing wages on public works projects for laborers and mechanics. It applies to "contractors and subcontractors performing on federally funded or assisted contracts in excess of \$2,000 for the construction, alteration, or repair (including painting and decorating) of public buildings or public works"

Davis-Bacon Labor Standards



Procedures for Labor Compliance:
Obtain applicable Wage Decision for the project

- Wage Rate Classifications:
 - Highway Construction
 - Building Construction
 - Residential Construction
 - Heavy Construction



Davis-Bacon Labor Standards

1/22/25, 12:01 PM SAM.gov

PLUM0146-002 01/01/2024

	Rates	Fringes
PLUMBER/PIPEFITTER.....	\$ 38.28	12.81

SUTX1990-041 06/01/1990		
	Rates	Fringes
CARPENTER.....	\$ 10.40 **	\$3.64
Concrete Finisher.....	\$ 9.81 **	
ELECTRICIAN.....	\$ 13.26 **	
Form Setter.....	\$ 7.86 **	
Laborers:		
Common.....	\$ 7.25 **	
Utility.....	\$ 8.09 **	
PAINTER.....	\$ 10.89 **	
Pipelayer.....	\$ 8.43 **	
Power equipment operators:		
Backhoe.....	\$ 11.89 **	3.30
Bulldozer.....	\$ 10.76 **	
Crane.....	\$ 13.16 **	3.30
Front End Loader.....	\$ 10.54 **	
Mechanic.....	\$ 10.93 **	
Scraper.....	\$ 10.00 **	
Reinforcing Steel Setter.....	\$ 10.64 **	
TRUCK DRIVER.....	\$ 7.34 **	

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.		
=====		
** Workers in this classification may be entitled to a higher minimum wage under Executive Order 14026 (\$17.75) or 13658 (\$13.30). Please see the Note at the top of the wage determination for more information. Please also note that the minimum wage requirements of Executive Order 14026 are not currently being enforced as to any contract or subcontract to which the states of Texas, Louisiana, or Mississippi, including their agencies, are a party.		

Davis-Bacon Labor Standards

Davis-Bacon Post Bid:

- Hold pre-construction meeting
- Review wage classifications
- Determine if any additional classifications are needed

Davis-Bacon Labor Standards


Procedures for Labor Compliance:

- Review Project Payrolls During Construction
- Submit Construction Completion Reports



Davis-Bacon Labor Standards

Consequences for non-compliance:

- Wage Restitution
 - Overtime and Underpayment penalties
 - Withholding of payments
- 



Davis-Bacon Labor Standards

When Ready To Bid

Procurement Procedures

CFR: § 200.319 Competition.

All procurement transactions under the Federal award must be conducted in a manner that provides full and open competition.

§ 200.320 Procurement methods.

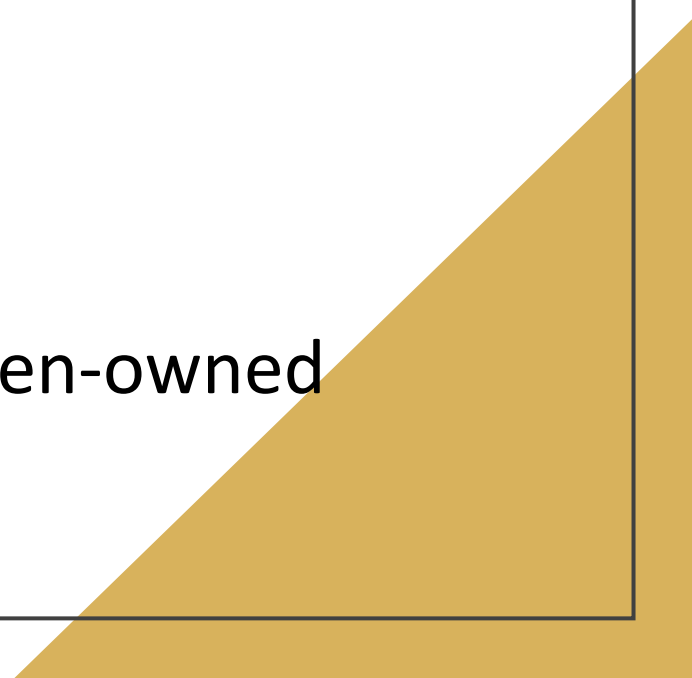
There are three types of procurement methods: informal procurement methods (for micro-purchases and simplified acquisitions); formal procurement methods (through sealed bids or proposals); and noncompetitive procurement methods.



Grant Recipients must adhere to all applicable state, federal and local requirements regardless of the source of funds.

