SECTION B
PLANNING

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B.0 Introduction

This section addresses the steps necessary to successfully implement planning contracts awarded through the Planning and Capacity Building Fund or the Colonia Fund of the Texas Community Development Block Grant Program (TxCDBG). This Section is not intended to replace the other sections of the *TxCDBG Project Implementation Manual;* rather, it is to serve as a guide in accomplishing the administrative requirements specific to planning grant recipients.

Planning is an organized way of preparing for the future. It helps accommodate and integrate competing interests to meet expected change, produce desired change and prevent undesirable change. It provides a guide and alternative solutions to problems. It is a process and technique for setting policies and enforcing them in a coordinated fashion. A community with a plan is likely to appear generally more attractive, particularly considering that a good part of the economic development process is marketing.

Grant Recipients that have executed contracts for planning activities must follow the administrative procedures outlined in the following chapters of Section A:

- Chapter 1: Administration and Reporting;
- Chapter 2: Financial Management;
- Chapter 3: Environmental Review;
- Chapter 5: Procurement Procedures;
- Chapter 10: Civil Rights Requirements;
- Chapter 11: Contract Amendments;
- Chapter 13: Monitoring; and
- Chapter 14: Audit Requirements.

<u>In addition to the procedures and requirements outlined in these chapters, this Section B includes specific requirements for planning activities.</u>

Please refer to the TDA website for Sample documents provided as guidance in meeting program requirements.

B.1 Planning Procedures

Step 1 – Submit Environmental Documentation

The Grant Recipient may not incur costs or expend any contract funds for project activities before meeting all environmental review and special condition requirements in the TxCDBG contract.

1) The following documentation is required to be submitted to TDA prior to the release of funds: *Exemption Determination for Activities Listed at 24 CFR 58.34*, and
2) *Compliance Documentation Checklist 58.6*;

Best Practice: Include a cover letter from the community assuming authority for compliance with the National Environmental Policy Act of 1969 regulations (NEPA) and requesting environmental clearance. (See Sample letter **Form B1**)

The Environmental Documentation must be completed before planning activities begin.
See Chapter 3: Environmental Review for further information on fulfilling environmental clearance requirements of the planning contract.

Step 2 – Procure a Planner or Designate Staff
The Grant Recipient must competitively procure a planner, or designate qualified local staff to complete the planning activities, prior to beginning work on the planning activities.

Competitive Proposal Procurement:
The Competitive Proposal / Request for Proposal (RFP) process must ensure a competitive process, adequate scope of work, and compliance with all applicable federal and state procurement laws and regulations. (Sample RFP documents are found **Appendix D**)

The Grant Recipient must verify the contractor's eligibility through the System for Award Management. www.SAM.gov. (See Chapter 5). Eligibility of all contractors must be verified through the SAM website prior to any formal action authorizing the award of the contract to the contractor (examples of formal action include but are not limited to, authorizing resolution, authorizing ordinance, Council approval of award, contract execution, etc.).

See Chapter 5: Procurement Procedures for further information on fulfilling competitive proposal procurement requirements.

- The RFP must be published in a local newspaper and sent to at least five (5) firms.
- Either a fixed price or cost reimbursable type contract must be awarded.
- Retainer contracts or any semblance of a retainer contract are not allowed.
- **Best Practice:** If negotiations are necessary for the successful procurement of a planning consultant, the negotiations should focus on the specific scope of services to be provided, terms and conditions of the contract, time frames for accomplishment of activities, and the amount of compensation for each activity.

Grant Recipients may start the procurement process once the TxCDBG contract period has begun, or once a pre-agreement is in place. Professional planning services costs incurred prior to the TxCDBG contract period or pre-agreement date are not eligible for TxCDBG reimbursement.

The cost of procuring the professional planning services is an administrative cost and is **not** an eligible cost for TxCDBG or local matching funds.

Force Account
If the Grant Recipient has a planning department that will perform the planning activities, thorough records are required. The recordkeeping requirements as well as what costs are allowable are discussed in **Chapter 8: Force Account Labor**. **Form A803** (Force Account - *Administrative Personnel Time Sheet*) may be used to document costs for planning activities. Note: administration activities are not eligible for reimbursement planning activities.

