

# 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

<b>GRANTEE</b>	Cross Plains
<b>GRANT PROGRAM</b>	CDBG - Community Development Fund - 2021
<b>PROJECT TITLE</b>	CDBG - Community Development Fund - 2021
<b>CFDA NUMBER</b>	14.228
<b>PERFORMANCE PERIOD/ AGREEMENT TERM</b>	2/1/2023 Through 1/31/2025
<b>AUTHORITY AND PURPOSE</b>	
<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>	
<b>PROJECT DESCRIPTION</b>	
<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>	
<b>TOTAL GRANT AMOUNT NOT TO EXCEED</b>	\$350,000.00
<b>MATCH AMOUNT (if applicable)</b>	\$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.

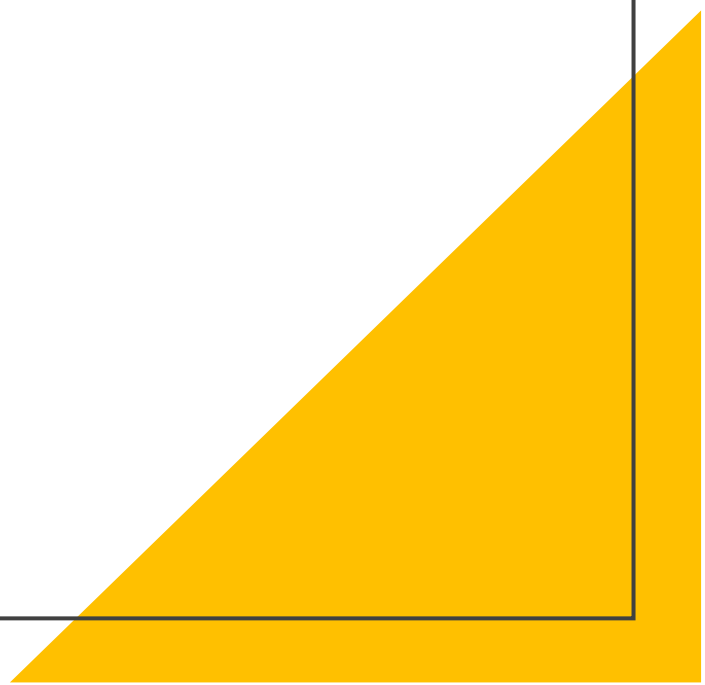
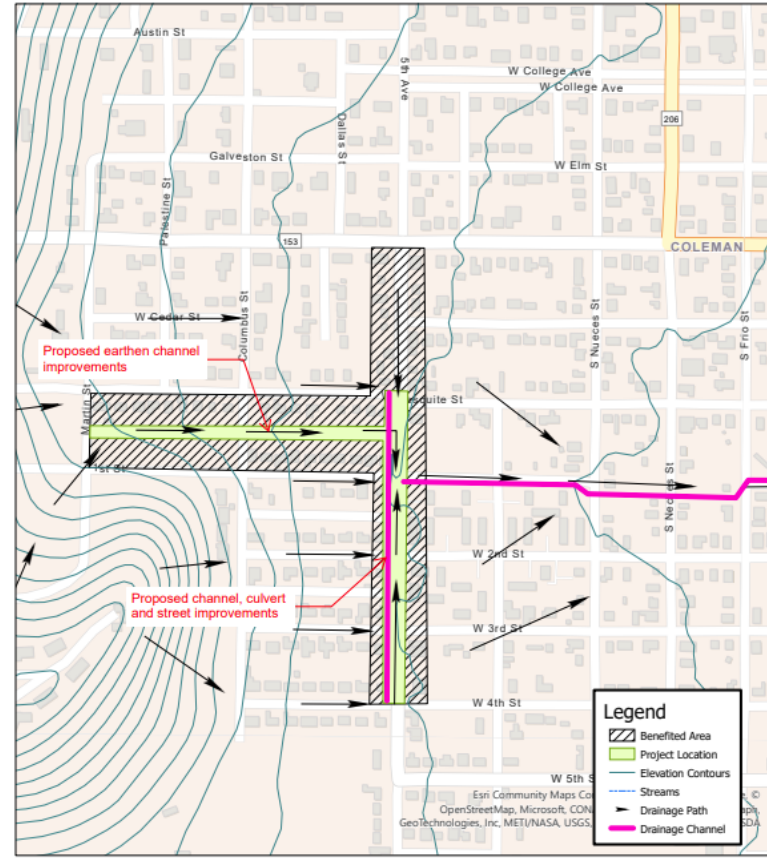
These activities shall benefit 535 persons, of which 342 or 63.9252336449 percent are of low- to moderate-income.