When Ready To Bid

Procurement and Contracting

- Must demonstrate fair, uniform and open competitive process
 - Document the process
 - Observe the rules
 - Properly bond and procure
 - Use local businesses, small, minority and/women-owned
- 

When Ready To Bid

Methods of Procurement

- **Sealed Bids (formal advertising)**
 - Procurement of construction or materials.
- **Small Purchase (\$100,000 or less)**
 - Procurement of construction services, supplies or materials.
- **Micro-purchase (\$2,000 or less)**
 - unanticipated supplies or services.
- **Non-competitive Proposal (sole source)**
 - TDA approval required

When Ready To Bid

When Preparing the Bid Packet

- The Grant Recipient must prepare a bid packet detailing the specific goods or services to be provided by the contractor.
- 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.
 - Specific goods and/or services is the CDBG approved activity
 - Additive alternatives

When Ready To Bid

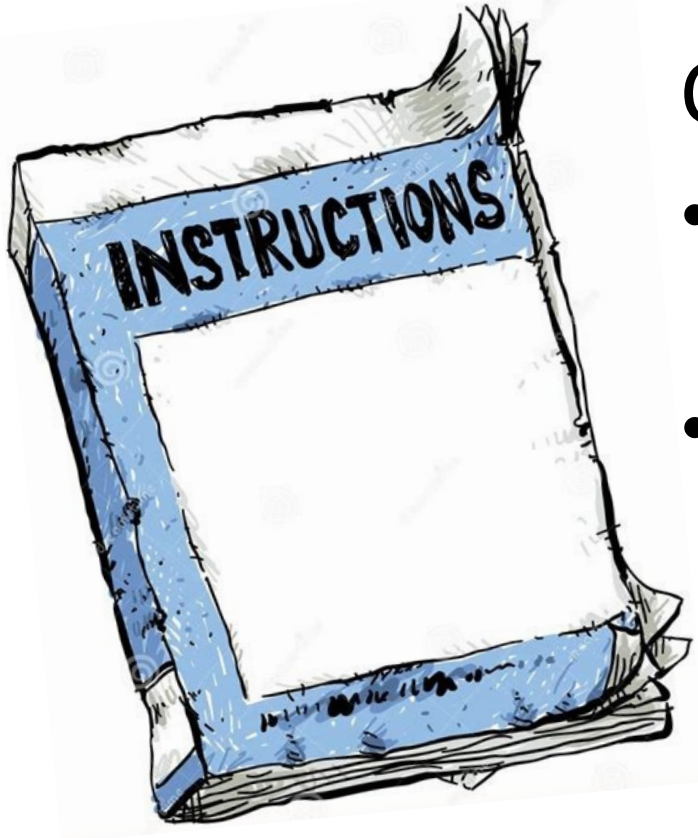
Bid Tab vs Performance Statement

- Are there differing units of measure?
 - In the case an item is bid in another unit of measure, unit conversion will be required.
- Is the project bid to scale?
 - TDA expects the full project described in the grant agreement to be bid out including any alternates.

When Ready To Bid


Clear Bid Instructions are Key

- Define Bid Price
 - Unit Price x Quantity
- Define Units
 - Lump Sum items provide limited flexibility and may require a schedule of values.



When Ready To Bid

Clear Bid Instructions are Key

- Bid Alternatives
 - Replacement Alternatives
 - Additive Alternatives
 - Separate Sections by location / funding source
 - The use of deductive alternates is strongly discouraged
- 

When Ready To Bid



Environmental clearance must be completed **before** the Grant Recipient executes any construction or materials contract.