Step 3 – Set up Administrative Procedures and Submit Initial Documentation

Best Practice: A recommended filing system to meet TxCDBG monitoring requirements for planning contracts is included. (See **Form B2** *Sample Grant Recipient File System – Planning Projects*.)

See Chapter 1: Administration and Reporting for additional information on administrative procedures and reporting.

The following documentation must be submitted within 6 Months of the TxCDBG contract Start Date.

1) Environmental documentation: *Exemption Determination for Activities Listed at 24 CFR 58.34*, and *Compliance Documentation Checklist 58.6*;
2) Financial Interest Report (FIR) **(Form A503)** for planning services;
3) Evidence of competitive procurement of planning services, including request for proposals (RFP) advertisement, minutes from hearing confirming the selection of the consultant, and a copy of the contract between the locality and the consultant;
4) *Depository/Authorized Signatories Designation Form* **(Form A202)** and a copy of the supporting resolution; and
5) Documentation of compliance with Citizen Participation, Civil Rights and Fair Housing requirements. See **Chapter 10: Civil Rights Requirements** for further information on fulfilling the citizen participation and civil rights requirements. Grant Recipients must conduct an acceptable activity to affirmatively further fair housing during the contract period.

The Grant Recipient must submit the *Planning - Quarterly Progress Report* as shown in **Form B8** (in lieu of the Quarterly Progress Report **(Form A104)** required for other TxCDBG contracts). This report is due on the 20th of the month following the end of each calendar quarter (see Chapter 1 for detailed schedule) and includes:

- the completion status of each planning element;
- a comments section; and
- the signature of the chief local official.

Step 4 – Perform Planning Activities
The specific planning activities required by the contract are stated in the TxCDBG contract (Exhibit A) Performance Statement.

A completed planning document must be submitted to TDA within sixty (60) days of the contract End Date and must include:

a. cover letter from the chief local official, which specifically states:
    - the locality finds all planning reports and maps acceptable for its needs;
    - the locality has in its possession all products, including reproducible maps, and computer compact disks (CDs) containing Adobe Acrobat and original vector map data, if applicable, with instructions for retrieval. (See **Form B12** for *Sample Closeout Letter*);

b. **one paper hard copy** of each study produced under the contract, including mapping that is **folded and not rolled**, published in an 8 1/2" by 11" report.
c. itemization and/or description of the location of each requirement of this performance statement within each report to include chapter, page and paragraph.
d. inventory and plan maps for each element requiring mapping.
e. compact disc (CD) media, written in Adobe Acrobat portable document format (*.pdf), that contains the narrative and mapping prepared under the contract, as well as source map data (**original vector data**) and graphic data, labeled with the locality name, contract number, planning period covered by the report, topics included within the CD report (on the CD), and preparer's name and date of preparation.
f. itemization and/or description of the content and layout of the data files and the name of the software package(s) used to generate the maps. One (1) type of mapping software shall be used for all maps required under this contract. Data files must be compatible with computer systems owned or readily available to the local government.

All reports, maps, compact disk (CD) labels, and other products completed as a part of this contract, other than documents prepared exclusively for internal use within the TDA, **shall carry the following notation on the front cover, CD label, or a title page and on the face of maps**:

FINANCED THROUGH TxCDBG – OFFICE OF RURAL AFFAIRS OF THE TEXAS DEPARTMENT OF AGRICULTURE. The preparation of this document was financed through provisions of a Texas Community Development Block Grant Program (TxCDBG) Grant from the U.S. Department of Housing and Urban Development.

Any work submitted by the Grant Recipient must include a disclaimer as stated in the Performance Statement (Exhibit A) of the TxCDBG contract:

Texas Department of Agriculture (TDA) in conjunction with the United States Department of Housing and Urban Development furnished financial support to the activity described in this publication which does not necessarily indicate the agreement of TDA or of the United States Department of Housing and Urban Development with the statements or conclusions contained in this publication.

Step 5 – Amend the TxCDBG contract (optional)

During the course of the TxCDBG contract, situations may occur that require a change in the original terms of the contract. See Chapter 11: Contract Amendments for general procedures for amending or modifying TxCDBG grant contracts.

All costs are determined by fee matrix and paid on a Reimbursement for Services basis.