# Grant Agreement-Beneficiaries and Project Maps





# Grant Agreement-Beneficiaries and Project Maps



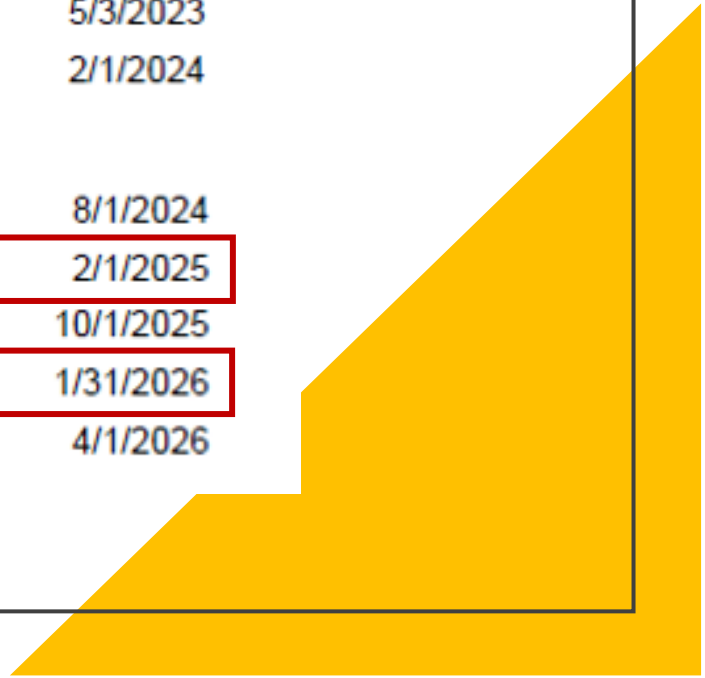


# Grant Agreement - Timeline

## 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-Beneficiaries and Project Maps

## **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.

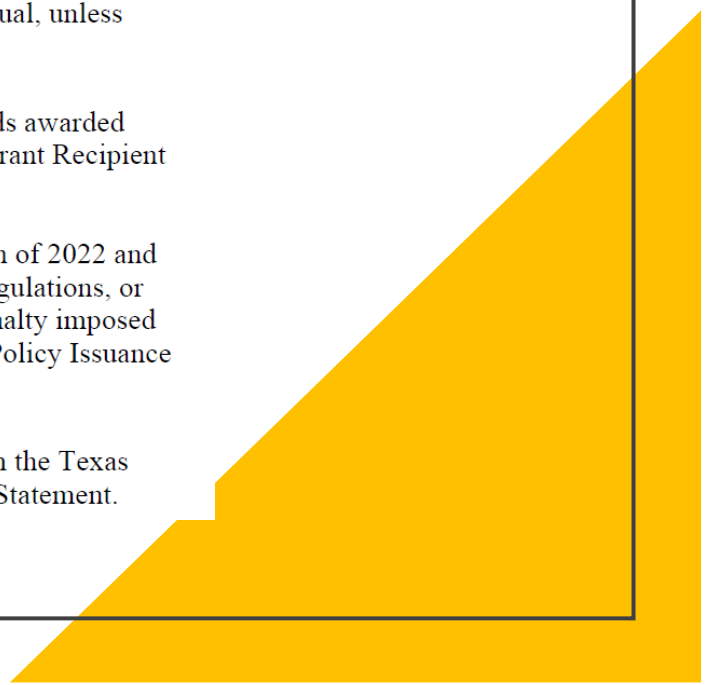
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9. The Grant Recipient must comply with the requirements of the Build America, Buy America (BABA) Act, 41 USC 8301 note, and all applicable rules and notices, as may be amended, if applicable to the Grant Recipient's infrastructure project, including 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.