When Ready To Bid

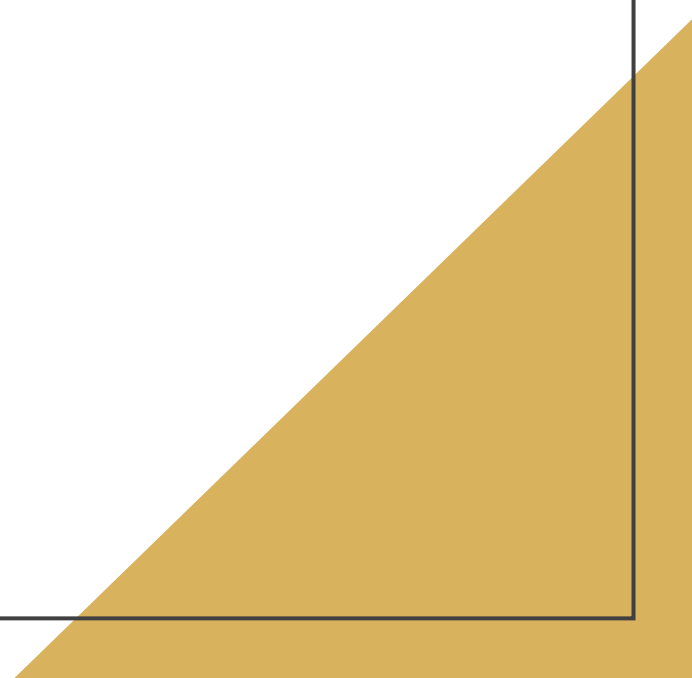
Davis-Bacon Act Compliance

- Obtain prevailing wages
 - Labor Standards Officer obtains applicable Wage Decision from SAM.gov
 - Form A705- Request for Additional Classifications and Rate



When Ready To Bid

Advertising for Bids-Requirements

- Publish once a week for two consecutive weeks
 - First publication date is at least fifteen (15) days
 - Ensure two published notices at least seven days apart
 - Describe work
 - Include time and place
 - Indicate whether lump-sum or unit
 - Indicate method of payment
 - Indicate type(s) of bond(s) required
 - Indicate whether contract will be awarded
 - Identify TxCDBG grant agreement number
- 

When Ready To Bid


Holding the Bid Opening

- Evaluate and Select the Low Bidder
 - Carefully review the bids submitted
 - Allow time to research
 - Do not correct errors in bid price
 - Re-bid when bids exceed the budget
 - **NO NEGOTIATION** - WILL RESULT IN THE DISALLOWANCE OF TxCDBG FUNDS FOR CONSTRUCTION COSTS



When Ready To Bid

Electronic Bids:

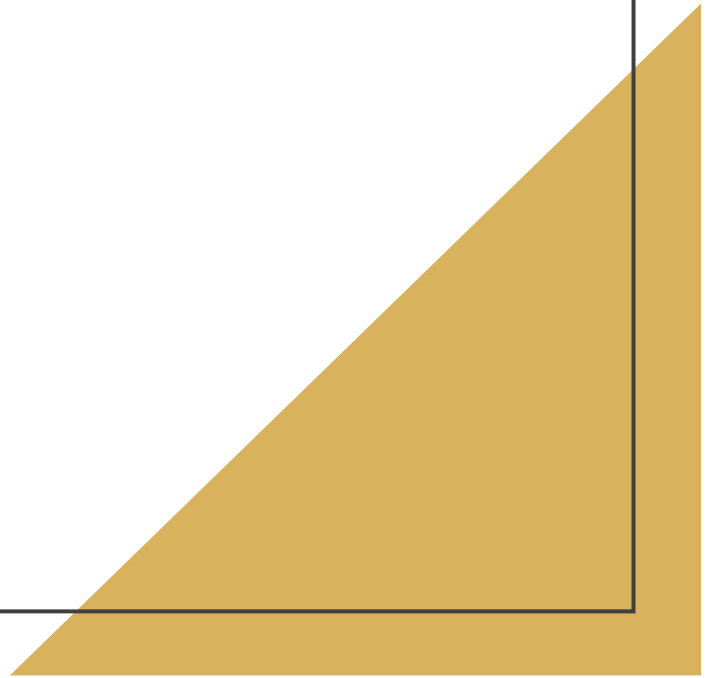
- Must remain effectively unopened until the proper time
 - Maintain procurement records
 - Documentation of any software used to accept bids
 - Keep other statutory or programmatic documents
- 

When Ready To Bid

Essence of Good Procurement

Summarized as follows:

- Identify and clearly specify standards
- Seek competitive offers
- Use a clear written agreement
- Keep good records
- Have a quality assurance system
- Ensure good communication



When
Ready To
Bid

Q&A

You have

Questions

We have

Answers

Buy America, Build America



Infrastructure Investment and Jobs Act

- Signed on November 15th, 2021
- Requires all iron and steel, construction materials, and manufactured products used in federal-funded infrastructure projects to be produced in the United States.

Purpose of BABA:

- Stimulate investment in manufacturing
- Bolster supply chains
- Support Jobs creation

Buy America, Build America

Materials vs Components

What is being brought on site? vs What is it made of?

