COUNCIL AGENDA
January 19, 2016
6:00 P.M., Council Chambers

1. **Call To Order**
   Invocation
   Pledge of Allegiance of the United States of America

2. **Roll Call**

3. **Presentations**

4. **Finalization Of Consent Agenda**

5. **Reports And Communications**

   1. CDBG Project Schedule Update

6. **Citizen Requests And Petitions**

7. **Public Hearings**

8. **Consent Agenda**

   1. Minutes Of The January 4, 2016 Council Meeting

      Documents: JAN 4 2016.PDF

   2. Minutes Of The January 11, 2015 Special Council Meeting

      Documents: SPECIAL MTG JANUARY 11 2016 BLASTERS RECOUNTER.PDF

   3. COUNCIL BILL NO. 2016-251

      AN ORDINANCE amending Ordinance No. 2004-256, passed by the Council of the City of Joplin, Missouri, November 15, 2004, by removing from District R-1 and including in District M-2 property as described below and located at 8220 East 26th Street in the City of Joplin, Jasper County, Missouri.

      Documents: CB2016-251.PDF

   4. COUNCIL BILL NO. 2016-252

      AN ORDINANCE amending Ordinance No. 2004-256, passed by the Council of the City of Joplin, Missouri, November 15, 2004, by removing from District C-3 and including in District R-1 property as described below and located at 2930 West 13th Street in the City of Joplin, Jasper County, Missouri.

      Documents: CB2016-252.PDF

9. **Resolutions**

10. **Ordinances - Emergency**

    1. COUNCIL BILL NO. 2016-101
       AN ORDINANCE authorizing the City of Joplin to enter into a Construction Contract with Sprouls Construction Inc. in the amount of Four Hundred Seventy Nine Thousand One Hundred Four and no/100 Dollars ($479,104.00) for the Street improvements in NID #IV; authorizing the

Director of Public Works to execute said Agreement by and on behalf of the City of Joplin, Missouri; and containing an emergency clause.

Documents: EXHIBIT 1-01 - OVERALL SITE PLAN.PDF, MAP NID IV.PDF, SUMMARY NID IV CONSTRUCTION CONTRACT.PDF, BID TAB FORM.PDF, CB2016-101 CONSTRUCTION CONTRACT NID 4.PDF

2. COUNCIL BILL NO. 2016-356
AN ORDINANCE approving an agreement by and between the City of Joplin and Anderson Engineering for Library Construction Inspection Services. The contract amount is $83,199.00 (Eighty Three Thousand One Hundred and Ninety-Nine Dollars), and authorizing the City Manager to execute said Agreement; and containing an emergency clause.

Documents: 2016-356 - SUMMARY.PDF, EXHIBIT A INSPECTION RFP.PDF, EXHIBIT B BID RESPONSE.PDF, EXHIBIT C BID ANALYSIS.PDF, CB 2015-356.PDF

3. COUNCIL BILL NO. 2016-400
AN ORDINANCE authorizing the City of Joplin to enter into a Sub-Recipient Agreement with Ozark Center in the amount of One Hundred Ten Thousand dollars ($110,000.00) to pay for salaries and benefits for staff to provide in-patient and out-patient mental health services to children and adults in the City of Joplin who suffer from conditions related to the May 2011 tornado; and authorizing the Director of Planning, Development and Neighborhood Services to execute said agreement; and containing an emergency clause.

Documents: 2016-400 SUMMARY.PDF, OZARK SUB-RECIPIENT AGREEMENT.PDF, CB 2016-400 COUNCIL BILL.PDF

11. Ordinances - First Reading

12. Ordinances - Second Reading And Third Reading

1. COUNCIL BILL NO. 2016-250

AN ORDINANCE amending Ordinance No. 2004-256, passed by the Council of the City of Joplin, Missouri, November 15, 2004, by removing from District R-1 and including in District R-3-PD property as described below and located at the northeast corner of Broadway Street and Buchanan Road in the City of Joplin, Jasper County, Missouri.

Documents: CB2016-250.PDF

13. Unfinished Business

14. New Business

1. NEWS FROM THE PIO

Anyone wishing to address the Council should step to the podium and state his/her name and address. If the matter is not a Public Hearing, a request to speak to the Council should be prepared prior to the meeting. Speaking time will be limited to five (5) minutes.

Sound enhancement units are available for hearing impaired customers who provide a form of identification as security, which will be returned to the customer upon the return of the unit.

Those in need of disability-related auxiliary aids or services should contact the City

Clerk's office at (417) 624-0820, ext. 220 no later than 48 hours prior to the meeting.

Notice posted at 8:00 a.m. on this the 15th day of January, 2016 (RSMo 610.020)

CITY OF JOPLIN
CITY COUNCIL MEETING
MINUTES January 4, 2016

CALL TO ORDER
The regular meeting for the Joplin City Council was called to order at 6:00 p.m.by Mayor Michael Seibert.

INVOCATION - read by City Clerk Barbara Hogelin

PLEDGE OF ALLEGIANCE to the United States of America –led by Council Member McCreary.

ROLL CALL – Answering Roll Call were: Melodee Colbert-Kean; Miranda Lewis; Dan McCreary, Benjamin Rosenberg; William Scearce; Gary Shaw; Ryan Stanley and Mayor Michael Seibert. Also in attendance were City Manager Sam Anselm and Assistant City Attorney Jordan Paul.

PRESENTATIONS
Report by Rob O'Brian President of the Joplin Area Chamber of Commerce on Economic Development

Nick Heatherly to give a post-flood update and a run down on how all of the other storm water efforts have helped mitigate many of the flooding issues that could have happened, i.e., 15th and Murphy.

FINALIZATION OF CONSENT AGENDA - There being no further business to come before the Council, the Consent Agenda was finalized.

REPORTS AND COMMUNICATIONS

CITIZEN REQUESTS AND PETITIONS

PUBLIC HEARINGS
Public Hearing Procedures – read by City Clerk Barbara Hogelin

PUBLIC HEARING FOR RESOLUTION NO.2016-001 -A RESOLUTION granting a Special Use Permit (First Request) to Mireya Gonzalez for the operation of a day care center located at 1918 South Sergeant Avenue, in the City of Joplin, Jasper County, Missouri.

Mayor Seibert opened the Public Hearing

Mireya Gonzalez, 4542 E. 46th, appeared in favor of this item.

No one appeared in opposition to this item.

The public hearing was closed.

Ms. Colbert-Kean introduced Resolution No. 2016-001- A RESOLUTION granting a Special Use Permit (First Request) to Mireya Gonzalez for the operation of a day care center located at 1918 South Sergeant Avenue, in the City of Joplin, Jasper County, Missouri. Motion by Ms. Colbert-Kean, Second by Mr. Glaze, that Resolution No. 2016-001 be approved. Voting in favor were Council Members: Colbert-Kean, Glaze, Lewis, McCreary, Rosenberg, Scearce, Seibert, Stanley and Shaw 9. Nays: 0. The Bill was read as **Resolution No. 2016-001.**

PUBLIC HEARING FOR COUNCIL BILL NO. 2016-250 - AN ORDINANCE amending Ordinance No. 2004-256, passed by the Council of the City of Joplin, Missouri, November 15, 2004, by removing from District R-1 and including in District R-3-PD property as described below and located at the northeast corner of Broadway Street and Buchanan Road in the City of Joplin, Jasper County, Missouri.

Mayor Seibert opened the Public Hearing

Jon Bolte, 216 S. Main, appeared in favor of this item.

Russell Preston, 231 Buchanan, appeared not so much in opposition but was concerned about who was going to protect him about the water in the yard.

Erlene Dokes, 2501 Central, stated years back it was not stable ground.

Mayor said that City staff will be looking into this situation.

The public hearing was closed.

Mr. Stanley introduced Council Bill No. 2016-250. Motion by Mr. Stanley, Second by Mr. Shaw, that Council Bill No. 2015-250 be Placed on First Reading and Advanced to Second Reading. Voting in favor were Council Members: Colbert-Kean, Glaze, Lewis, McCreary, Rosenberg, Seibert, Shaw, Stanley 8. Nays: 1, Scearce. The Bill was read as **Council Bill No. 2016-250.**

PUBLIC HEARING FOR COUNCIL BILL NO. 2016-251-AN ORDINANCE amending Ordinance No. 2004-256, passed by the Council of the City of Joplin, Missouri, November 15, 2004, by removing from District R-1 and including in District M-2 property as described below and located at 8220 East 26th Street in the City of Joplin, Jasper County, Missouri.

Mayor Seibert opened the Public Hearing

Cole Mashburn, Coca-Cola, appeared in favor of this request.

No one appeared in opposition to this item.

The public hearing was closed.

Mr. Glaze introduced Council Bill No. 2016-251. Motion by Mr. Glaze, Second by Ms. Colbert-Kean, that Council Bill No. 2016-251 be placed on First Reading and Advanced to Second Reading.

Voting in favor were Council Members: Colbert-Kean, Glaze, Lewis, McCreary, Rosenberg, Scearce, Seibert, Shaw, Stanley 9. Nays: 0. The Bill was read as **Council Bill No. 2016-251.**

PUBLIC HEARING FOR COUNCIL BILL NO. 2016-252 - AN ORDINANCE amending Ordinance No. 2004-256, passed by the Council of the City of Joplin, Missouri, November 15, 2004, by removing from District C-3 and including in District R-1 property as described below and located at 2930 West 13th Street in the City of Joplin, Jasper County, Missouri.

Mayor Seibert opened the Public Hearing

Mark Cochran, Lake Ozark, MO, appeared in favor of this item.

No one appeared in opposition of this item.

The public hearing was closed.

Mr. Scearce introduced Council Bill No. 2016-252. Motion by Mr. Scearce, Second by Mr. Shaw, that Council Bill No. 2016-252 be Placed on First Reading and Advanced to Second Reading. Voting in favor were Council Members: Colbert-Kean, Glaze, Lewis, McCreary, Rosenberg, Scearce, Seibert, Shaw, Stanley, 9. Nays: 0. The Bill was read as **Council Bill No. 2016-252.**

CONSENT AGENDA – Motion by Mr. Shaw, Second by Mr. Glaze to approve the Consent Agenda. Voting in favor were Council Members: Colbert-Kean, Glaze, Lewis, McCreary, Rosenberg, Scearce, Seibert, Stanley and Shaw, 9. Nays: 0.

Minutes of the December 21, 2015 Council Meeting

RESOLUTIONS

ORDINANCES - EMERGENCIES

Mr. Stanley introduced COUNCIL BILL NO. 2015-628 - AN ORDINANCE authorizing the City of Joplin to enter into a Lease Agreement with the Joplin Blasters, LLC for the purpose of leasing Joe Becker Stadium to the Joplin Blasters, LLC; and authorizing the City Manager to execute said Agreement by and on behalf of the City of Joplin, Missouri; and containing an emergency clause. Motion by Mr. Stanley, Second by Mr. Glaze that Council Bill No. 2015-628 be approved with amendments on an emergency basis. Voting in favor were Council Members: Colbert-Kean, Glaze, Lewis, McCreary, Rosenberg, Scearce, Seibert, Stanley and Shaw, 6. Nays: 2, Rosenberg, Scearce. Abstention: 1, Lewis. The Council Bill was declared Adopted and entitled **Ordinance No. 2016-001** And for Clarification Mr. Stanley asked if the five days started today. Jordan stated it started today and would be to the close of business on Monday January 11, 2016. Mayor noted as well.