# Grant Agreement-Beneficiaries and Project Maps

## 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
03L	\$386,000.00
Engineering	\$74,500.00
Admin	\$39,500.00
<b>Total Grant Awarded</b>	<b>\$500,000.00</b>
<b>Committed as Match</b>	<b>\$50,000.00</b>
<b>Match Ratio</b>	<b>10.00%</b>

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

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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 **	

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WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

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\*\* 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.**

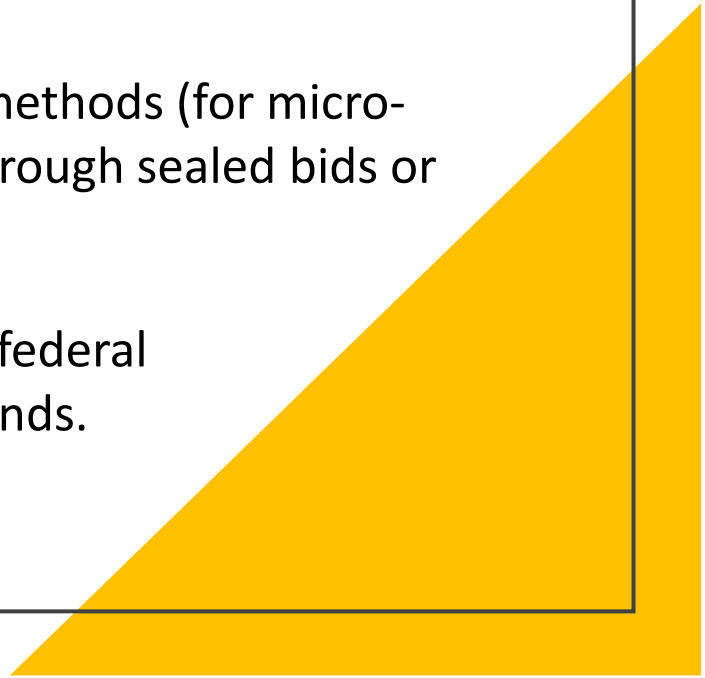
All procurement transactions under the Federal award must be conducted in a manner that provides full and open competition.

### **§ 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

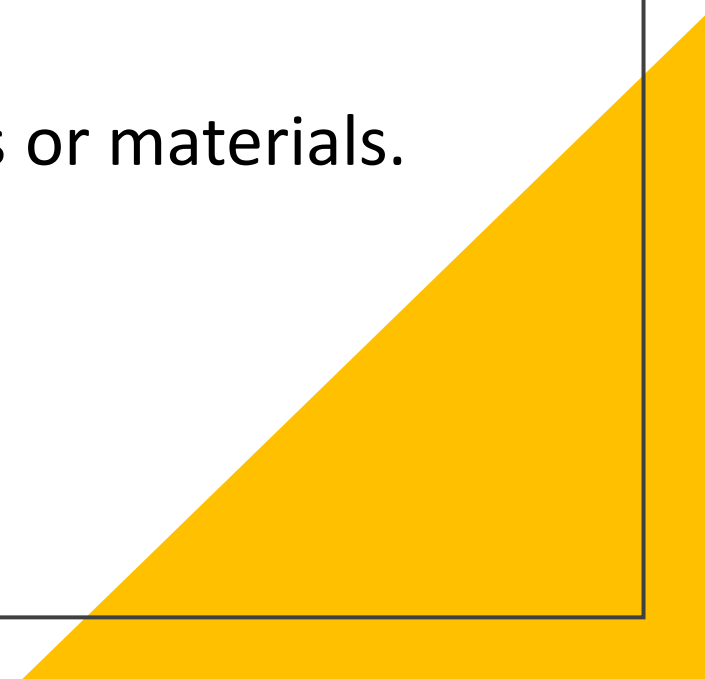
- Must demonstrate fair, uniform and open competitive process
- Document the process
- Observe the rules
- Properly bond and procure
- Use local businesses, small, minority and/women-owned



# When Ready To Bid

## Methods of Procurement

- **Sealed Bids (formal advertising)**
  - Procurement of construction or materials.
- **Small Purchase (\$50,000 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