Classifying Materials:

- Iron and Steel Products
- Construction Materials
- Manufactured Products
- Section 70917(c) Materials

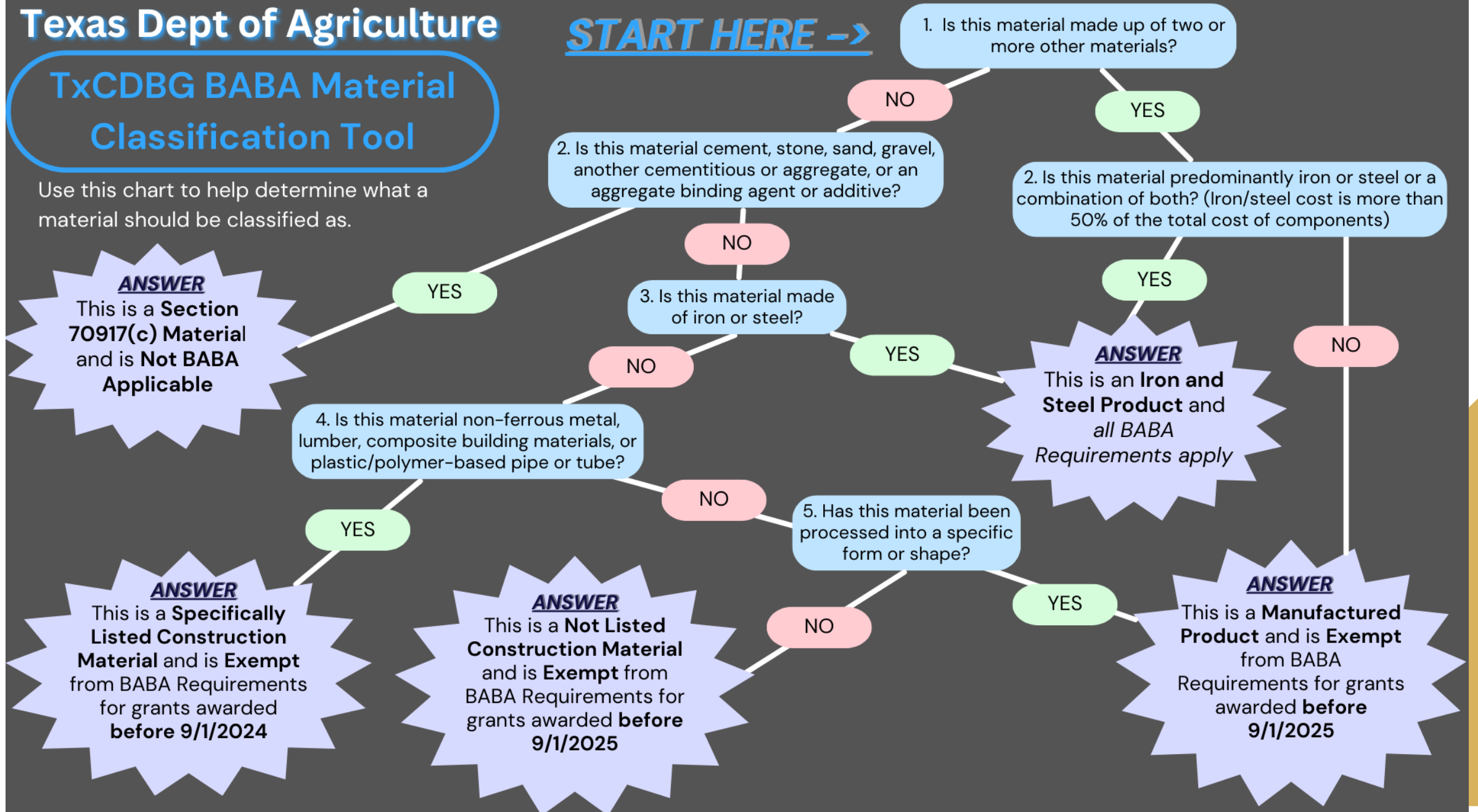


Texas Dept of Agriculture



TxCDBG BABA Material Classification Tool

Use this chart to help determine what a material should be classified as.

START HERE ->



For a list of materials by Phased Implementation Schedule, click [HERE](#).

