



CDBG/HOME/ADDI PROGRAM POLICY AND PROCEDURES MANUAL

SUBJECT: CDBG PUBLIC FACILITIES CONSTRUCTION AND REHABILITATION

PURPOSE

The primary objective of Title I of the Housing and Community Development Act of 1974, as amended, is the development of viable urban communities. This is achieved by providing decent housing, a suitable living environment, and expanding economic opportunities. This activity meets the national objective of benefiting low and moderate-income persons.

This program meets the Dane County 2010-2014 Consolidated Plan priorities of:

- Improve accessibility to public buildings for persons with disabilities through the installation of ramps, automatic door openers, and other modifications;
- Provide assistance to provide infrastructure improvements;
- Provide assistance to construct or rehabilitate senior centers, youth centers, and other public facilities.

ELIGIBLE APPLICANTS Reference: 24 CFR 570.201 (c) and 24 CFR 570.207 (a) (1)

The County, government agencies, and non-profit organizations may undertake public facility and public improvement projects excluding projects involving public buildings that are used in the general conduct of government. CDBG funds may be used in government buildings, however, to remove architectural barriers that restrict the mobility and accessibility of elderly or severely disabled persons. If undertaken by a non-profit, the facility must be open to the public during normal business hours.

ELIGIBLE ACTIVITIES

Eligible activities include infrastructure improvements including, but not limited to streets, curbs, water, and sewer lines. Also neighborhood facilities including, but not limited to public schools, libraries, recreational facilities, parks, playgrounds; and facilities for persons with special needs such as facilities for the homeless or domestic violence shelters, nursing homes, or group homes for the disabled.

ELIGIBLE COSTS

Documented costs associated with the acquisition, construction, reconstruction, installation and rehabilitation of public facilities and public improvements. In undertaking these activities, design features and improvements that promote energy efficiency may be included. Such activities may also include the execution of architectural design features, and similar treatments to enhance the aesthetic quality of facilities and improvements receiving CDBG assistance, such as decorative pavements, railings, sculptures, pools of water and fountains, and other works of art.

REQUIREMENTS

General

1. Projects must be located in one of the participating municipalities of the Dane County Urban County Consortium.
2. Work may not begin until the environmental review requirements at Part 58 are met and the County has given notice to proceed.
3. All contractors are to be cleared through the HUD listing for debarred and suspended participants (24 CFR 570.506 and 85.3) prior to awarding of contract for work.
4. Local building permits must be taken out for the work. If a permit is required, the building official should sign off on the permit indicating that the work was completed.
5. The municipality or County should inspect work prior to paying a contractor invoice.
6. There must be a final inspection of the work by County program staff to determine whether all items were completed as specified in the work specifications.
7. There must be documentation to show the contractor provided the appropriate lien releases.

Procurement Requirements

1. Subrecipients of County CDBG funding will comply with the procurement standards under 24 CFR 85.36 for governmental subrecipients and 24 CFR 84.40-48 for subrecipients that are non-profit organizations, including the requirements for bonding in procurement.
2. The Subrecipient is the responsible authority, without recourse to HUD or the County regarding the settlement of all contractual and administrative issues arising out of the procurement entered in support of the award or other agreement.
3. The Subrecipient shall conduct all procurement in a manner to provide to the maximum extent practicable, open and free competition. Contractors that develop or draft specifications, requirements, statement of work, invitations for bids or requests for proposals shall be excluded from competing for a project.
4. General requirements for procurement include, but are not limited to:
 - a. Subrecipients must maintain records to detail the significant history of procurement. These records include, but are not limited to: files on the rationale for selecting the method of procurement used, selection of the contract type, the contractor selection/rejection process, and the basis for the cost or price of a contract.
 - b. Pre-qualified lists of vendors/contractors, if used, must be current, developed through open solicitation, include adequate numbers of qualified sources, and must allow entry of other firms to qualify at any time.
 - c. Steps should be taken to assure that women and minority businesses are utilized when possible as the sources of supplies, equipment, construction and services.
 - d. Subrecipients must ensure that awards are not made to any party that is debarred or suspended or is otherwise excluded from or ineligible for participation in the Federal assistance programs under Executive Order 12549.
 - e. There must be written selection procedures for procurement transactions.
 - f. Subrecipients must not use *cost plus a percentage of cost* pricing for contracts. In addition, Subrecipients should use *time and material* type contracts only after a determination is made that no other contract type is suitable and the contract includes a ceiling price that the contractor exceeds at its own risk.
 - g. Subrecipients must have protest procedures in place to handle and resolve disputes relating to their procurement and in all instances report such disputes to the County.
 - h. There must be a documented system of contract administration for determining the consistency of contractor performance.

- i. Subrecipients must have a written code of conduct governing employees, officers, or agents engaged in the award or administration of contracts.

Labor Standards Requirements (also known as Davis-Bacon)

These HUD requirements apply to most public facility and improvement construction and rehabilitation projects. They are triggered at a minimum cost of \$2,000 and apply to the entire project, not just the portion funded by County CDBG. If a grant contract is awarded, labor standards requirements will be described in detail in the contract with the County. Additional information also can be obtained in the HUD *Contractor's Guide to Prevailing Wage Requirements for Federally-Assisted Construction Projects* at <http://www.hud.gov/offices/olr/library.cfm>.

General requirements are as follows:

1. Wage Rate Decisions – The Davis-Bacon wage decision that applies to a project contains a schedule of work/job classifications and the minimum wage rates that must be paid to persons performing particular jobs. If a work classification that is needed for the project does not appear on the wage decision, the County must request an additional classification and wage rate from HUD. Any apprentices and trainees working on the job site must participate in a bona fide apprenticeship program registered with the U.S. Department of Labor or in a State program that is recognized by the U.S. Department of Labor. The ratio of trainees to journeymen on the job site cannot be greater than permitted under the plan approved by the U.S. Department of Labor.
2. Labor Clauses and Wage Decisions in Bid and Contract Documents – The labor clauses and the applicable wage rate decision (and any additional classifications) must be a physical part of the bid package. They can be obtained from the County. The labor clauses obligate the contractor to comply with Davis-Bacon wage and reporting requirements and provide remedies and sanctions in the event of violations.
3. Pre-construction Conference – The County requires that a pre-construction conference be held with the prime contractor before construction begins to explain the Federal labor standards and other contractual requirements. Please note that the County cannot authorize payment of an invoice until all these requirements are met.
4. Payroll Review – Once the public facility construction and rehabilitation is underway, the prime/general contractor should complete a weekly payroll report for its employees on the covered job and sign the Statement of Compliance. The prime/general contractor must also obtain weekly payrolls (including signed Statements of Compliance) from all subcontractors as they work on the project.
5. On-site Worker Interviews – HUD labor standards require the County to periodically conduct job site interviews with workers. The purpose of the interview is to obtain job information to verify that workers worked the number of hours listed in the payroll and are paid the required hourly rate plus fringe benefits.