Mr. Shaw introduced COUNCIL BILL NO. 2016-001-AN ORDINANCE amending Chapter 82, Offenses and Miscellaneous Provisions, Article III, Offenses Against Public Peace. In general, enacting a new Section 82-199 of the Joplin City Code, Inhalation or inducing others to inhale solvent fumes to cause certain reactions, prohibited—exceptions; and containing an emergency clause. Motion by Mr. Shaw, Second by Mrs. Lewis that Council Bill No. 2016-001 be approved on an emergency basis. Voting in favor were Council Members: Colbert-Kean, Glaze, Lewis, McCreary, Rosenberg, Scearce, Seibert, Stanley and Shaw, 9. Nays: 0. The Council Bill was declared Adopted and entitled **Ordinance No. 2016-002**

Mr. Scearce introduced COUNCIL BILL NO. 2016-100 - AN ORDINANCE approving an agreement for Olsson Associates (JET) for Two Hundred and Thirty Two Thousand and Nine Hundred no/100 Dollars ($232,900.00) for Engineering Services Associated with the Trail Improvements from 26th St. & Mc Clelland Boulevard to Main Street Project and containing an emergency clause. Motion by Mr. Scearce, Second by Mr. Glaze that Council Bill No. 2016-100 be approved on an emergency basis. Voting in favor were Council Members: Colbert-Kean, Glaze, Lewis, McCreary, Scearce, Seibert, Stanley and Shaw, 8. Nays: 0. Abstention: 1, Rosenberg. The Council Bill was declared Adopted and entitled **Ordinance No. 2016-003**

Mr. Stanley introduced COUNCIL BILL NO. 2016–350-AN ORDINANCE approving the contract by and between the City of Joplin and Nelson Demolition for the demolition of the structure(s) and clearing of lot area located at 107 N. McKee in the City of Joplin, Missouri, for the amount of Two Thousand Nine Hundred Fifty and 00/100 Dollar (2,950.00); providing how the cost thereof shall be paid; how the assessment thereof shall be made; and containing an emergency clause. Motion by Mr. Stanley, Second by Ms. Colbert-Kean that Council Bill No. 2016-350 be approved on an emergency basis. Voting in favor were Council Members: Colbert-Kean, Glaze, Lewis, McCreary, Rosenberg, Scearce, Seibert, Stanley and Shaw, 9. Nays: 0. The Council Bill was declared Adopted and entitled **Ordinance No. 2016-004**

Mr. Stanley introduced COUNCIL BILL NO. 2016–351 - AN ORDINANCE approving the contract by and between the City of Joplin and Jordan Disposal for the demolition of the structure(s) and clearing of lot area located at 102 S. Florida. in the City of Joplin, Missouri, for the amount of Two Thousand Nine Hundred Seventy One and 00/100 Dollar (2,971.00); providing how the cost thereof shall be paid; how the assessment thereof shall be made; and containing an emergency clause. Motion by Mr. Stanley, Second by Mrs. Colbert-Kean that Council Bill No. 2016-351 be approved on an emergency basis. Voting in favor were Council Members: Colbert-Kean, Glaze, Lewis, McCreary, Rosenberg, Scearce, Seibert, Shaw and Stanley 9. Nays: 0. The Council Bill was declared Adopted and entitled **Ordinance No. 2016-005**

Mr. Glaze introduced COUNCIL BILL NO. 2016-352 -AN ORDINANCE approving by and between the City of Joplin and Approval of an amendment to RE Smith's contract to include additional drainage trenching and associated costs. The amendment is a not to exceed amount of Fourteen Thousand Nine Hundred and Seventy Dollars ($14,970.00), and authorizing the City Manager to execute said Agreement; and containing an emergency clause. Motion by Mr. Glaze, Second by Mr. Scearce that Council Bill No. 2016-352 be approved on an emergency basis. Voting in favor were Council Members: Colbert-Kean, Glaze, Lewis, McCreary, Rosenberg, Scearce, Seibert, Shaw and Stanley 9. Nays: 0. The Council Bill was declared Adopted and entitled **Ordinance No. 2016-006**

Mr. Glaze introduced COUNCIL BILL NO 2016-353-AN ORDINANCE approving by and between the City of Joplin and Approval of an amendment to RE Smith's contract to include additional rock removal and associated costs. The amendment is a not to exceed amount of Fourteen Thousand Eight Hundred and Fifty Dollars ($14,850.00) and authorizing the City Manager to execute said Agreement; and containing an emergency clause. Motion by Mr. Glaze, Second by Mr. Shaw that Council Bill No. 2016-353 be approved on an emergency basis. Voting in favor were Council Members: Colbert-Kean, Glaze, Lewis, McCreary, Rosenberg, Scearce, Seibert, Shaw and Stanley 9. Nays: 0. The Council Bill was declared Adopted and entitled **Ordinance No. 2016-007**

Mr. Scearce introduced COUNCIL BILL NO 2016-354-AN ORDINANCE approving by and between the City of Joplin and Approval of an amendment to RE Smith's contract to include additional concrete removal and associated costs. The amendment is a not to exceed amount of Eleven Thousand Nine Hundred Forty-Four Dollars and Fifty Cents ($11,944.50,) and authorizing the City Manager to execute said Agreement; and containing an emergency clause. Motion by Mr. Scearce, Second by Mrs. Lewis that Council Bill No. 2016-354 be approved on an emergency basis. Voting in favor were Council Members: Colbert-Kean, Glaze, Lewis, McCreary, Rosenberg, Scearce, Seibert, Shaw and Stanley 9. Nays: The Council Bill was declared Adopted and entitled **Ordinance No. 2016-008**

Mr. Shaw introduced COUNCIL BILL NO. 2016-355-AN ORDINANCE approving by and between the City of Joplin and Approval of an amendment to RE Smith's contract to include remobilization and associated costs. The amendment is not to exceed the amount of $3,125, and authorizing the City Manager to execute said Agreement; and containing an emergency clause. Motion by Mr. Shaw, Second by Mr. Stanley that Council Bill No. 2016-355 be approved on an emergency basis. Voting in favor were Council Members: Colbert-Kean, Lewis, McCreary, Scearce, Seibert, Shaw and Stanley 7. Nays: 2, Glaze, Rosenberg. The Council Bill was declared Adopted and entitled **Ordinance No. 2016-009**

ORDINANCES – FIRST READING

ORDINANCES – SECOND AND THIRD READING

UNFINISHED BUSINESS

NEW BUSINESS:
Discussion of the change Order Policy- City Manager Sam Anselm had discussions with Council about change order policies and what could be better done with handling equipment and making changes with/without ordinances.

News from the PIO
Citizen's Academy's will begin March 1, 2016 for Citizens who want to learn more about the City. Also, for those wanting to learn about the Police Department, the Citizen's Police Academy will begin soon. Both are geared to give you an in-depth perception of inside the city as a whole.

There being no further business the meeting adjourned at 9:45p.m.

Submitted,

Barbara L. Hogelin, MMC/MPCC, City Clerk

CITY OF JOPLIN
CITY COUNCIL SPECIAL MEETING
MINUTES

January 11, 2016

CALL TO ORDER

The Special Meeting for the Joplin City Council was called to order at 6:00 p.m. by Mayor Michael L. Seibert.

Flag salute was led by Mr. Scearce.

ROLL CALL: PRESENT: Morris Glaze, Miranda Lewis, Michael Seibert, Gary Shaw, Ryan Stanley and Mike Woolston, 7. Absent: Melodee Colbert–Kean, Bill Scearce, 2. Also in attendance were City Attorney Peter Edwards and City Manager Sam Anselm. Motion by Ms. Colbert-Kean, Second by Mr. McCreary to excuse Dr. Rosenberg. Voting in favor were Mrs. Lewis, Mr. McCreary, Ms. Colbert-Kean, Mr. Glaze, 4. Voting in opposition were Mayor Seibert, Mr. Shaw, Mr. Stanley, and Mr. Scearce, 4. Abstention: 1.

City Attorney Peter Edwards stated last Monday evening as you know a lease agreement was brought to you by staff. Council read the lease, made several amendments that were voted on and adopted on the amended lease. Last Monday night an emergency Ordinance it passed with six (6) votes. There was a stipulation or condition that was attached to that lease and it was offered to the Blasters to accept this lease by end of business today or offer would be withdrawn.

Last Friday we heard from the Blasters, their attorney Steve Hays and he submitted a counterproposal to the City and we sent out that counterproposal to you on Friday. So I think you all have had a chance to review the counterproposal. They're basically two (2) issues in the counterproposal. One deals with section three of the lease. I believe one of amendments the council voted on last Monday was that change to be made to be that they pay 30% of the utility cost. So they basically have come to the city and said they can't do that. They would like to revert back to the original language that was submitted to you guys last Monday night and that is contained in the proposal. If we need to go through it I can, but it basically has the staggered attendance if it's under 1500 tenant makes no reimbursement. If it's between 1501-1700 tenant will have a 10% reimbursement of the utility costs with a maximum of $6,000. It has that same structure so that it is the same structure they have asked council in their counterproposal to accept.

The other change is in section 18 of the lease. Right of entry that allows for the city to go into Joe Becker Stadium to make repairs, alterations, improvements, or additions, as the landlord may deem desirable and they ask that some additional language be included in that section that we would give a request in writing in 48 hours' notice and be accompanied by a Blasters representative before we go in the stadium and make any repairs or alterations.

Peter further stated procedurally the Blasters counter off is a rejection of a counter offer to them. The agreement that you guys had last Monday night. So in the event this five (5) votes in favor we need to call another meeting to come in Ordination form as a final agreement. From a procedural standpoint that's what has to take effect.
Motion by Mr. Stanley, Second by Mr. Shaw to amend the lease to previous with tier structure and request. Voting in favor were Council Members: Glaze, Seibert, Shaw, Stanley, 4 Nays, Colbert-Kean, McCreary, Scearce, 3. Absent: Rosenberg, 1. Abstention: Lewis, 1. This amendment failed.

Mr. Hays conferred with his clients. Mayor called for a five minutes.
Council reconvened.
Mr. Hays said his clients are willing to make a counter offer of and pay 10% of the utilities up to $2,000 if

attendance is up to 1500. If attendance is 1501-1700 they will pay 15% with a maximum of $6000. Mr. Stanley said felt he was comfortable at 10% of the utility costs having a $4000 maximum. Mr. Hays said the Blasters would agree to it.

Motion by Mr. Stanley, Second by Mr. Shaw to accept the amendments. Voting in favor were Council Members: Colbert-Kean, Glaze, Shaw, McCreary, Stanley, and Seibert, 6. Nays: Scearce, 1. Absent: Rosenberg, 1. Abstention: 1.

There being no further business to come before council the meeting was adjourned.

Meeting was adjourned at 7:30 pm.

Respectfully submitted,

Barbara L. Hogelin, MMC /MPCC City Clerk

City of **JOPLIN** City Council Agenda Item

Requested Council Meeting Date: January 4, 2016

Item: COUNCIL BILL NO. 2016-251
Originating Department: PLANNING & COMMUNITY DEVELOPMENT

Attachments: 1) Copy of Council Bill
2) Planning Report
3) Commission Minutes

Planning/Community Development Manager: Troy Bolander
City Attorney: Peter C. Edwards
City Manager: Samuel L. Anselm
Board or Commission: Planning and Zoning Commission Date: 12/14/2015

Recommended Action: Planning and Zoning Commission recommended approval by a vote of "7 in favor, 0 absent"

SUMMARY/REQUEST:
Case 045-15: 8220 East 26th Street – A request to rezone from R-1 (Single-Family Residential) to M-2 (Heavy Industrial) to comply with zoning regulations for future development – Coca-Cola Refreshments, Inc.

STAFF SUMMARY:
This property was annexed into the corporate limits of the City of Joplin in February of 2015. Our code stipulates that property is automatically annexed in with an R-1 (Single-Family Residential) zoning designation. This property is grandfathered in under its current zoning, but its use is appropriate for an industrial classification. An M-2-PD (Planned Heavy Industrial District) zoning designation is more appropriate for industrial facilities in the Crossroads Industrial Park.

The Planned Development (PD) in this zoning designation refers to the covenants adopted by the Crossroads Industrial Park in agreement with the City of Joplin. Rather than returning to this commission for a site and design review process, the Industrial Park adopted private covenants that reflect our zoning code and development standards.

Staff recommends approval of Case 045-15.

PLANNING & ZONING COMMISSION TESTIMONY:
Ms. Cunningham stated M-2-PD zoning was requested on the application form. She discussed this with Mr. Bolander and stated the reason the City staff imposed the planned development was before the buildings were constructed. This allowed the staff to incorporate the zoning code into the covenants. Since this building is existing, Mr. Bolander recommended that the zoning would be M-2 without the planned district since the building has already been constructed to standards.

Ms. Michelle Heidt appeared representing Ozarks Coca-Cola/Dr. Pepper. She stated the property was annexed into the City of Joplin earlier this year, with the property coming into Joplin with R-1 zoning. She is requesting rezoning to District M-2 (Heavy Industrial) to allow Ozarks Coca-Cola to be able to expand or remodel the property as needed.

Mr. Duncan asked Ms. Heidt about the existing building, and she replied it is a distribution center for Ozarks Coca-Cola.

Mr. Ramsour stated so many of the properties in the industrial park are still zoned R-1, and Ms. Cunningham stated the original intention was to wait until all the properties had been annexed into the City of Joplin and to initiate a larger-scale rezoning. Some of the properties haven't been annexed as quickly as what was first assumed. All the properties automatically come into Joplin with R-1 zoning since it is the most protected zoning district. The City staff agrees with rezoning the properties once they are annexed.

Mr. Ramsour asked Ms. Cunningham if each property owner must request rezoning once their property is annexed in to the City of Joplin, and she replied that is correct.

PUBLIC COMMENT:
None.