Row	Material Description	Related Bid Item #(s)	Material Cost	Waiver Status	Manufacturer's Certification	Reviewed by TDA
1	Flex Base	4, Alt 4	\$ 20.00	Not BABA Applicable	Browse Drag Files Here	<input checked="" type="checkbox"/> + -
2	Lime (slurry)	6, 7, 6A, 7A	\$ 425.00	Not BABA Applicable	Browse Drag Files Here	<input checked="" type="checkbox"/> + -
3	Prime Coat (MC-30)	8, Alt 8	\$ 7.00	Not BABA Applicable	Browse Drag Files Here	<input checked="" type="checkbox"/> + -
4	D-GR HMA TYP D - hot mix asphalt	9, Alt 9	\$ 80.00	Not BABA Applicable	Browse Drag Files Here	<input checked="" type="checkbox"/> + -
5	Sand Backfill	11, Alt 11	\$ 20.00	Not BABA Applicable	Browse Drag Files Here	<input checked="" type="checkbox"/> + -
6	RCP - steel wire mesh reinforcement	12	\$ 3.00	Certification Required	Browse Drag Files Here 	<input type="checkbox"/> + -
7	Manhole 48in - concrete and reinforced steel	13	\$ 70.00	Certification Required	Browse Drag Files Here 	<input type="checkbox"/> + -
8	Inlet - steel and reinforced concrete	14	\$ 170.00	Phased Implementation Waiver Claime	Browse Drag Files Here	<input checked="" type="checkbox"/> + -
11	Driveways (HMAC) - hot mix asphalt	22, Alt 12	\$ 50.00	Not BABA Applicable	Browse Drag Files Here	<input checked="" type="checkbox"/> + -
12	Mailbox - no steel components,	23	\$ 250.00	Phased Implementation Waiver Claime	Browse Drag Files Here	<input checked="" type="checkbox"/> + -
13	Aluminum Signs	25, Alt 13	\$ 40.00	Phased Implementation Waiver Claime	Browse Drag Files Here	<input checked="" type="checkbox"/> + -

Buy America, Build America

Acceptable 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.
- **TDA's BABA Contractor Certification (Form A402) and BABA Manufacturer Certification (Form A403) meet these requirements.**
- **TDA reserves the right to request additional documentation at any time.**

Buy America, Build America

Project-/Product-Specific Waivers-

- Nonavailability
 - Unreasonable Cost
 - Public Interest
-
- Only one waiver approved for similar projects
 - Submitting a waiver doesn't guarantee approval
 - Waivers cannot be applied retroactively



TDA does not have the authority to waive BABA.

Any project delays due to the waiver process will not be considered for proposed Grant Agreement extensions

BABA SME: Matthew.Ciesko@TexasAgriculture.gov



Change Orders in Construction



Necessary when:

- Decrease or increase in quantity of work
- Decrease or increase of materials, equipment or supplies
- Change in contract duration
- Change in specifications
- **TDA must approve all change orders**

Change Orders in Construction – DO's

- The Grant Recipient must have sufficient funds
- Requested changes to material or construction method must identify change in specifications



Change Orders in Construction – DO's

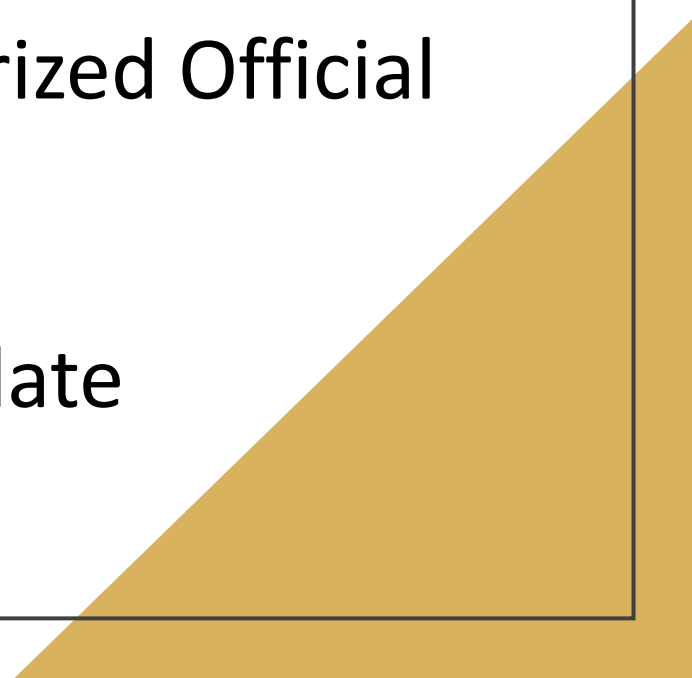
Submitting the Change Order

- Reimbursement and match credits:
 - Change order must be submitted and approved
 - Grant Recipient is obligated for costs if executed without TDA approval
 - Submit **ALL** change orders prior to executing work

Change Orders in Construction

The Change Order Form

Remember to include:

- Basic Information about Grant (grant number; name of City; etc.)
 - Signature/date from Engineer and Authorized Official
 - Justification for change order
 - Original contract price calculations
 - If extension, include project completion date
 - Schedule of values for all LS items
- 