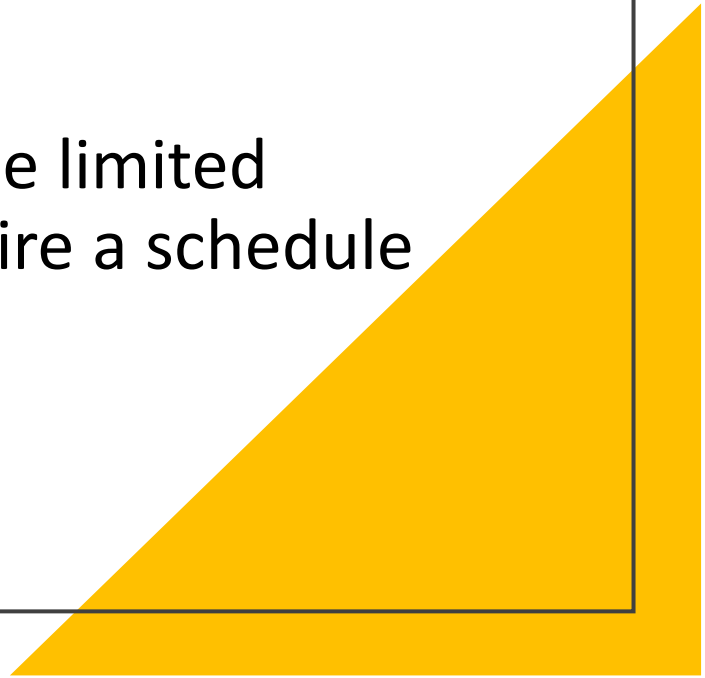
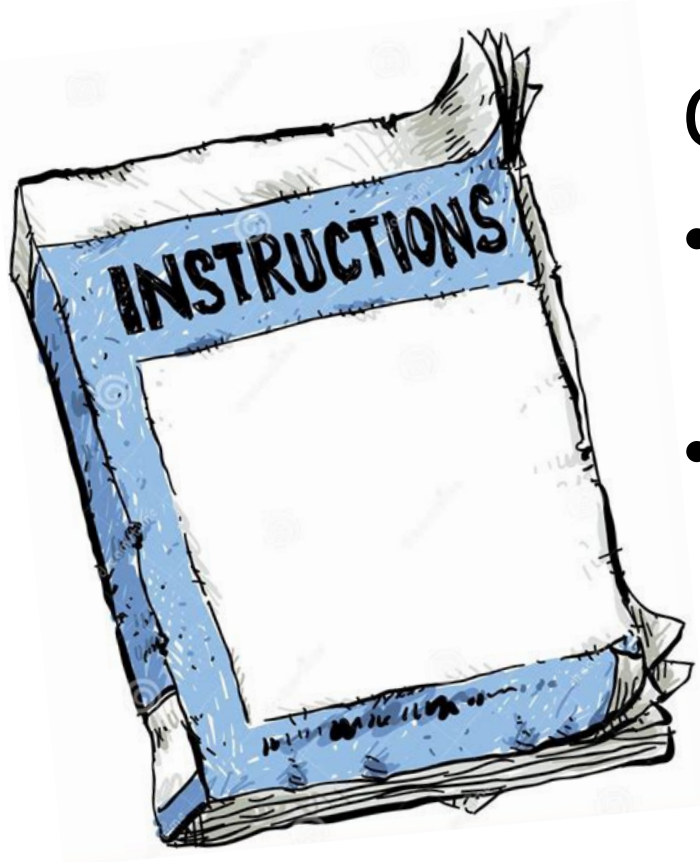
- Are there differing units of measure?
  - In the case an item is bid in another unit of measure, unit conversion will be required.
- Is the project bid to scale?
  - TDA expects the full project described in the grant agreement to be bid out including any alternates.



# 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
  - Deductive Alternatives
  - Separate Sections by location / funding source