Z&P Meeting: December 14, 2015
City Council Meeting: January 4, 2016

STAFF PLANNING REPORT
Rezoning

CASE 045-15: A request to rezone from R-1 (Single-Family Residential) to M-2--PD (Planned Heavy Industrial District)

LOCATION: 8220 East 26th Street

APPLICANT: Ozarks Coca-Cola/Dr. Pepper Bottling Company

EXISTING CONDITIONS:

Zoning	Land Use	Property Size
R-1 Single-Family Residential	Industrial	9.5 acres

SITE CONTEXT:

	North	East	South	West
Existing Zoning	R-1	R-1	R-1	M-2-PD
Land Use	Industrial	Industrial	Industrial	Industrial

FUTURE LAND USE:

The City of Joplin's future land use map classifies this area as an Industrial Opportunity Area.

TRANSPORTATION:

Streets with access	Classification	Right-of-way width
26th Street	Secondary	100'

UTILITIES: The property has utility connections.

FLOOD PLAIN: N/A

STAFF ANALYSIS:

CONSISTENT WITH DEVELOPMENT POLICIES OF THE COMPREHENSIVE PLAN?

Yes.

THE SUITABILITY OF THE SUBJECT PROPERTY FOR THE USES TO WHICH IT HAS BEEN RESTRICTED

This property is grandfathered in under its current zoning, but its use is appropriate for an industrial classification.

THE EXTENT THAT THE ZONING CHANGE WILL DETRIMENTALLY AFFECT NEARBY PROPERTY

This zoning change would not detrimentally affect nearby property.

DISCUSSION

This property was annexed into the corporate limits of the City of Joplin in February of 2015. Our code stipulates that property is automatically annexed in with an R-1 (Single-Family Residential) zoning designation. This property is grandfathered in under its current zoning, but its use is appropriate for an industrial classification. An M-2-PD (Planned Heavy Industrial District) zoning designation is more appropriate for industrial facilities in the Crossroads Industrial Park.

The Planned Development (PD) in this zoning designation refers to the covenants adopted by the Crossroads Industrial Park in agreement with the City of Joplin. Rather than returning to this commission for a site and design review process, the Industrial Park adopted private covenants that reflect our zoning code and development standards.

Staff recommends approval of Case 045-15.

ENCLOSURES:

Map.

RECEIVED
11-12-15

REZONING APPLICATION FORM

Return Form to:
Planning / Community Development Specialist.
Joplin City Hall
602 South Main Street
Joplin, Missouri 64801
417-624-0820 Ext. 511
FAX 417-625-4738

For Office Use Only
Case No.: Q46-15
Filing Fee: $350.00
Date Advertised:
Date Notices Sent: 11-30-15
P&Z Date: 12-14-15
City Council Date: 1-4-16

APPLICANT: Ozarks Coca-Cola/Dr. Pepper Bottling Compnay PHONE: (417)865-9900
ADDRESS: 1777 North Packer Road, Springfield, MO Attn: Michelle Heidt ZIP: 65803
EMAIL: mheidt@cocacolaozarks.com
OWNER: Ozark Coca-Cola/Dr.Pepper Bottling Company PHONE: (417) 865-9900
ADDRESS: 1777 North Packer Road, Springfield, MO ZIP: 65803
EMAIL: mheidt@cocacolaozarks.com
LOCATION OF PROPERTY: 8220 E. 26th Street Joplin, MO
LEGAL DESCRIPTION: See Attachment A.

Present Zoning R-1 Requested Zoning: Commercial M-2 PD Acreage: 9.5
Present Use of Property: Commercial
Proposed Use of Property: Commercial

SURROUNDING LAND USE AND ZONING:

	Land Use	Zoning
North	Commercial	R-1
South	Vacant	R-1
East	Vacant	R-1
West	Commercial	R-1

CHARACTER OF THE NEIGHBORHOOD: Commercial

RELATIONSHIP TO EXISTING ZONING PATTERN:

1. Would proposed change create a small, isolated district unrelated to surrounding districts?
   No
2. Are there substantial reasons why the property cannot be used in accord with existing zoning? Yes
   If yes, explain: The property was annexed into the city and zoned as R-1, but used for commercial.

CONFORMANCE WITH COMPREHENSIVE PLAN:

1. Consistent with Development Policies? Yes
2. Consistent with Future Land Use Map? Yes

THE FOLLOWING MUST ACCOMPANY YOUR APPLICATION:

1. One copy of a legal description of the property proposed to be rezoned.
2. One copy of a statement describing the reasoning for the rezoning, the impact of the proposed change, including any traffic conditions that may result; any danger from fire hazards; how the proposed change may effect the character of the surrounding properties; and how the proposed change will benefit the City of Joplin.
3. Owner Affidavit, if applicant applying for the rezoning is not the owner of the property be rezoned
4. For Planned Developments the following must be submitted and reviewed before the rezoning can be advertised for public hearing:
   ___ Site Plan ___ Landscape Plan ___ Building Elevations

TRAFFIC CONDITIONS:

1. Street(s) with Access to Property: E. 26th Street - secondary
2. Classification of Street(s):
   Arterial_____ Collector_____ Local _____
3. Right-of-Way Width: 100 ft
4. Will turning movements caused by the proposed use create an undue traffic hazard?
   No

IS PLATTING OR REPLATTING REQUIRED TO PROVIDE FOR:

1. Appropriately Sized Lots? No
2. Properly Sized Street Right-of-Way? No
3. Drainage Easements? No
4. Utility Easements:
   - Electricity? No
   - Gas? No
   - Sewers? No
   - Water? No
5. Additional Comments:

UNIQUE CHARACTERISTIC OF PROPERTY AND ADDITIONAL COMMENT:

SIGNATURE: [signature] DATE: 11/10/15

BY: Michelle Heidt

TITLE: CEO

Attachment B: Rezoning Application Statement

The following facts relate to the Rezoning Application filed in connection with the property described in Attachment A of this Rezoning Application (the "Property").

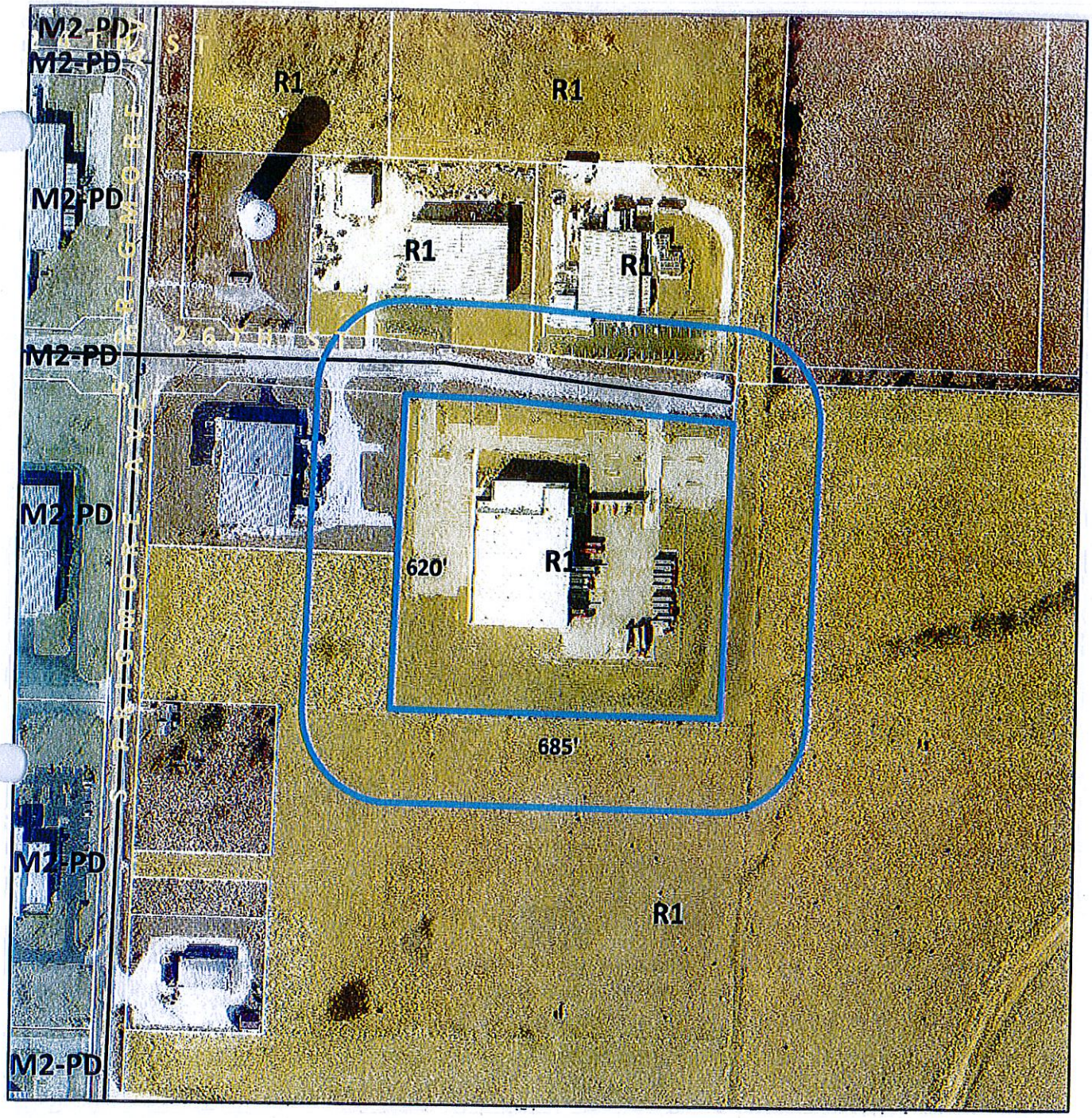
In previous years, the Property was located outside of the Joplin city limits and used for commercial purposes. In early 2015 the Property was annexed into Joplin city limits and zoned as R-1. Ozarks Coca-Cola/Dr. Pepper Bottling Company (the "Buyer") purchased the Property on October 30, 2015. The Buyer wishes to continue to use the Property for commercial purposes. The Buyer understands that their current commercial use of the Property is permitted under the prior use zoning regulations. In the future, the Buyer may wish to expand or remodel the Property, violating the prior use zoning regulations. The Buyer wishes to have the Property rezoned as commercial to more accurately reflect the use of the Property.

The proposed change will have no impact on the Property, as the Property has been used for commercial purposes for a number of years.

The proposed change poses no fire hazard.

The proposed change will not affect the character of the surrounding properties.

The proposed change will benefit the City of Joplin by allowing the Buyer to continue to grow and expand their business.



Case 045-15: 8220 E 26th Street - A request to rezone from R-1 (Single Family Residential) to M-2 (Heavy Industrial) - Ozarks Coca Cola.

N

Case 045-15: 8220 East 26th Street – A request to rezone from R-1 (Single-Family Residential) to M-2 (Heavy Industrial) to comply with zoning regulations for future development – Coca-Cola Refreshments, Inc.

Mr. Eastman opened the public hearing for Case 045-15.

Ms. Cunningham stated M-2-PD zoning was requested on the application form. She discussed this with Mr. Bolander and stated the reason the City staff imposed the planned development was before the buildings were constructed. This allowed the staff to incorporate the zoning code into the covenants. Since this building is existing, Mr. Bolander recommended that the zoning would be M-2 without the planned district since the building has already been constructed to standards.

Ms. Cunningham stated the City's map is correct showing the name of the applicant as Ozarks Coca-Cola rather than Coca-Cola Refreshments, Inc.

Ms. Michelle Heidt appeared representing Ozarks Coca-Cola/Dr. Pepper, 8220 East 26th Street, Joplin. She stated the property was annexed into the City of Joplin earlier this year, with the property coming into Joplin with R-1 zoning. She is requesting rezoning to District M-2 (Heavy Industrial) to allow Ozarks Coca-Cola to be able to expand or remodel the property as needed.

Mr. Duncan asked Ms. Heidt about the existing building, and she replied it is a distribution center for Ozarks Coca-Cola.

Mr. Ramsour stated so many of the properties in the industrial park are still zoned R-1, and Ms. Cunningham stated the original intention was to wait until all the properties had been annexed into the City of Joplin and to initiate a larger-scale rezoning. Some of the properties haven't been annexed as quickly as what was first assumed. All the properties automatically come into Joplin with R-1 zoning since it is the most protected zoning district. The City staff agrees with rezoning the properties once they are annexed.

Mr. Ramsour asked Ms. Cunningham if each property owner must request rezoning once their property is annexed in to the City of Joplin, and she replied that is correct.

Mr. Eastman asked for comments from the commissioners and the audience, and none were received. He then closed the public hearing for Case 045-15.

MR. DUNCAN MOVED, SECONDED BY MR. RAMSOUR, THAT CASE 045-15 BE FORWARDED TO THE CITY COUNCIL WITH RECOMMENDATION FOR APPROVAL, BASED ON THE COMMENTS RECEIVED IN THE PLANNING REPORT AND DURING THE PUBLIC HEARING. THE MOTION CARRIED, WITH MR. BROWN, MR. CORTEZ, MR. DERMOTT, MR. DUNCAN, MR. EASTMAN, MR. RAMSOUR, AND MR. SMITH VOTING "AYE" (7 IN FAVOR, 0 ABSENT).