Change Orders in Construction

Changes to Existing Line Items

Changes to Existing Line Items (Items from original bid or added in previous change order ONLY)								
Bid Item #	Item Description	Original Qty.	Proposed Qty.	UOM	Unit Price	Δ Qty.	Change in Contract Price	+
15	2" Cut and Cap	8	9	EA	\$1,500.00	1	\$1,500.00	-
21	8" Insertion Valve	3	0	EA	\$8,910.63	-3	(\$26,731.89)	-
20	6" Insertion Valve	1	0	EA	\$7,760.63	-1	(\$7,760.63)	-
12	Service Reconnection	9	13	EA	\$391.60	4	\$1,566.40	-
13	SDR9 PVC Service Line	245	285	LF	\$6.00	40	\$240.00	-
Contract Change Sub-Total:							(\$31,186.12)	

Change Orders in Construction

New Items Requested

- Justification from engineer
- Unit price (MUST demonstrate competitive pricing for new items)

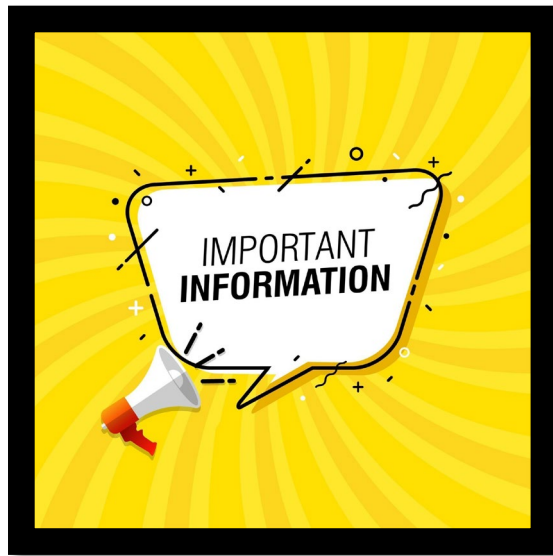
This change order includes two hours of hydro excavation to determine if two buried lines (2" Steel & 6" Steel) found during excavation are connected to the existing waterline or abandoned. This hydro-vac excavation will aid in determining if these lines will need to be connected to the proposed waterline in the original scope and contract without damaging the lines. In addition, this change order also replaces the 6" and 8" insertion valves with regular waterline valves which will be installed to live lines. Insertion valves are typically installed on lines that are unable to be turned off, however during construction, it was found that the water flow was able to be restricted during these valve installations. The regular valves will be a cost saving measure and will provide the City with a higher quality product for extended life. Furthermore this change order includes additional service reconnections, service line and 1" waterline connections to connect the existing infrastructure to the new waterline. Attachment 1 provides a cost justification for the new items requested in this change order.

Change Orders in Construction – DON'Ts!



- **DON'T** increase the original contract price by more than 25%
- **DON'T** request to revise a competitive procurement unit price
- Re-mobilization requests **must** be justified – matching funds only

Change Orders in Construction



Amending the TxCDBG Contract:

- Project changes reflected in a change order may also require an amendment on the TxCDBG Agreement Performance Statement or Budget.

Change Orders and BABA

All changes to existing items and new items via change orders must be reflected in the BABA Reporting Page (coordinate with grant administrator)



Summary of Funding Thresholds	Grant Budget Available
General Administration Grant Budget	
Acceptance of all Group A documents	0 to 50%
Acceptance of all Groups A and B documents	51 to 90% <i>(retain minimum \$3,000)</i>
Acceptance of all Project Complete Group documents (approved after Issuance of Grant Closed notice by TDA)	91 to 100%
Engineering Grant Budget (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 Construction Complete Group documents and any regulatory approvals required by the Grant Agreement, such as Texas Commission on Environmental Quality (TCEQ) interim well approvals or Texas Department of Licensing and Regulation (TDLR) inspections	91% to 100%
Construction Grant Budget(s)	
Acceptance of all Group A and Group B documents	0 to 75%
Acceptance of all Group A, Group B, and Group C documents	76% to 95%
Acceptance of all Group A, Group B, Group C, and Construction Complete Group Documents	96% to 100%



Payment
Request

Payment Request

TDA doesn't want to see emails like the one below.



Good morning, Eduardo.

The work shown in the original performance statement and awarded are complete, but we have not received a pay application and final payroll information to verify hours. **The contractor is submitting one pay application at the end of construction.** We have informed them of new requirements regarding threshold billing that might prevent them from doing that in the future.

