



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

# POLICY ISSUANCE

## CDBG 11-02

Effective Date: November 1, 2011

### **SUBJECT: Execution of Extension Amendments**

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

Contract extension requests will be reviewed based on the date received – the date executed will no longer be considered in the review process.

**ACTION:** The TxCDBG Project Implementation Manual, Chapter 11, Section 3 is modified to read as follows:

## **11.3 Contract Period Extensions**

TxCDBG contracts allow a specific period to complete the activities identified in the Performance Statement (Exhibit A). Sometimes, however, extenuating circumstances prevent the completion of contract activities within the prescribed contract period. If a Grant Recipient is reasonably assured that project costs will be incurred beyond the contract end date and that incurring these costs is beyond the control of the Grant Recipient, an amendment must be requested from the Office to extend the original contract end date. This type of amendment is known as a contract extension.

[sentence deleted]

To avoid interruptions to the contract or possible exclusion of reimbursement for project costs, a Grant Recipient should submit a request for a contract extension as soon as a delay is foreseen. Contract extension requests should be submitted at least sixty 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:

- 1) the project was reasonably expected to be completed within the contract period; AND
- 2) 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 and prevented the chief elected official from certifying the project's completion.

Contract extensions are appropriate only when construction cannot be completed and/or the beneficiaries will not receive the service or benefit from the use of the new or improved facilities within the contract period.

**NOTE:** Contract extensions granted by the Office shall not be construed as a waiver of the "Applicant Threshold Requirements". The 24 and 36 month Applicant Thresholds will still be applied to open contracts that have extended the contract period.

Extensions will only be granted:

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- for extenuating circumstances beyond the control of the Grant Recipient;
- for emergency work related to the TxCDBG project, considered on a case-by-case basis; and
- for additional construction work if the work provides additional benefit in the target area and is the same funded activity. (A maximum of six months is set for extensions approved for additional work.)

The following documentation shall be submitted for a contract extension:

- A letter, signed by the chief local elected official, requesting the extension and outlining the extenuating or compelling circumstances beyond the control of the Grant Recipient, which led to the need for a contract extension;
- A revised timeline showing how the Grant Recipient plans to complete the project within the proposed period – the timeline should reflect milestones described in Exhibit C of the TxCDBG contract as well as any other key dates specific to the project; and
- *Contract Amendment Checklist (Form A1101).*

#### **When an Extension is Not Required**

[This section re-worded for clarity only]

An extension is not necessary in order to:

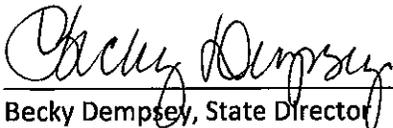
- Complete and submit closeout documentation;
- Request reimbursement for project costs incurred during the contract period; or
- Complete and submit a required Single Audit, and/or request reimbursement for audit expenses and final administration costs.

#### **APPLICATION:**

This change will apply to all TxCDBG contracts expiring on or after November 1, 2011.

Extension requests for TxCDBG contracts expiring between November 1, 2011 and February 28, 2012 that are received less than 30 days prior to the expiration date will be considered on a case-by-case basis.

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 or Manager of Project Management Suzanne Barnard at 512-936-0247 or [Suzanne.Barnard@TexasAgriculture.gov](mailto:Suzanne.Barnard@TexasAgriculture.gov).



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Becky Dempsey, State Director  
Texas Community Development Block Grant Program  
Texas Department of Agriculture