P & Z Case 045-15
Coca Cola Refreshments, Inc.
(P & Z Recommended Approval)

COUNCIL BILL NO. 2016-251 ORDINANCE NO.

AN ORDINANCE amending Ordinance No. 2004-256, passed by the Council of the City of Joplin, Missouri, November 15, 2004, by removing from District R-1 and including in District M-2 property as described below and located at 8220 East 26th Street in the City of Joplin, Jasper County, Missouri.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF JOPLIN, MISSOURI, as follows:

Section 1. Having referred the subject matter of this ordinance to the City Planning and Zoning Commission and having given at least fifteen days' notice of time and place of hearing on same by publication in the Joplin Globe, Ordinance No. 2004-256 is hereby amended by removing the following described property from District R-1 and including same in District M-2:

A TRACT OF LAND IN THE NW-1/4 OF THE SW-1/4 OF SECTION 14, TOWNSHIP 27 NORTH, RANGE 32 WEST IN JASPER COUNTY, MISSOURI, BEING MORE FULLY DESCRIBED AS FOLLOWS: COMMENCING AT AN IRON PIN FOUND AT THE SOUTHWEST CORNER OF SAID SECTION 14; THENCE N 00°54'45"E, 1971.24 FEET TO THE NORTHWEST CORNER OF THE S-1/2 OF THE NW-1/4 OF THE SW-1/4 OF SECTION 14; THENCE S 89°34'41"E ALONG THE NORTH LINE OF SAID S-1/2 OF THE NW-1/4 OF THE SW-1/4, A DISTANCE OF 565.00 FEET TO A POINT THAT IS S 00°54'45"W, 296.63 FEET OF THE SOUTHEAST CORNER OF A TRACT DESCRIBED IN BOOK 1818 AT PAGE 1030, THE POINT OF BEGINNING; THENCE N 00°54'45"E, 621.63 FEET TO THE NORTHEAST CORNER OF SAID TRACT DESCRIBED IN BOOK 1818 AT PAGE 1030; THENCE S 89°05'15"E ALONG THE SOUTH RIGHT-OF-WAY LINE OF EAST 26TH STREET (EAST ALLIANCE PARKWAY), 221.06 FEET; THENCE S 85°07'34"E ALONG THE SOUTH RIGHT-OF-WAY LINE OF EAST 26TH STREET (EAST ALLIANCE PARKWAY), 464.08 FEET; THENCE S 00°54'45"W, 583.71 FEET TO A POINT ON THE NORTH LINE OF SAID S-1/2 OF THE NW-1/4 OF THE SW-1/4; THENCE N 89°34'41"W ALONG SAID NORTH LINE, 684.05 FEET TO THE POINT OF BEGINNING GENERALLY DESCRIBED AS LOCATED AT 8220 E. 26TH STREET, CONTAINING 9.55 ACRES, MORE OR LESS. BASIS OF BEARINGS: WEST LINE OF SW-1/4 OF SECTION 14 AT A BEARING OF N 00°54'45"E.

Section 2. That the City Clerk is hereby ordered to file this ordinance with the Zoning District Map maintained in her office and to note the changes herein provided for thereon.

PASSED BY THE COUNCIL OF THE CITY OF JOPLIN, MISSOURI, this the _____ day of _____, 2016, by a vote of _____.

Michael L. Seibert, Mayor

ATTEST:

Barbara L. Hogelin, City Clerk

APPROVED AS TO FORM:

Peter C. Edwards, City Attorney

City of **JOPLIN** City Council Agenda Item

Requested Council Meeting Date: January 4, 2016

Item: COUNCIL BILL NO. 2016-252
Originating Department: PLANNING & COMMUNITY DEVELOPMENT

Attachments: 1) Copy of Council Bill
2) Planning Report
3) Commission Minutes

Planning/Community Development Manager: Troy Bolander
City Attorney: Peter C. Edwards
City Manager: Samuel L. Anselm
Board or Commission: Planning and Zoning Commission Date: 12/14/2015

Recommended Action: Planning and Zoning Commission recommended approval by a vote of "7 in favor, 0 absent"

SUMMARY/REQUEST:
Case 046-15: 2930 West 13th Street – A request to rezone from C-3 (Commercial District) to R-1 (Single Family Residential) – Cochran Real Estate.

STAFF SUMMARY:
This property has been under the ownership of Mr. Cochran since 1995 and has always been a single-family residence. His current tenant is a long-term renter that wishes to purchase the house, but the lender will not approve the sale because of its commercial zoning designation. The property to the immediate south is also a single-family residence that is under a C-3 zoning designation.

Staff recommends approval of Case 046-15.

PLANNING & ZONING COMMISSION TESTIMONY:
Mr. Russ Cochran appeared representing his son Mark to request the rezoning of the property in Case 046-15. The lady who has leased this property for 10 years desires to purchase it. The underwriters will not grant a loan on a property in a commercial zone, so it needs to be rezoned to District R-1 so she can obtain her loan.

PUBLIC COMMENT:
None.

Z&P Meeting: December 14, 2015
City Council Meeting: January 4, 2016

STAFF PLANNING REPORT
Rezoning

CASE 046-15: A request to rezone from C-3 (Commercial) to R-1 (Single-Family Residential).

LOCATION: 2930 West 13th Street

APPLICANT: Cochran Real Estate

EXISTING CONDITIONS:

Zoning	Land Use	Property Size
C-3 Commercial	Residential	0.16 acres

SITE CONTEXT:

	North	East	South	West
Existing Zoning	M-2	C-3	C-3	C-O
Land Use	Industrial	Commercial	Residential	Undeveloped/Residential

FUTURE LAND USE:

The City of Joplin's future land use map classifies this area as Retail Commercial; however, this is an existing residence that never transitioned into commercial.

TRANSPORTATION:

Streets with access	Classification	Right-of-way width
Junge Boulevard	Collector	60'
Mina Avenue	Secondary	60'

UTILITIES: The property has utility connections.

FLOOD PLAIN: N/A

STAFF ANALYSIS:

CONSISTENT WITH DEVELOPMENT POLICIES OF THE COMPREHENSIVE PLAN?

No. This is in an area designated for future Retail and Commercial. However, this residence is existing and never transitioned to commercial.

THE SUITABILITY OF THE SUBJECT PROPERTY FOR THE USES TO WHICH IT HAS BEEN RESTRICTED

This property is currently zoned C-3 (Commercial) although it has been a residence since 1964.

THE EXTENT THAT THE ZONING CHANGE WILL DETRIMENTALLY AFFECT NEARBY PROPERTY

This zoning change would not detrimentally affect nearby property.

DISCUSSION

This property has been under the ownership of Mr. Cochran since 1995 and has always been a single-family residence. His current tenant is a long-term renter that wishes to purchase the house, but the lender will not approve the sale because of its commercial zoning designation. The property to the immediate south is also a single-family residence that is under a C-3 zoning designation.

Staff recommends approval of Case 046-15.

ENCLOSURES

Map

REZONING APPLICATION FORM

RECEIVED 10-22-15

Return Form to:
Planning / Community Development Specialist.
Joplin City Hall
602 South Main Street
Joplin, Missouri 64801
417-624-0820 Ext. 511
FAX 417-625-4738

For Office Use Only
Case No.: C-047-15
Filing Fee: $350.00
Date Advertised:
Date Notices Sent: 11-30-15
P&Z Date: 12-14-15
City Council Date: 1-4-16

APPLICANT: Mark Cochran (Cochran Real Estate) PHONE: (417) 437-9225
ADDRESS: 4806 S Lakewood Dr. St. Joseph, MO ZIP: 64506
EMAIL: markcochran1@me.com
OWNER: Cochran Real Estate PHONE: (417) 437-9225
ADDRESS: 4806 S Lakewood Dr. St. Joseph, MO ZIP: 64506
EMAIL: markcochran1@me.com
LOCATION OF PROPERTY: 2930 W. 13th St. Joplin, MO 64801
LEGAL DESCRIPTION: Westpark Addition Lot 4

Present Zoning C-3 Requested Zoning: R-1 Acreage: 0.1676 acres
Present Use of Property: Rental property
Proposed Use of Property: Single family residence

SURROUNDING LAND USE AND ZONING:

	Land Use	Zoning
North	Office building	~~Commercial~~ M-2
South	~~Single Family Housing~~ ok	~~Residential~~ C-3
East	Office building	~~Commercial~~ C-3
West	Vacant Lot	~~Residential~~ CO

CHARACTER OF THE NEIGHBORHOOD: This neighborhood is a residential neighborhood that borders some commercial buildings.

RELATIONSHIP TO EXISTING ZONING PATTERN:

1. Would proposed change create a small, isolated district unrelated to surrounding districts?
   No
2. Are there substantial reasons why the property cannot be used in accord with existing zoning? Y
   If yes, explain: The sale of this property cannot take place as C3

CONFORMANCE WITH COMPREHENSIVE PLAN:

1. Consistent with Development Policies? Yes
2. Consistent with Future Land Use Map? Yes

THE FOLLOWING MUST ACCOMPANY YOUR APPLICATION:

1. One copy of a legal description of the property proposed to be rezoned.
2. One copy of a statement describing the reasoning for the rezoning, the impact of the proposed change, including any traffic conditions that may result; any danger from fire hazards; how the proposed change may effect the character of the surrounding properties; and how the proposed change will benefit the City of Joplin.
3. Owner Affidavit, if applicant applying for the rezoning is not the owner of the property be rezoned
4. For Planned Developments the following must be submitted and reviewed before the rezoning can be advertised for public hearing:
   ___ Site Plan ___ Landscape Plan ___ Building Elevations

TRAFFIC CONDITIONS:

1. Street(s) with Access to Property: Junge Blvd, Mina Ave
2. Classification of Street(s):
   Arterial_____ Collector_____ Local X
3. Right-of-Way Width: Junge = 22 ft Mina = 30 ft
4. Will turning movements caused by the proposed use create an undue traffic hazard?
   No

IS PLATTING OR REPLATTING REQUIRED TO PROVIDE FOR:

1. Appropriately Sized Lots? No
2. Properly Sized Street Right-of-Way? No
3. Drainage Easements? No
4. Utility Easements: No
   - Electricity? No
   - Gas? No
   - Sewers? No
   - Water? No
5. Additional Comments:
   The best use of this property is as a residential property. That has been the use since 1964.

UNIQUE CHARACTERISTIC OF PROPERTY AND ADDITIONAL COMMENT:

SIGNATURE: Mark Cochran dotloop verified 10/16/15 4:01PM EDT BIBP-VBT5-HGWX-GVUR DATE:_____

BY: _____

TITLE: _____

Concerning the property located at 2930 W. 13th St. Joplin, MO 64801:

This property is currently zoned C-3 despite the presence of a single family detached house. The proposed zoning is R-1 which would be compliant with the property immediately South and immediately West of the property. There are no ill effects that would be experienced by the City of Joplin or its residents. By changing this zoning, a property that is currently being used as a rental could be purchased by an owner occupant, thus adding one more homeowner to the City of Joplin.



Case 046-15: 2930 W 13th St. - A request to rezone from C-3 (Commercial Business District) to R-1 (Single-Family Residential) - Cochran Real Estate.

N

Case 046-15: 2930 West 13th Street – A request to rezone from C-3 (Commercial District) to R-1 (Single Family Residential) – Cochran Real Estate.

Mr. Eastman opened the public hearing for Case 046-15.

Mr. Russ Cochran appeared representing his son Mark to request the rezoning of the property in Case 046-15. The lady who has leased this property for 10 years desires to purchase it. The underwriters will not grant a loan on a property in a commercial zone, so it needs to be rezoned to District R-1 so she can obtain her loan.

Mr. Eastman asked for comments from the commissioners and the audience, and none were received. He then closed the public hearing for Case 046-15.

MR. BROWN MOVED, SECONDED BY MR. DERMOTT, THAT CASE 046-15 BE FORWARDED TO THE CITY COUNCIL WITH RECOMMENDATION FOR APPROVAL, BASED ON THE COMMENTS RECEIVED IN THE PLANNING REPORT AND DURING THE PUBLIC HEARING. THE MOTION CARRIED, WITH MR. BROWN, MR. CORTEZ, MR. DERMOTT, MR. DUNCAN, MR. EASTMAN, MR. RAMSOUR, AND MR. SMITH VOTING "AYE" (7 IN FAVOR, 0 ABSENT).

P & Z Case 046-15
Cochran Real Estate
(P & Z Recommended Approval)

COUNCIL BILL NO. 2016-252 ORDINANCE NO.