Payment Request



Amendments

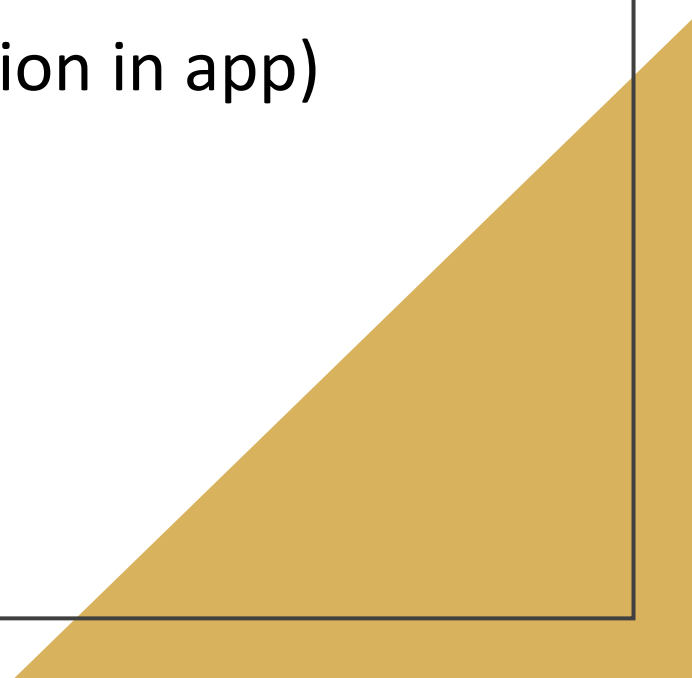
Changes in the original terms of the agreement:

- Performance Statement Amendment
- Budget Amendment
- Grant Period Extension Amendment
- Special Conditions Amendment



Amendments - Performance Statement

Key Questions for Engineer's Justification:

- Is the original project complete?
 - Is the purpose of the revised project the same?
 - Are the same residents benefitting? (see justification in app)
 - Are the locations the same?
- 

Amendments – Locations

- Map 1 – Markup of changes, color coded
- Map 2 – Clean copy after revision, replaces Figure A1



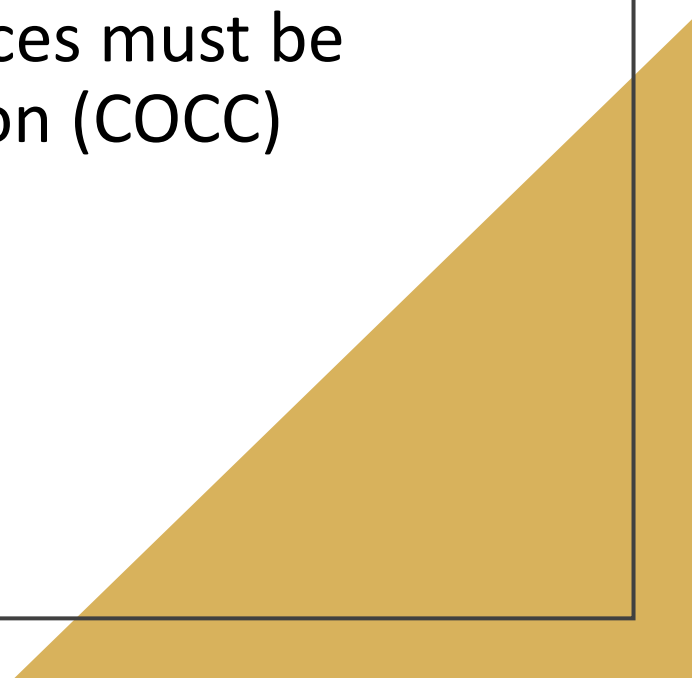
Markup



Clean

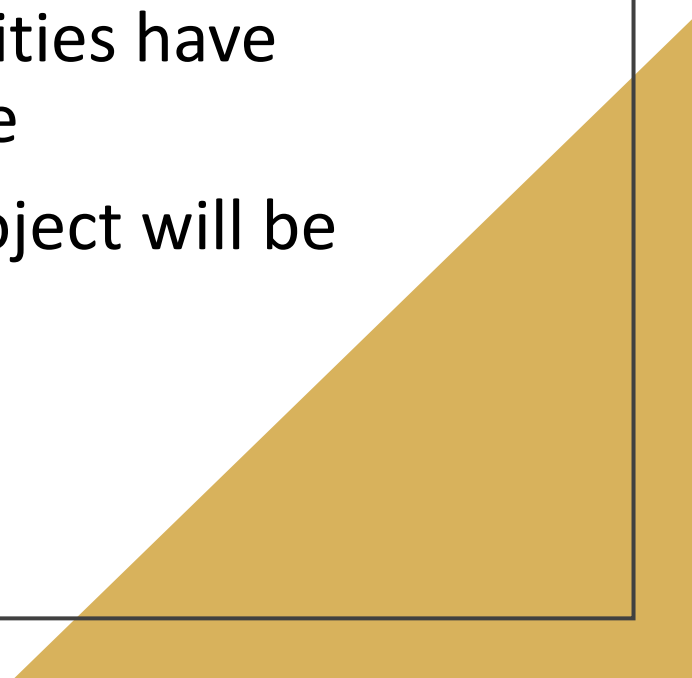


Amendments - Budget

- See Application Guides for relevant maximum budget amounts
 - Transfers between construction lines: after bid opening or as soon as the issue is known
 - Transfers to administration and engineering services must be requested prior to the final construction inspection (COCC)
- 