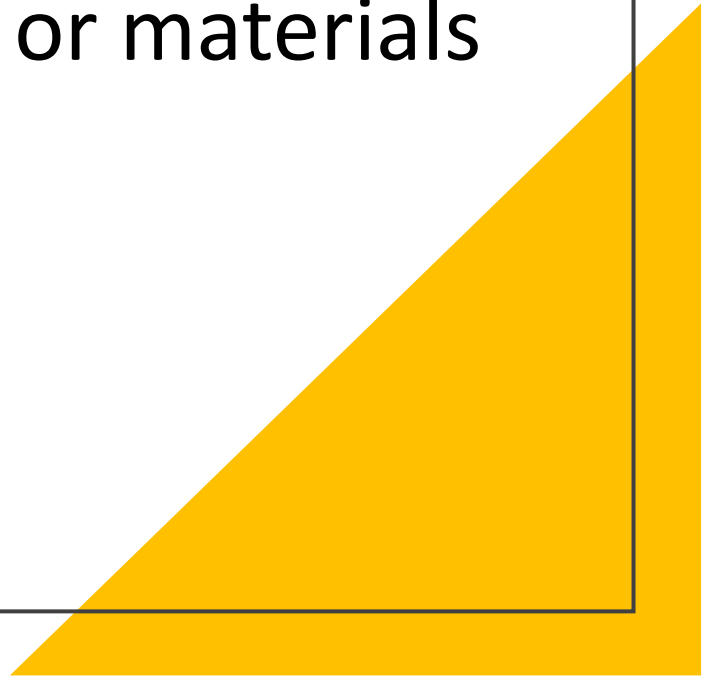




## When Ready To Bid



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

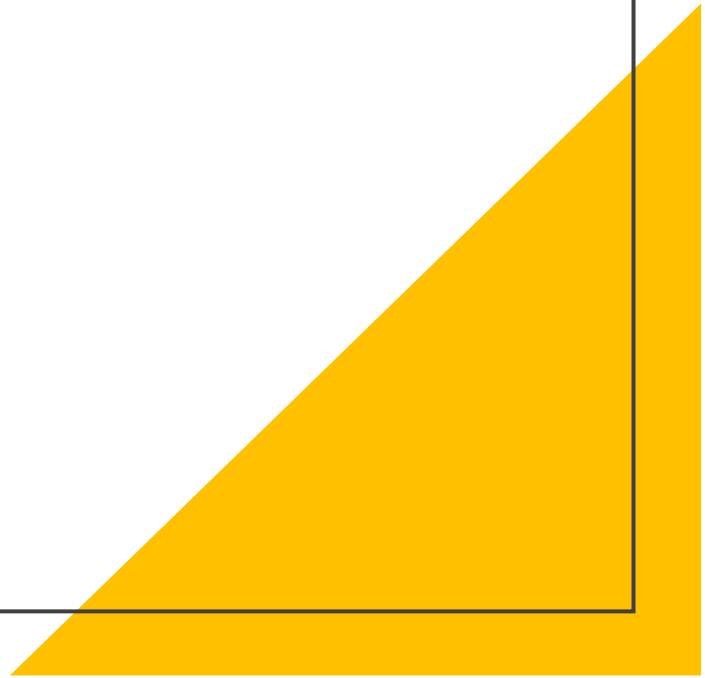




# When Ready To Bid

## 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

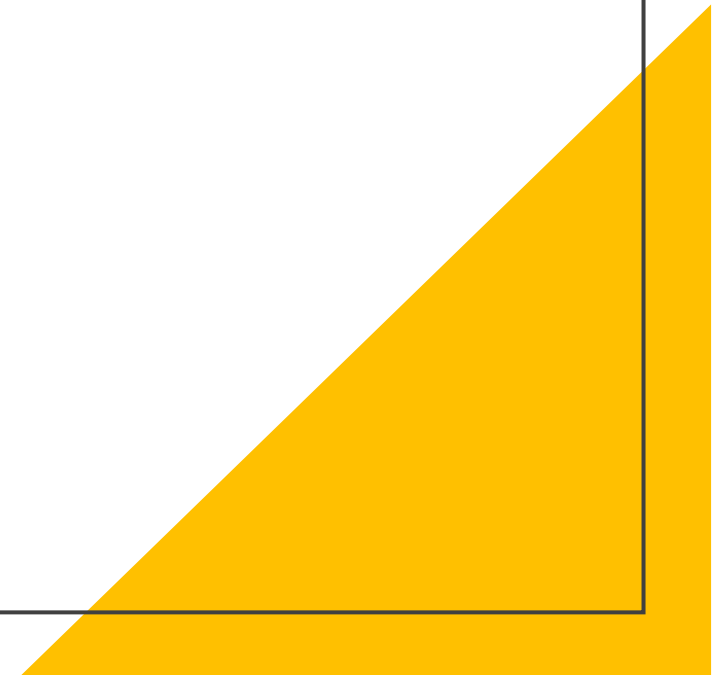


# When Ready To Bid

## 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

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Q&A

You have

Questions

We have

Answers



# Buy America, Build America



## Infrastructure Investment and Jobs Act

- Signed on November 15<sup>th</sup>, 2021

### Purpose of BABA:

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

### A401:

#### BABA Checklist & Best Practices

- Who completes each step
- How to document materials & certify BABA compliance
- How and when to categorize materials
- BABA Definitions
- Waiver process