AN ORDINANCE amending Ordinance No. 2004-256, passed by the Council of the City of Joplin, Missouri, November 15, 2004, by removing from District C-3 and including in District R-1 property as described below and located at 8220 East 26th Street in the City of Joplin, Jasper County, Missouri.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF JOPLIN, MISSOURI, as follows:

Section 1. Having referred the subject matter of this ordinance to the City Planning and Zoning Commission and having given at least fifteen days' notice of time and place of hearing on same by publication in the Joplin Globe, Ordinance No. 2004-256 is hereby amended by removing the following described property from District C-3 and including same in District R-1:

ALL OF LOT NUMBERED 4 OF WESTPARK ADDITION IN THE CITY OF JOPLIN, JASPER COUNTY, MISSOURI.

Section 2. That the City Clerk is hereby ordered to file this ordinance with the Zoning District Map maintained in her office and to note the changes herein provided for thereon.

PASSED BY THE COUNCIL OF THE CITY OF JOPLIN, MISSOURI, this the _____ day of _____, 2016, by a vote of _____.

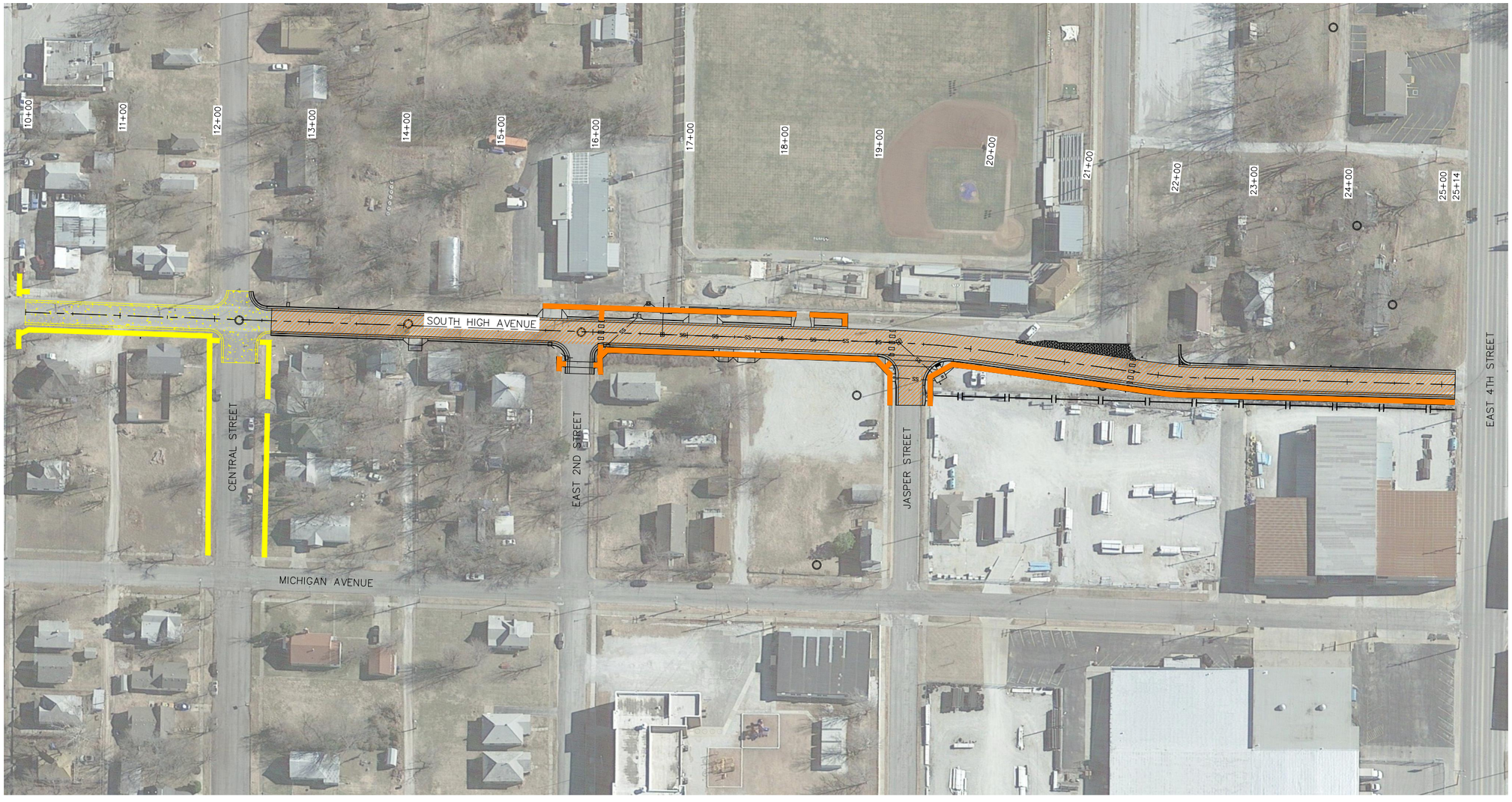
_____
Michael L. Seibert, Mayor

ATTEST:

_____
Barbara L. Hogelin, City Clerk

APPROVED AS TO FORM:

_____
Peter C. Edwards, City Attorney



LEGEND	
	NEW SIDEWALK
	NEW SIDEWALK – ADD ALTERNATE
	ASPHALT PAVING
	ASPHALT PAVING – ADD ALTERNATE

GRAPHIC SCALE

60 0 30 60 120

811 Know what's **below.** **Call** before you dig.

CITY OF Joplin

CITY OF JOPLIN, MISSOURI
DEPT OF PUBLIC WORKS
DIVISION OF ENGINEERING

ALLGEIER, MARTIN and ASSOCIATES, INC.
CONSULTING ENGINEERS and SURVEYORS
7231 EAST 24th STREET JOPLIN, MISSOURI 64804 (417) 680 - 7200

THIS DRAWING IS A DOCUMENT OF SERVICE AND IS THE PROPERTY OF ALLGEIER, MARTIN and ASSOCIATES, INC. THIS DOCUMENT SHALL NOT BE USED ON THIS OR OTHER PROJECTS WITHOUT THE WRITTEN CONSENT OF ALLGEIER, MARTIN and ASSOCIATES, INC.

CERTIFICATE OF AUTHORITY
MISSOURI NO. 000427

REV DATE:	REVISION:

DWN BY:	AWW
CKD BY:	MRA
APD BY:	MCK
DATE:	DEC., 2015

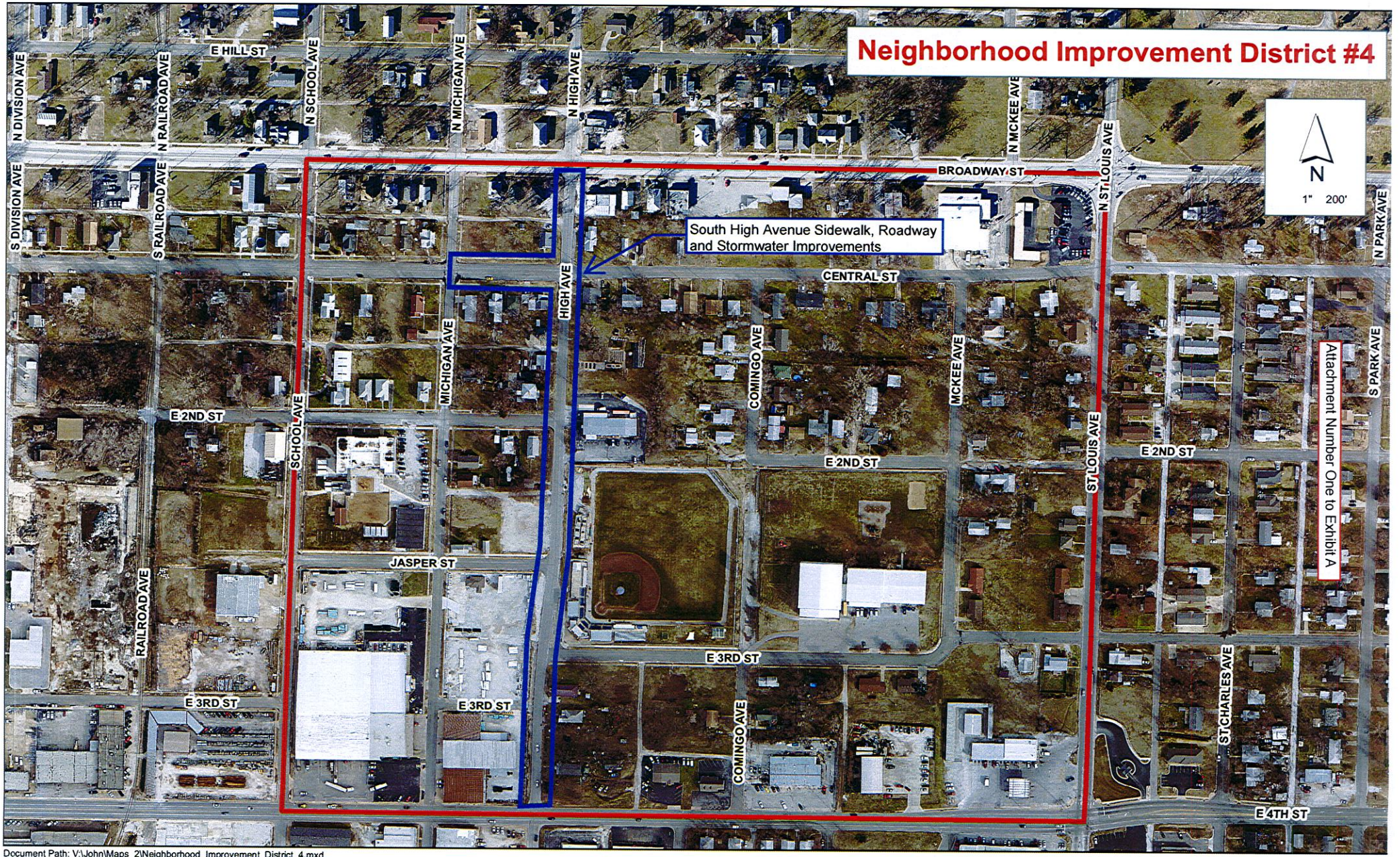
PROJECT

EXHIBIT 1 - OVERALL SITE PLAN
S. HIGH AVENUE STREET IMPROVEMENTS CDBG N.I.D. 4
JOPLIN, MO

PLAN NO:

SHEET 1

Z:\Joplin MO\City of Joplin\Transportation\S. High Ave. Sidewalk Improvements CDBG NIDA\Drawings\EXHIBIT 1.dwg, 1/11/2016 11:30:37 AM, DWG To PDF.pc3



Document Path: V:\John\Maps_2\Neighborhood_Improvement_District_4.mxd

Date: 10/17/20

City of **JOPLIN** City Council Agenda Item

Requested Council Meeting Date: January 19, 2016
Council Bill No. 2016-101

Item: Construction Contract for Street Improvements in NID #IV

Originating Department: Public Works – Community Development

Attachments: 1) Bid tab
2) Map
3) Council Bill No. 2016-101

Community Development: Troy Bolander	Date
Department Head: Nicholas A. Heatherly	Date:
Finance Department: Leslie Haase	Date:
City Attorney: Peter Edward	Date:
Interim City Manager: Sam Anselm	Date:

Recommended Action: Approval of a Construction Contract with Sprouls Construction Inc, for $479,104.00 for Street improvements in NID #IV South High Street Improvements.

Background: The City has received authorization for the release of funds for the 2015 Community Development Block Grant Funding for low and moderate income neighborhoods. This program includes improvements to sidewalks, streets, curb & gutter, storm water and sanitary sewer system in designated neighborhoods. Neighborhood Improvement District # 4 boundaries are School Avenue on the west and St Louis Avenue on the east, Broadway on the North and 4th Street on the south. Funding was approved for Neighborhood Infrastructure projects in the 2014 Action Plans. The sanitary sewer portion of the project was completed in spring of 2015. The Parks/ Storm water sales tax will be funding storm water improvements in the watershed. These storm water funds were made available with the state DED grant supplementing storm water projects in the redevelopment area on east 15th street.

Discussion: City staff followed the City of Joplin procurement policy. Bids were opened on January 12, 2016 with 4 firms bidding and Sprouls Construction Inc provided the lowest bid. The low bid was below the Engineer's estimate. NID #4 street Improvements focus on High Avenue north of 4th street. The Community Development Block Grant Funding will provide funding for approximately 80% of the project, Approximately 20% will be funded by the Parks/ Storm water Sales Tax. We anticipate future projects in the area as additional CDBG funds are available.

Recommendation: City staff recommends approval of the Construction Contract to Sprouls Construction for $479,104.00 for Street improvements in NID #IV.