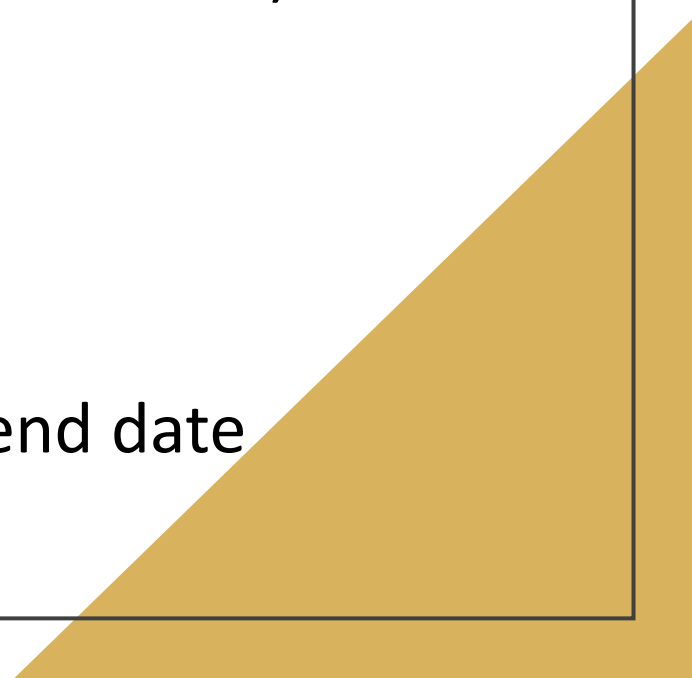
Amendment for an Extension

An amendment requesting an extension in which construction procurement or work has yet to begin should include the following:

- Engineer's justification
 - A timeline that includes what project related activities have occurred up until the contract agreement end date
 - A timeline with milestones illustrating how the project will be completed by the proposed extension date
- 

Amendments - Timing

Discuss potential amendments:

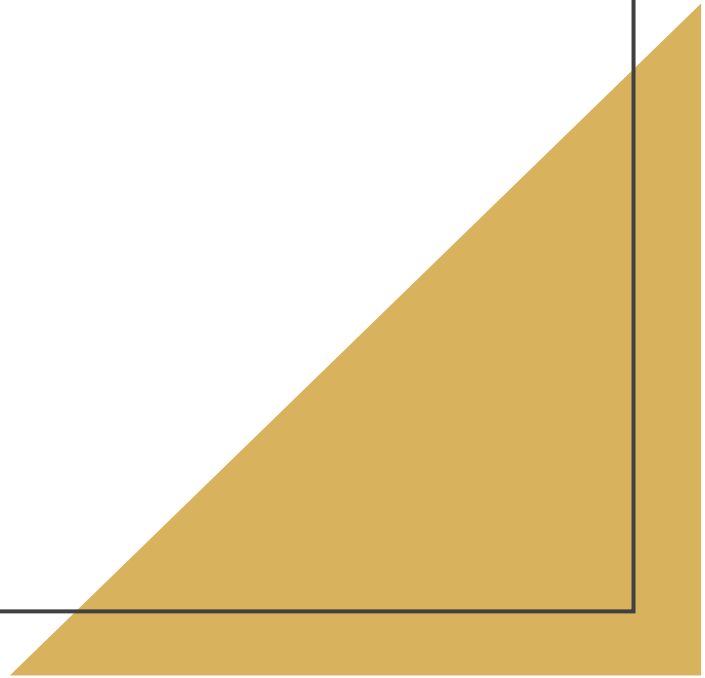
- As soon as a significant design change is known
 - Before performing the work (must re-evaluate env. review)
 - Progress Milestones
 - After Bid opening
 - 75% construction completion
 - At completion
 - Extensions – ~ 60 days prior to grant agreement end date
- 

Amendments



Construction Closeouts

- **Certificate of Construction Completion:**
 - Final inspection must be conducted
 - All parties must agree the work is acceptable
 - Obtain all signatures on required form
- **Calculation of Unit Conversion**





The End