# Buy America, Build America

## Classifying Materials:

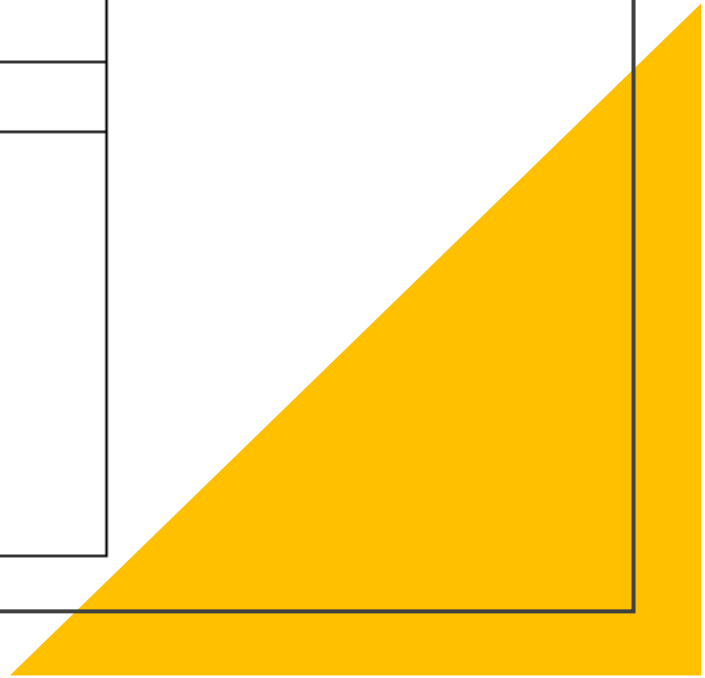
- Iron and Steel Products
- Construction Materials
  - Specifically listed
  - Not listed
- Manufactured Products
- Section 70917(c) Materials





# Buy America, Build America

Item Description. <sup>34</sup>	BABA Requirements Apply to New Awards Beginning
All iron and steel	9/1/2023
Specifically listed construction materials: a. Metals other than iron or steel (non-ferrous metals), b. Lumber, c. Composite building materials, and d. Plastic and polymer-based pipe and tube materials, including PVC pipe.	9/1/2024
All construction materials and manufactured products.	9/1/2025
Items not applicable for BABA documentation: a. Tools, equipment, and supplies, such as temporary scaffolding, brought to the construction site and removed at or before the completion of the infrastructure project; b. Equipment and furnishings, such as movable chairs, desks, and portable computer equipment, that are used at or within the finished infrastructure project, but are not an integral part of the structure or permanently affixed to the infrastructure project c. Purchases that are not intended for construction, alteration, maintenance, or repair of infrastructure.	n/a





# Buy America, Build America

## Documents and Compliance

- Bid tab details / itemized schedule
- BABA Compliance Form – Form A400
  - Must be updated through the project
  - Must be attached to each Payment
  - Request for construction cost.
- Proof of BABA Compliance:
  - A copy of the label indicating the material was made in the United States,
  - A copy of the product description or technical specifications that provides sufficient detail to conclude that the materials comply with BABA,
  - A certificate or other documentation from the manufacturer demonstrating that the materials comply with BABA,
  - A signed certification from the manufacturer of the materials certifying compliance with BABA, or
  - A signed certification from the contractor of a project certifying compliance with BABA (Form A402).