BID TABULATION

PROJECT: S High Street NID 4
DATE OF BID OPENING: January 12, 2016

CONTRACTOR	BID
Sprouls Construction	479,104.00
Bennett	584,443.00
Branco Enterprise	612,663.25
Dalton-Killinger	680,008.00

COUNCIL BILL NO. 2016-101 ORDINANCE NO.

AN ORDINANCE authorizing the City of Joplin to enter into a Construction Contract with Sprouls Construction Inc. in the amount of Four Hundred Seventy Nine Thousand One Hundred Four and no/100 Dollars ($479,104.00) for the Street improvements in NID #IV; authorizing the Director of Public Works to execute said Agreement by and on behalf of the City of Joplin, Missouri; and containing an emergency clause.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF JOPLIN, MISSOURI, as follows:

Section 1. That the Contract be awarded to Sprouls Construction in the amount of Four Hundred Seventy Nine Thousand One Hundred Four and no/100 Dollars ($479,104.00) for Street improvements in NID #IV in the City of Joplin, Missouri.

Section 2. Upon the final approval and acceptance of the contractor's work under said contract in writing by the Director of Public Works, and his certification to that effect to the Director of Finance, the contractor shall be paid from the Community Development Block Grant Fund & Parks / Storm water Sales Tax Fund

Section 3. That the Director of Public Works is hereby authorized to enter into a Contract on behalf of the City of Joplin and to administer said Contract with all local, state, and federal rules & regulations.

Section 4. City Council recognizes that all Public Improvement projects are subject to needed alterations. This authorizes the Director of Public Works to make these needed alterations within the limits of the program funding.

Section 5. That this Ordinance, dealing with preserving the general welfare, health, and safety of the citizens, and, providing for an expenditure of current expenses of the City, is an emergency within the meaning of Section 2.12(1)(3)(4) of THE HOME RULE CHARTER OF THE CITY OF JOPLIN, MISSOURI, and shall be in full force and effect immediately from and after its passage and approval.

PASSED BY THE COUNCIL OF THE CITY OF JOPLIN, MISSOURI, this 19th day of January, 2016, by a vote of

_____
Michael L. Seibert, Mayor

ATTEST:

_____
Barbara L. Hogelin, City Clerk

APPROVED AS TO FORM:

_____
Peter C. Edwards, City Attorney

City of **JOPLIN** City Council Agenda Item

Requested Council Meeting Date: January 19, 2016
Council Bill No. 2016-356

Item: Joplin Public Library
Originating Department: Planning, Development and Neighborhood Services

1) Inspection Services RFQ – Exhibit A
2) Anderson Engineering Bid Response/Fee Table – Exhibit B
3) Bid Tabulation – Alternative Bid Selection – Exhibit C
4) Council Bill No. 2016-356

Department Head: Troy Bolander
Finance Department: Leslie Haase
City Attorney: Peter Edwards
City Manager: Sam L. Anselm

Recommended Action: Approval of agreement with Anderson Engineering for Library Construction Inspection Services. The contract amount is $83,199.00 (Eighty Three Thousand and One Hundred and Ninety-Nine Dollars).

Background: In October of 2015 the City Council approved a construction services agreement between the City and R.E. Smith Construction for the Joplin Public Library at 20th Street & Connecticut Avenue. The project is funded by the Economic Development Administration $20 million grant award.

Discussion: As construction proceeds in January 2016, the City requires a building construction inspector to oversee installation and construction of library building elements as described in the inspection services agreement. This funding is included in the grant budget approved by the Economic Development Administration.

Recommendation: It is recommended that the Agreement with Anderson Engineering be approved; this Ordinance dealing with a public improvement, is an emergency within the meaning of Section 2.12(6) of the Home Rule Charter of the City of Joplin, Missouri, and, the same shall be in full force and effect immediately from and after its adoption and approval. Specifically, this Ordinance will allow RE Smith and the City of Joplin to continue construction of the library to meet the May 2017 completion timeframe.

.

CITY
OF
JOPLIN, MISSOURI

REQUEST FOR PROPOSALS PACKAGE

2016-RFP-03

for

PROJECT CONSTRUCTION INSPECTION SERVICES
JOPLIN LIBRARY COMPLEX

Tony Robyn, Planning, Development, and Neighborhood Services
602 S Main Street, Joplin, MO 64801
Phone: (417) 624-0820 ext. 541, Fax: (417) 624-4620
Email: trobyn@joplinmo.org

REQUEST FOR PROPOSALS

The City of Joplin, Missouri will accept sealed proposals until 2:00 P. M., Wednesday December 30, 2015 at the Joplin City Hall, 602 S Main, Joplin, Missouri, 64801 for the following:

PROJECT CONSTRUCTION INSPECTION
JOPLIN LIBRARY COMPLEX

Project information available from Tony Robyn, at 417-624-0820, ext. 541, by writing to the address indicated above or by visiting www.joplinmo.org/bids. Any proposals received after the specified deadline will be returned to the vendor.

The City reserves the right to evaluate all proposals, to reject any or all proposals and solicit again at a later date. The City may waive any irregularities in the proposal or negotiate variances from specifications, and make awards that are in the best interests of the City. The City will have final decision in all matters regarding acceptance of proposals and issuance of awards.

The City encourages minority and female owned businesses to submit proposals on all City purchases.

Leslie Haase, CPA
Finance Director

Publication Date: Sunday, December 6, 2015

CITY OF JOPLIN MISSOURI

NOTICE OF REQUEST FOR PROPOSAL

REQUEST FOR PROPOSAL NO. 2016-RFP-03

PROJECT CONSTRUCTION INSPECTION SERVICES
JOPLIN LIBRARY

RFP Due Date: **2:00 P.M., December 30, 2015**

Location: City of Joplin
602 South Main, 3rd Floor
Joplin, MO 64801

Contact: Tony Robyn, Planning
Phone: (417) 624-0820 ext. 541, Fax: (417) 624-4620
Email: trobyn@joplinmo.org

Proposals will be received at the specified location until the time and date cited above. Only proposals received by the correct time and date will be recorded.

Proposals must be submitted in an envelope with the Request for Proposal number **(2016-RFP-03)** and the Vendor's name and address clearly indicated on the envelope. All proposals must be completed in ink or typewritten and submitted by the time and date above. A digital copy in Word or PDF format should be included on CD or flash drive. The full Request for Proposals can be found at the City of Joplin website at www.joplinmo.org under "Bids and Projects".

Construction documents can be purchased at:

USA Print and Digital Services
311 East 7th Street
Joplin, MO 64801
417-626-0966

Proposers are strongly encouraged to carefully read the entire Request for Proposal and Construction Documents.

December 6, 2015
Issue Date

CITY OF JOPLIN, MISSOURI
STANDARD INSTRUCTIONS TO PROPOSERS AND CONDITIONS OF REQUEST FOR PROPOSAL

1. **PREPARATION OF PROPOSALS**

A. Proposers are expected to examine the scope of services, delivery schedule, requirements and all instructions of the Request for Proposal. Failure to do

so will be at Proposer's risk. In case of a mistake in extension, the unit price(s) will govern.

B. All supplies and equipment offered in a proposal must be new and of current production unless the Request for Proposal clearly specifies that used or reconditioned supplies or equipment may be offered.

C. Firm fixed prices shall be bid and include all packing, handling and shipping charges.

D. Unless otherwise indicated prices quoted shall be firm for acceptance for one hundred twenty days from proposal opening and for the specified contract period.

2. SUBMISSION OF PROPOSALS

A. A proposal submitted by a Proposer must (1) be manually signed by the Proposer; (2) contain all information required by the Request For Proposal; (3) be priced as required; (4) be sealed in an envelope or container; (5) be attached to a security deposit if required; and (6) be delivered to the specified department and officially clocked in no later than the exact time and date specified on the Request For Proposal.

B. The sealed envelope or container containing a proposal should be clearly marked on the outside left corner with (1) the official Request For Proposal number and (2) the official closing date and time.

C. Do not submit proposals in response to other solicitations in the same sealed envelope. If more than one proposal is submitted in the same container, your proposal may be rejected as non-responsive.

3. **MODIFICATION OR WITHDRAWAL OF PROPOSALS**

A. Proposals may be modified or withdrawn by written or telegraphic notice received prior to the official closing date and time specified. A proposal may also be withdrawn or modified in person by the Proposer or his authorized representative provided proper identification is presented before the official closing date and time. Verbal phone requests to withdraw or modify a proposal will not be considered.

B. After the official closing date and time, no proposal may be modified or withdrawn.

C. The proposal is firm for acceptance for one hundred twenty (120) days after proposal opening.

4. **PROPOSAL OPENING**

A. Proposal openings shall be public on the date and at the time specified on the proposal form. It is the Proposer's responsibility to assure that his proposal is delivered at the proper time and place of the proposal opening. Proposals which for any reason are not so delivered will be not considered. Offers by telegram, telephone, or facsimile will not be accepted, unless specifically authorized by the Request for Proposal. Proposal files may be examined during normal working hours by appointment.

5. **AWARDS**

A. Unless otherwise stated in the Request For Proposal, cash discounts for prompt payment of invoices will not be considered in the evaluation of prices, if part of the proposal. However, such discounts are encouraged to motivate prompt payment.

B. As the best interest of the City may require, the right is reserved to make awards; to reject any and all proposals or waive any minor irregularity of technicality in proposals received.

C. Awards will be made to the Proposer whose proposal (1) meets the specifications and all other requirements of the Request For Proposal and (2) is the best proposal, considering price, responsibility of the Proposer and all other relevant factors in the criteria for award.

D. Each proposal is received with the understanding that the acceptance in writing by the City of the offer to furnish any or all materials, equipment, supplies or services described therein shall constitute a contract between the Proposer and the City; and shall bind the Proposer to furnish and deliver at the price, and in

accordance with the conditions of said accepted proposal and detailed specifications.

6. **OPEN COMPETITION**

A. It is the intent and purpose of the Division of Purchases that the Request for Proposal permits free and open competition. However, it shall be the Proposer's responsibility to advise the Division of Purchases if any language, requirements, etc., or any combination thereof, inadvertently restricts or limits the requirement to a single source or otherwise prohibits the submission of a proposal. The notification should be received by the specified department at least ten days prior to the Request for Proposal closing date and time. The Proposer may submit a notification after the proposal closing provided sufficient time is permitted for a thorough review by the Division of Purchases and its decision will be final.

CITY OF JOPLIN, MISSOURI
STANDARD TERMS AND CONDITIONS OF PURCHASE

A.This contract expresses the complete agreement of the parties and performance shall be governed solely by the terms and conditions contained herein. Changes, additions or modifications hereto must be in writing and signed by the Purchasing Agent.

B. **INVOICES:** An original of the invoice shall be submitted and shall show the purchase order number or contract and contract release number and contain full descriptive information of item or services furnished.

C. **BANKRUPTCY OR INSOLVENCY:** In the event of any proceedings by or against either party, voluntary or involuntary, in bankruptcy or insolvency, or for the appointment of a receiver or trustee or an assignee for the benefit of creditors, of the property of Seller, or in the event of breach of any of the terms hereof including the warranties of the Seller, City may cancel this contract or affirm the contract and hold Seller responsible in damages.

D. **COMPLIANCE WITH APPLICABLE LAWS:** The Seller warrants it has complied with all applicable laws, rules and ordinances of the United States, or any state, municipality or any other governmental authority or agency in the manufacture or sale of the items covered by this contract, including but not limited to all provisions of the Fair Labor Standard Act of 1938, as amended.

E. **INTERPRETATION OF CONTRACT AND ASSIGNMENTS:** The contract shall be construed according to the laws of the State of Missouri. The contract, or any rights, obligations or duties hereunder may not be assigned by Seller without the City's written consent or any attempted assignment without such consent shall be void.

F. **TERMINATION OF CONTRACT:** The City reserves the right to terminate the contract at any time if any of the provisions of the contract are violated by the Contractor or by any of his Subcontractors, in the sole judgment and discretion of the City. In the event of such termination, the Contractor shall be liable for any excess costs incurred by the City. If the contract is so terminated, the City may purchase upon such terms and in such manner as the Purchasing Agent may deem appropriate, supplies or services similar to those so terminated, and that the Contractor will be liable for excess costs occasioned thereby.

G. **NON-DISCRIMINATION IN EMPLOYMENT:** In connection with the furnishing of supplies or performances or work under this contract, the Contractor agrees to comply with the Fair Labor Standard Act, Fair Employment Practices, Equal Opportunity Employment Act, and all other applicable federal and state laws, and further agrees to insert the foregoing provision in all subcontracts awarded hereunder.

H. **PROVISIONS BY LAW DEEMED INSERTED:** Each and every provision of the law and clauses required by law to be inserted in this contract will be deemed to be inserted herein and will read and be enforced as though it were included herein, and if through mistake, or otherwise any such provision is not inserted, then upon the application of either party the contract will be physically amended to make such insertion or correction.