Step 6 – Accept the Planning Documents

Once all planning activities are completed, the Grant Recipient must formally review and accept the planning documents:

1. Final Public Hearing: Local officials must review the final planning documents during a public meeting. Over the course of the contract, including the final public hearing, local officials must spend a minimum of one (1) hour reviewing the planning documents and must certify the completion of this requirement by resolution (see below).
2. Final Public Hearing Notice: in addition to the information required for all public hearing notices, the notice of final public hearing for planning activities must state that the planning documents prepared under the TxCDBG contract are available for review at least twelve (12) days prior to the final public hearing.

3. Resolution: the Grant Recipient must pass a local resolution after the final planning product is presented to the governing body, which states:
   a. Local officials' participation in preparing and reviewing planning documents for local needs, contract compliance, and the final presentation of the plan at the final hearing and/or meeting met or exceeded a one (1) hour minimum requirement set forth by this contract;
   b. Goals and objectives developed for each contracted planning element were presented, discussed, reviewed and established by local officials;
   c. Inventory, analyses, plans and maps associated with them required under contract were presented, discussed and reviewed by local officials;
   d. Capital needs listed and ranked within the reports were presented, discussed, and reviewed by local officials;
   e. Opportunities were provided for citizen participation in the planning process;
   f. Local review established that the planning documents are suitable as policy guides for the locality;
   g. Local efforts in plan(s) preparation were intended to eliminate impediments to fair housing and support equitable distribution of the plans' benefits;
   h. Contracted planning documents are accepted by the Grant Recipient as substantiation for payment requisition to TDA, and for the Grant Recipient's payment to its consultant(s); and
   i. A statement of how the Grant Recipient intends to use its planning documents prepared under the contract.

Step 7 – Submit Closeout Documentation

Once all planning activities are completed and the Grant Recipient accepts the final planning documents, the Grant Recipient must submit the following closeout reports to TDA:

- A resolution adopted by the Grant Recipient indicating that the planning documents have been reviewed for contract compliance and suitability as policy guides, and that the planning documents have been accepted by the Grant Recipient. (See Step 6 above or TxCDBG contract (Exhibit A) Performance Statement - Certifications, Presentations, Reports and Publications);
- Documentation of the final public hearing;
- *Beneficiary Report for Planning & Capacity Building Fund or Colonia (Planning) Fund Contract* **(Form B11)**;
- Evidence of disbursement of match funds in the form of cancelled check and bank statement showing when the check was written; and
- Documentation showing the amount of fidelity bonds for staff handling financial transactions (if bonded).

These documents are in addition to the Initial Documentation requirements listed in Step 3.

Step 8 – Draw Funds for completed Planning activities

See Chapter 2: Financial Management for general procedures for requesting payment under TxCDBG grant contracts.

For payments on planning activities, the following additional requirements apply:

1) Funds are released only for completed planning documents. Backup documentation for all payment requests must include a copy (printed and electronic) of the completed planning element(s) being claimed and written confirmation from the chief local official that the completed element has been reviewed and accepted by the Grant Recipient.

2) Proof of local cash match (as evidenced in the Closeout documentation).
3) Prior to final reimbursement, the Grant Recipient must submit:
    1. Complete Final Planning Document (see Step 4)
    2. Local resolution accepting planning documents as specified in the TxCDBG contract performance statement (as evidenced in the Closeout documentation); and
    3. All required documentation (see Steps 3 and 7).
4) Engineering and/or architectural services, administrative services, and audit services are not eligible costs.

Step 9 – TDA Compliance Monitoring

TxCDBG contracts for planning activities will be monitored for compliance with federal, state, and program requirements through a desk review. This includes review of all written project data, including, but not limited to:

- Evidence of timely disbursement of grant funds in the form of bank statements showing when the grant funds were deposited and when the checks were written. Also, copies of cancelled checks for grant disbursements;
- The Grant Recipient's application;
- Progress reports;
- Drawdown requests;
- Written correspondence;
- Copies of audits; and
- Documentation of previous monitoring.

A copy of the monitoring checklist and review criteria (**Form B13** *Planning Fund Monitoring Checklist*) is provided to be used as a guide to monitor contract performance. TDA retains the right to modify monitoring procedures and tools as deemed necessary.

See Chapter 13: Monitoring for additional information on monitoring procedures and administrative completion of the contract.