Chapter 4 Contract Special Conditions			<a href="#">Download</a>
A400	BABA Compliance Form	<b>*UPDATED 1.13.2025*</b>	<a href="#">Download</a>
A401	BABA Checklist & Best Practices	<b>*UPDATED 1.23.2025*</b>	<a href="#">Download</a>
A402	Contractor's BABA Compliance Certification	<b>*NEW*</b>	<a href="#">Download</a>
	Policy Issuance: BABA and VAWA		<a href="#">Download</a>



# Buy America, Build America



## BABA Compliance Form

### A400

Grant Agreement #:		Payment Request#:		Material Total:	\$	145,000.00
Grantee Name:				BABA Total:	\$	140,000.00
				De minimus Total:	\$	5,000.00

	Material Description	Related Bid Item #	Material Unit of Measure	Material Qty.	Material Unit Cost	Material Sub Total	% of total BABA Applicable Materials <small>(used for De Minimis)</small>	Mfg's Certification Included?
1	Rebar (Curb & Gutter) (SAMPLE, REMOVE AS NEEDED)	01A	LF	1000	\$ 100.00	\$ 100,000.00	71.4%	Attached
2	Cement Aggregate (Curb & Gutter) (SAMPLE, REMOVE AS NEEDED)	01A	SY	500	\$ 10.00	\$ 5,000.00	0.0%	Not BABA Applicable
3	Rebar (Curb Stops) (SAMPLE, REMOVE AS NEEDED)	02A	EA	25	\$ 1,000.00	\$ 25,000.00	17.9%	Attached
4	Iron Benches (SAMPLE, REMOVE AS NEEDED)	CO-01	EA	1	\$ 5,000.00	\$ 5,000.00	3.6%	No, 5%
5	Bronze Plaque (SAMPLE, REMOVE AS NEEDED)	CO-02	LS	1	\$ 10,000.00	\$ 10,000.00	7.1%	Submitted
6						\$ -	0.0%	
7						\$ -	0.0%	
8						\$ -	0.0%	

**Not BABA Applicable:** This material is not subject to BABA at any phase and BABA Certification is not needed.

**No, Exempted Phase:** This material is subject to BABA, but BABA Certification is not required under the current phase.

**No, 5%:** This material is BABA Applicable, but is part of a De Minimis portion of the project. (Cumulative 5% or less)

**Attached:** The BABA Certification is attached to this Payment Request.

**Submitted:** The BABA Certification was attached to a previous Payment Request.



# Buy America, Build America

## Waiver-

Grant Recipient must request BABA waiver:

- Cite the relevant exception
- Provide a narrative justification and supporting documentation



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 Questions: [Matthew.Ciesko@TexasAgriculture.gov](mailto: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



## 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



# 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	±
10	furnish & install short side service	12	15	EA	\$750.00	3	\$2,250.00	-
1	furnish & install 6" water main	2,180	2,467	LF	\$41.50	287	\$11,910.50	-
3	Bore & install 6" water main	700	773	LF	\$33.00	73	\$2,409.00	-
Contract Change Sub-Total:							\$16,569.50	



# Change Orders in Construction

## New Items Requested

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

Discovered during construction that there were 1" & 1.5" Meter Lines (in lieu of 3/4" meter lines) at SE end of Railroad and several additional buried meters were found along Railroad. All of these meters were tied into new 8" Water Line. During 8" Water Line excavation along Railroad, Sewer Services were found to be above the water main. Texas Commission on Environmental Quality (TCEQ) requires 2' vertical separation with water lines to be above sewer. Since sewer was above, TCEQ requires cased crossings at these water/sewer crossings, so these casings were added to project. As shown, pricing was competitive as not much cost on the 1"/1-1/2" Meter Line tie-ins. On the casings, BEFCO solicited pricing from Hoffmann Dozer and 2 other contractors, Hoffmann was lower priced than the other two.



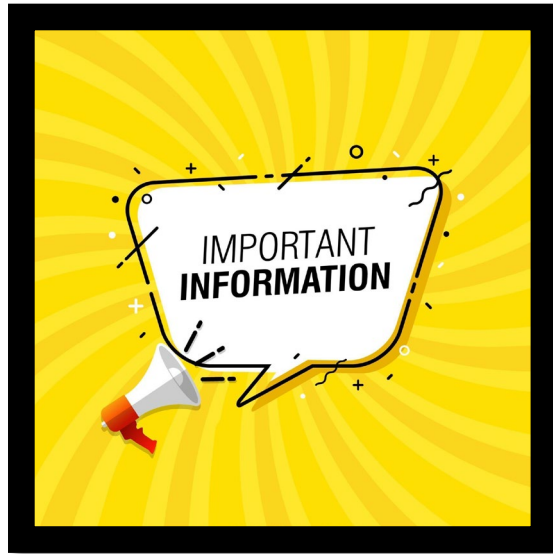
# Change Orders in Construction – DON'Ts!