I. **ASSIGNMENT:** The Contractor shall not assign any interest in this contract, and shall not transfer any interest in the same (whether by assignment or novation), without prior written consent of the City thereto. Provided, however, that claims for money due or to become due to the Contractor from the City under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of such assignment or transfer shall be furnished in writing promptly to the City. Any such assignment is expressly subject to all rights and remedies of the City under this agreement, including the right to change or delete activities from the contract or to terminate the same as provided herein, and no such assignment shall require the City to give any notice to any such assignee of any actions which the City may take under this agreement, though City will attempt to so notify any such assignee.

1.0 SCOPE OF WORK

1.1 Purpose

The City is interested in obtaining the services of project building construction inspection and verification for a new public library to include overseeing on-site inspection and 3rd party testing services.

1.2 Background

Joplin's *Blueprint for the Future* and the Citizens Advisory Recovery Team *Implementation Next Steps* both identify opportunities to continue to develop, invigorate, and nurture the areas most devastated by the tornado, as well as create synergy among major anchor projects and other projects underway in the community. By design, the library, like many of the proposed redevelopment projects and programs have ripple effects beyond the tornado damage zone and are intended to reach a broad base of citizenry and their expressed needs and issues. Since the early stages of recovery, the city's objective and actions have been to stabilize and minimize population loss. In addition to the reconstruction and development underway across the city and disaster area, the importance of this project stems from the fact that it is part of a suite of priority reconstruction and recovery efforts, including critical infrastructure improvements and anchor developments intended to transform the face of Joplin into an interconnected, vibrant and growing city moving forward. These projects together provide a powerful catalytic effect within and adjacent to the tornado recovery zone and provide incentives and implications for associated ancillary development, while specifically addressing a multitude of community challenges and needs. The whole of these projects will benefit the Joplin community well into the future and represent an unprecedented, once in a life time opportunity.

In 2012, the City of Joplin was awarded a grant from the U.S. Economic Development Administration, EDA Award No.: 05-79-05345, to relocate and build a modern library facility in the heart of the disaster area, to, in part, help generate growth and economic resiliency in the wake of the 2011 tornado disaster. This project will be partially funded with Federal funds from the US Department of Commerce, Economic Development Administration and therefore is subject to the Federal laws and regulations associated with that program. Currently, the City project team consists of CBC Real Estate, Project Manager, SAPP Design Architects, and TriState Engineering, Civil Engineer.

The City currently employs approximately 500 full-time employees. Our commitment to safety, our people, our work environment, and the reconstruction of the Joplin community, is principal. Our citizens are a vital ingredient in our success; they are in part what keep us informed and focused on maintaining and growing the community and stewarding its resources for the future.

1.3 General Requirements

The selected Project Inspection Firm will be responsible for providing due diligence and ensuring the following construction specifications:

a) Construction of a modern public library facility of approximately 58,000 square feet at 20th and Connecticut Streets in Joplin, Missouri, together with 150 surface parking spots, landscaping, streetscaping, pedestrian access improvements, and an intermodal trailhead/pocket-park interface. Firm will be responsible for 3rd Party Testing of soils, concrete, steel, masonry, materials, and other items and inspection services as needed.

1.4 Specific Requirements

The Project Construction Inspection Firm will be responsible for the following building construction activities:

1) Coordinate and schedule 3rd party building construction verifications and inspections as needed and required to include:
    a. Verification of building pad footprint soils
    b. Placement of reinforced concrete
    c. Testing of reinforced concrete
    d. Bolts installed in concrete
    e. Masonry
    f. Erection of Precast concrete
    g. Steel Frame inspection
    h. High Strength bolting
    i. Structural welding
    j. Sprayed fire resistant materials
2) Participate in weekly team progress meetings as requested
3) Keep a daily project diary; provide a weekly activity report to City project staff

4) Work closely with project staff and contractors, City building inspector(s) to ensure timely delivery of building construction materials and services; review building construction pay applications and wage rate interviews; verify materials and quantities; provide on-site inspections of on-going work. (Site inspection and verification five feet outside building perimeter is being handled by Civil Engineer Tri-State Engineering.)

5) Assist the City in developing and meeting quarterly federal reporting requirements; ensuring adherence adhering to federally required construction provisions

6) Ensure projects adhere to all City policies

1.5 Content Requirements

The Proposal must detail how the Contractor will provide the Scope of Services required by this RFP.

1.5.1 Company Profile

Provide the following information relative to your firm:

A. Firm name and business address, including telephone and facsimile numbers, and e-mail address.

B. Year established (include former firm names and year established). Identify the country and state in which the firm was incorporated or adopted.

C. Provide the Firm's type of ownership and, if applicable, parent company or subsidiaries. Include dates of any corporate mergers and/or acquisitions, including all present and former subsidiaries with dates of any and all restructuring since the founding date. Also, provide any licensure in Missouri.

D. Clarify the business address and telephone number of the office(s) at which the work is to be accomplished (if different than item #A). Also include the name, address, and telephone number of the project manager, if different than item A.

1.5.2 Organizational Structure

Describe your firm's organizational structure and discuss how you anticipate organizing your project team for this engagement.

1.5.3 Key Staff Resumes

Provide a listing of key project team member(s) who will be involved. Provide resumes for the construction inspection individual and other key staff, which includes work experience, education, and any relatable projects. The key people proposed for the project must actually participate. If, because of extenuating circumstances, a member must be replaced, the City must approve the new member.

1.5.4 Experience and Qualifications

The City is seeking an individual with 5-7 years inspection experience. Set forth your experience and qualifications as they relate to the proposed project in terms of technical scope, tasks involved, deliverable products, and other elements of the work as they relate to the evaluation criteria and all requirements of this RFP. The Proposal should provide all information which the Contractor considers pertinent to its qualifications for performing the work called for by the RFP; including, but not limited to work detailed in the Scope of Work.

1.5.5 References

Each Contractor must furnish a minimum of three (3) references from projects of similar size and complexity. References may or may not be reviewed or contacted, at the sole discretion of the City.

1.5.6 Disclosures

Disclose and detail whether your firm, staff, or proposed subcontractors have been involved in any library predevelopment discussion, design, planning, cost-estimating, or related work. Disclosure of previous activity will not automatically disqualify your firm. Failure to disclose participation in predevelopment activities will disqualify the applicant.

1.5.7 Pending Claims

Each Contractor must describe any pending or ongoing administrative or judicial proceedings material to its business or finances, including, but not limited to litigation,

consent orders, or agreements with state or federal regulatory agencies, and any claims, whether past, current, or pending, that involve work similar to the work sought by this RFP. The nature of any such claim or proceeding must be described, together with its current status, final disposition (if any), and the parties involved.

1.5.8 Key Required Provisions

Pricing: The proposal should outline estimated costs for staff and percentage of time spent on deliverables. Project costs cannot be merely a stated percentage of overall projects costs, but must be itemized and detailed out to include a not-to-exceed amount per federal regulations.

2.0 FEDERAL GRANT REQUIREMENTS

Use of Federal Funds: All contracts, services, purchasing, and activities must conform to U.S. Department of Commerce - Economic Development Administration federal assistance and guidelines. Company shall comply with the following:

Access to and Retention of Records. The Owner, EDA, the Controller General of the United States, the inspector General of the Department of Commerce, or any of their duly authorized representatives, shall have access to any documents, books, papers, and records of the Company (which are directly pertinent to this contract) for the purpose of making an audit, examination, excerpts, and transcriptions. The Company shall maintain all required records for at least three years after the Owner makes final payment and all pending matters are closed.

3.0 ADMINISTRATIVE REQUIREMENTS

3.1 RFP Schedule

Activity	Date
RFP issued	December 6, 2015
Final questions due from potential vendors	December 15, 2015
City responses to questions and/or addenda issuance	December 18, 2015
Proposal Submission Deadline	December 30, 2015
Proposed Contract Discussions and Potential Interviews Conclude	January 8, 2016
Proposed Selection Date	January 8, 2016

This timetable may be modified based on number of proposals received and extent of interview and discussion timeframes.

Addenda to the RFP and Requests for Information:

The City may, at its sole discretion, issue Addenda to this Request for Proposals containing responses to questions and requests for information, clarifications or revisions of the RFP, or any other matters that the City deems appropriate. Addenda will be issued to those to whom the City sent the original RFP. Addenda or clarifications will be posted on the City of Joplin's website.

Any question, request for clarification, or request for additional information regarding this RFP should be submitted no later than December 15, 2015 via e-mail to trobyn@joplinmo.org, or in writing, to Tony Robyn, City of Joplin, 602 South Main, 4th Floor, Joplin, MO 64801. No oral response by any employee or agent of the City shall be binding on the City or shall in any way be considered a commitment by the City. If a Contractor finds any inconsistency or ambiguity in the RFP, the Contractor is requested to contact the City Attorney at the enclosed address.

The City may at its discretion dictate multiple phases and construction contracts for any project. Staying within the proposed project budget will be of primary concern to the City staff. Innovative solutions outside of the proposed project plan will be given serious consideration. The City reserves the right to award one or more projects to one or more firms.

3.2 Proposal Selection and Evaluation

3.2.1 Proposal Evaluation Process

Rated Criteria – 100 possible points

RATED CRITERIA	RATED CRITERIA POINTS
Costs to perform the services	50 Maximum Points Possible
Experience – 5-7 years previous experience performing related projects	25 Maximum Points Possible

Qualifications and Capacity of Firm	20 Maximum Points Possible
Has experience and professional knowledge of working with similarly sized communities and ability to comply with City of Joplin codes, policies and regulations.	5 Maximum Points Possible
TOTAL	100 Maximum Points Possible

The CITY may discontinue the evaluation of, and reject, any Proposal that does not meet the qualifications sought.

3.3 Responsibility of Costs

The Contractor shall be fully responsible for all costs associated with the development, preparation, transmittal, and submission of any Proposal or material submitted in response to this RFP. The City assumes no contractual or other obligations as a result of the issuance of this RFP, the preparation or submission of a Proposal by a Contractor, the evaluation of Proposals, or the selection of any Contractor for further negotiations.

3.4 Contract Terms and Conditions

The City may condition award of the Contract on the Contractor's acceptance of the terms and conditions contained in the form of agreement attached hereto and made a part hereof as Exhibit A. Contractors may submit with its Proposal, written objections to the terms and conditions established in this RFP and/or agreement by identifying the specific section(s) and paragraph(s) objected to, stating the reason(s) for the objection and proposing alternative terms. Should Contractor object to any of the terms and conditions established in this RFP, including the form of agreement, the City reserves the right, in its sole discretion, to permit Contractor to rescind any or all such exceptions at any time prior to award of a contract. The City, in its sole discretion, may evaluate proposals according to whether the Contractor objects to terms and conditions and if Contractor does object, the number and type of objections. In no event shall the City's selection of a Contractor for further negotiations constitute acceptance of any objection or proposed alternative to the terms and conditions established in this RFP. The City reserves the right, however, to add, delete, revise, or negotiate terms and conditions different than those included in the RFP, if, in the sole judgment of the City, it is in the best interest of the City to do so.

3.5 Exhibits

The following exhibits are referenced in this RFP, incorporated into and made a part of this RFP:

A. Affidavit of Compliance – Missouri Unauthorized Alien Workers Act
B. Affidavit of Compliance – Exception Statement
C. Statement of No Proposal
D. City of Joplin Professional Services Agreement Example
E. Library Building and Site Map

4.0 FORMAT AND CONTENT OF PROPOSAL

4.1 Proposal Terms and Conditions

The following terms and conditions apply to submitting proposals in response to this Request for Proposal:

4.2 Interviews

The City reserves the right to conduct personal interviews or require presentations of any or all proposers prior to selection. The City will not be liable for any costs incurred by the proposer in connection with such interviews/presentations (i.e. travel, accommodations, etc.)

4.3 Request for Additional Information

The proposer shall furnish such additional information as the City of Joplin may reasonably require. This includes information which indicates financial resources as well as ability to provide and maintain the system and/or services. The City reserves the right to make investigations of the qualifications of the proposer as it deems appropriate.

4.4 Acceptance/Rejection/Modification to Proposals

The City reserves the right to negotiate modifications to proposals that it deems acceptable, reject any and all proposals, and to waive minor irregularities in the procedures.

4.5 Proposals Binding

All proposals submitted shall be binding for one hundred twenty (120) calendar days following the opening.

4.6 Proposer's Certification

By submitting a proposal, the proposer certifies that the proposal has been fully read and understood. The proposer has full knowledge of the scope and nature and quality of work to be performed. The proposer further certifies that no employee of the City has any direct or indirect financial interest in any resultant contract, and that no gratuities will be offered or provided to the City of Joplin employees or their family members.