- **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:
  - Cost are necessary and reasonable
  - Steps to resolve outstanding issues
  - Await TDA approval



# 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.





Summary of Funding Thresholds	Grant Budget Available
<b>General Administration Grant Budget</b>	
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%
<b>Engineering Grant Budget</b> (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%
<b>Construction Grant Budget(s)</b>	
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, Jeannette.

The work shown in the original performance statement and awarded is complete, but we have not received a pay application to be submitted and final payroll information to verify hours. **This contractor submits 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

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# Amendments

## Changes in the original terms of the agreement:

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

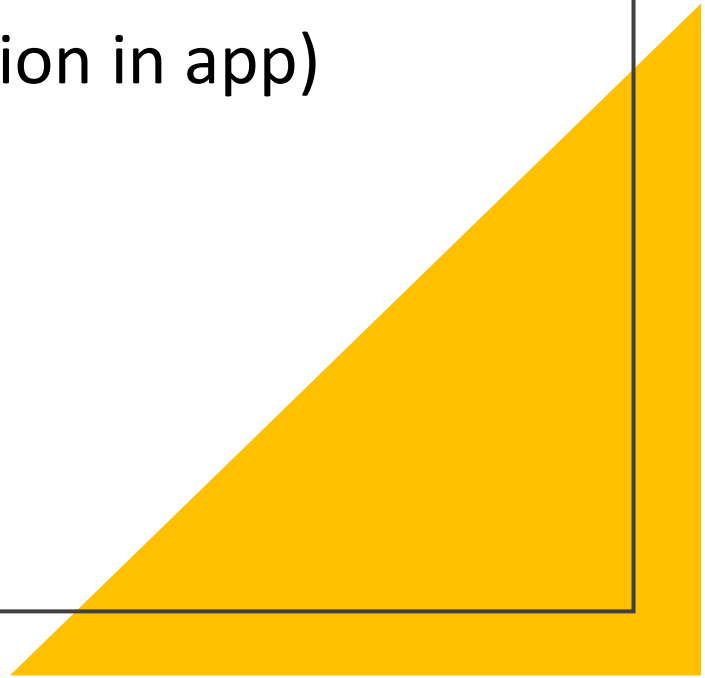




# Amendments - Performance Statement

## 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)





# 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

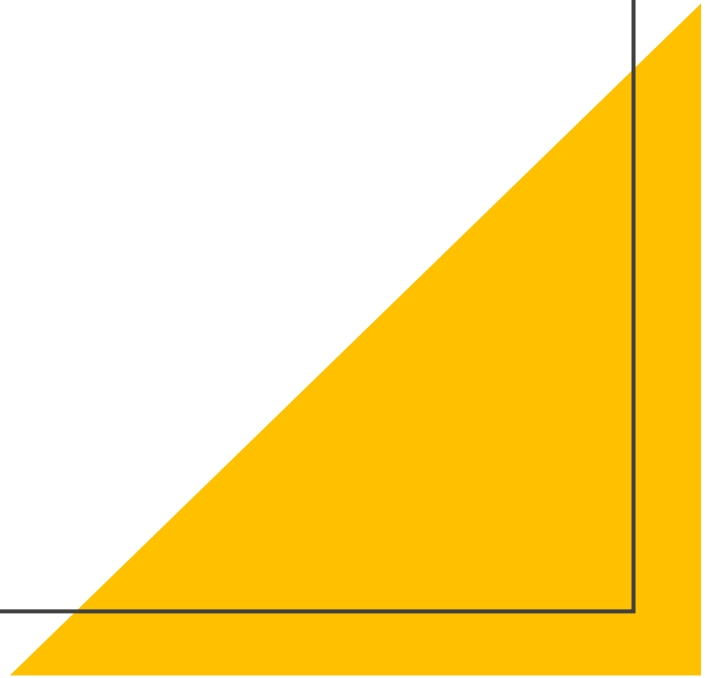






# Construction Closeouts

- **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