4.7 Non-exclusive Contract

The agreement resulting from this RFP shall be a non-exclusive contract, and the City reserves the right to purchase same or like services from other sources the City deems necessary and appropriate.

4.8 Exceptions

If the Offeror desires to take exception to any terms, conditions and requirements of the RFP, the Offeror must clearly state those exceptions on the Affidavit of Compliance. Exceptions taken by the Offeror may be considered in the evaluation of proposals.

4.9 Late proposals

Proposals received by the City after the time specified for receipt will not be considered. Proposers shall assume full responsibility for timely delivery of the proposals to the location designated for receipt of proposals. The City of Joplin is not responsible for the U.S. Mail or private couriers in regards to mail being delivered by the specified time so that a proposal can be considered. All proposals will be received at the time and place specified and made available for public inspection when an award decision is made.

4.10 Completeness

All information required by the Request for Proposal must be supplied to constitute a legitimate proposal. The City of Joplin reserves the right to use any and all information presented in any response to the Request for Proposal. Acceptance or rejection of the RFP does not affect this right.

4.11 Execution of Agreement

It is anticipated the City will make their selection of a firm on or around January 8, 2016. The successful proposer shall enter into a contract with the City for the performance of work awarded to him and shall simultaneously provide any required bonds, indemnities and insurance certificates. A copy of the sample agreement is attached. Failure to comply within the established deadline for submittal of required documents may be grounds for cancellation of the award.

5.0 SUBMISSION OF PROPOSALS

In order for the City to adequately compare proposals and evaluate them uniformly and objectively, all proposals shall be submitted in accordance with this format. The proposal should be prepared simply and economically, providing straight-forward and concise information as requested.

5.1 Submission Format

1. Title Page: The complete legal name, address, Federal ID number or Social Security number, permanent address and telephone number of the Offeror including the name of the person to contact for discussion of the proposal.
2. Table of Contents.
3. Letter of Transmittal - Limit to one (1) or two (2) printed pages.
4. Requirements – as listed in the RFP.

5.2 Forms and Attachments

The Affidavit of Compliance Form is required to be sent with your proposal. Any exceptions to the RFP terms, conditions and requirements shall be stated on this form. Any amendments to the RFP shall be acknowledged on this form.
The successful bidder will have to sign an agreement that they are enrolled and participating a Federal Work Authorization Program ("FWAP") that ensures that all of

its employees or agents or subcontractors have the legal right to work in the United States, as defined in 8 U.S.C. 1324a(h)(3) and RSMo § 285.525-285.555, and that it will maintain this compliance for the entire duration of its contract with the City of Joplin, and will provide an Affidavit of Compliance to the City stating the same.

EXHIBIT A

Affidavit of Compliance

(Missouri Unauthorized Alien Workers Act)

My name is *(name)* _____ and I am the *(Title)* _____ of *(Company Name)* _____. I hereby represent, affirm and certify to the City of Joplin that my company does not knowingly employ any person who is an unauthorized alien in connection with contracted services with the City. I further affirm that my company is actively enrolled and participating in a federal work authorization program with respect to all employees working in connection with the contract services provided to the City.

_____

Affiant

5.3 Proposals Due Date

Applicants must deliver their Proposals by hand, courier or mail. Applicants must ensure that their Proposals are delivered to City Hall, 4th Floor, no later than 2:00 p.m. Central time (the "**Closing Time**") on December 30, 2015 (the "**Closing Date**"). The City will reject any Proposals received after the Closing Time. City will not accept faxed, e-mailed or oral Proposals or faxed, e-mailed or oral modifications to Proposals. Late received Responses will be returned to the Respondent unopened. Properly submitted Reponses and materials by the Respondents will not be returned.

ATTN:

City of Joplin
Tony Robyn, Planning, Development, and Neighborhood Services Department
Joplin City Hall, 4th Floor
602 S. Main Street, Joplin, MO 64801
"Library Complex Project Construction Inspection Services 2016-RFP-03".

5.4 Amendments

If it becomes necessary to revise or amend any part of this Request for Proposal, the City will furnish the revision by written Amendment to all prospective proposers who received an original Request for Proposal.

5.5 Proposal Evaluation Process

The steps and activities in the proposal process will include the following:

5.5.1 The City will review and evaluate all proposals submitted in response to this Request for Qualifications (RFP). The City shall conduct a preliminary evaluation of all proposals on the basis of the information provided and other evaluation criteria as set forth in this Request for Qualifications or as reasonably determined by the City.

5.5.2 The City will first review each proposal for compliance with the requested requirements of the RFP. Failure to comply with any requirements may disqualify a proposal.

5.5.3 Proposals will then be evaluated and rated in accordance with the evaluation criteria. A shortlist will be developed listing the highest ranked proposals.

5.5.4 The City will confer with all responsible proposers who have been short listed and may arrange, if necessary, for interviews/presentations by the short listed firms.

5.5.5 The City reserves the right to conduct pre-award discussions with any or all responsive and responsible proposers who submit proposals determined to be reasonably acceptable of being selected for award. Proposers shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals and such revisions may be permitted after submission of proposals and prior to award of a contract.

5.5.6 The City reserves the right to reject any and all proposals and to waive minor irregularities. The City further reserves the right to seek new proposals when such a procedure is reasonable and in the best interests of the City to do so.

5.6 Questions Regarding Specifications or Proposal Process

To ensure fair consideration for all proposers, the City prohibits communication to or with any city council member, department, board, or employee during the submission process, except as provided in paragraph below. Additionally, the City prohibits communications initiated by a proposer to the City official(s) or employee(s) evaluating or considering the proposals prior to the time an award decision is made. Any communication between proposer and the City will be initiated by the appropriate City Official(s) or employee(s) in order to obtain information or clarification needed to develop a proper, accurate evaluation of the proposal. Such communications initiated by a proposer may be grounds for disqualifying the offending proposer from consideration for award of the proposal and/or any future proposal(s).

- Any questions relative to interpretation of specifications or the proposal process shall be addressed to the City project contact in writing, in ample time before the period set for the receipt and opening of proposals. Any interpretation made to prospective proposers will be expressed in the form of an amendment to the RFP which, if issued, will be conveyed in writing and posted on the City of Joplin website under "Bids/Projects" tab.

- It will be the responsibility of the proposer to contact the City project contact prior to submitting a proposal to ascertain if any amendments have been issued, to obtain all such amendments, and to acknowledge amendment with the proposal.

Direct all inquiries or technical questions to City contact:

ATTN: City of Joplin
Tony Robyn, Planning, Development, and Neighborhood Services Department
Joplin City Hall, 4th Floor
602 S. Main Street, Joplin, MO 64801
"Library Complex Project Construction Inspection Services 2016-RFP-03".
Email: trobyn@joplinmo.org

Exhibit B.
AFFIDAVIT OF COMPLIANCE - EXCEPTION STATEMENT
 # 2016-RFP-03

To be submitted with vendor's Proposal

_____ We **DO NOT** take exception to the RFP Documents/Requirements.

_____ We **TAKE** exception to the RFP Documents/Requirements as follows:

_____
_____
_____
_____
_____
_____
_____
_____
_____
_____
_____
_____
_____

I have carefully examined the Request for Qualifications and agree to abide by all submitted information, delivery, terms and conditions of this request unless otherwise stipulated herein.

Company Name _____

By _____
(Authorized Person's Signature)

_____
(Print or type name and title of signer)

Company Address_____

_____

_____

Telephone Number _____

FAX: _____

Date: _____

ADDENDA

Bidder accepts receipt of the following amendment(s):

Addendum No. _____ Date_____

Addendum No. _____ Date_____

Addendum No. _____ Date_____

Addendum No. _____ Date_____

Addendum No. _____ Date_____

Email _____

FEID No._____

EXHIBIT C
CITY OF JOPLIN - STATEMENT OF NO PROPOSAL
REQUEST FOR QUALIFICATIONS # 2016-RFP-03

IF YOU DO NOT INTEND TO BID ON THIS REQUIREMENT, PLEASE COMPLETE AND RETURN THIS FORM PRIOR TO DATE SHOWN FOR RECEIPT OF PROPOSALS TO: ATTN: CITY OF JOPLIN, TONY ROBYN, 602 SOUTH MAIN, JOPLIN, MO 64801 OR FAX 417 624-4620.

WE, THE UNDERSIGNED, HAVE DECLINED TO BID ON YOUR **2016-RFP-03** FOR THE FOLLOWING REASON(S):

_____ SPECIFICATIONS ARE TOO "TIGHT", I.E. GEARED TOWARD ONE BRAND OR MANUFACTURER ONLY (PLEASE EXPLAIN REASON BELOW)

_____ INSUFFICIENT TIME TO RESPOND TO INVITATION FOR BID.

_____ WE DO NOT OFFER THIS PRODUCT/S OR EQUIVALENT.

_____ REMOVE US FROM YOUR BIDDERS' LIST FOR THIS COMMODITY OR SERVICE

_____ OUR PRODUCT SCHEDULE WOULD NOT PERMIT US TO PERFORM.

_____ UNABLE TO MEET SPECIFICATIONS.

_____ UNABLE TO MEET INSURANCE REQUIREMENTS.

_____ SPECIFICATIONS UNCLEAR (PLEASE EXPLAIN BELOW).

_____ OTHER (PLEASE SPECIFY BELOW).

REMARKS: _____

_____

WE UNDERSTAND THAT IF THIS "NO BID" LETTER IS NOT EXECUTED AND RETURNED, OUR NAME MAY BE DELETED FROM THE LIST OF QUALIFIED BIDDER'S FOR THE CITY OF JOPLIN FOR FUTURE PROJECTS OR COMMODITIES.

COMPANY NAME _____

ADDRESS _____

SIGNATURE AND TITLE _____

TELEPHONE NUMBER _____ DATE _____

"NOTICE: This Agreement is included as a sample only and should not be considered a final document. Any agreement between the City and a successful bidder may be significantly different than the agreement attached following legal review.

EXHIBIT D

Example Professional Services Agreement

CONTRACT NO._____

ADDRESS & PHONE OF CITY	NAME, ADDRESS & PHONE OF CONTRACTOR
Office of Disaster Recovery	_____
602 South Main	_____
Joplin, MO	_____
417-624-0820 x541	_____

AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, 2015, by and between the City of Joplin, a municipal corporation of the State of Missouri, hereinafter referred to as the "City" with offices at 602 South Main, Joplin, Missouri and _____ hereinafter referred to as the "Consultant."

WITNESSETH:

WHEREAS, the City of Joplin desires to engage the Consultant to render certain services hereinafter described in Request For Proposal 2016-RFP-03 which Request For Proposal is attached hereto and incorporated herein as Exhibit A; and

WHEREAS, the Consultant submitted a proposal dated December 30, 2015 which proposal is attached hereto and incorporated herein as Exhibit B; and

WHEREAS, the Consultant has become the lowest and best Offeror for performing the services listed in the Notice of Award, which Notice of Award is attached hereto and incorporated herein as Exhibit C;

NOW, THEREFORE, the parties to the contract agree to the following:

1. The City agrees to engage the Consultant and the Consultant agrees to perform, in strict accordance with Exhibit A, and within the time specified therein, the services set forth in Exhibit C.

2. The services of the Consultant shall commence only as authorized in writing by City purchase order or other written notice and shall be undertaken and completed as promised by the Consultant in Exhibit B. The term of the Agreement shall be for the period specified in Exhibit C.

3. The City agrees to pay the Consultant in accordance with the prices and terms set forth in Exhibit B for work authorized by City purchase order or other written Notice by the City upon presentation of proper invoice and inspection by the City of work completed by the Consultant.

4. All information, data, and reports as are existing, available and necessary for the carrying out of the work, shall be furnished to the Consultant without charge, and the parties shall cooperate with each other in every way possible in carrying out the scope of services.

5. The Consultant shall fully coordinate its activities in the performance of the contract with the activities of the City.

6. The Consultant represents that Consultant will secure at Consultant's own expense, all personnel required to perform the services called for under this contract by Consultant. Such personnel shall not be employees of or have any contractual relationship with the City except as employees of the Consultant. All of the services required hereunder will be performed by the Consultant or under Consultant's direct supervision and all personnel engaged in the work shall be fully qualified and shall be authorized under state and local law to perform such services. None of the work or services covered by this contract shall be subcontracted without the written approval of the City.

7. Termination: If, through any cause, the Consultant shall fail to fulfill in a timely and proper manner Consultant's obligations under this contract, or if the Consultant shall violate any of the covenants, agreements, or stipulations of this contract, the City shall thereupon have the right to terminate this contract by giving written notice to the Consultant of such termination and specifying the effective date thereof, at least five (5) days before the effective day of such termination. The City may, without cause, terminate this contract upon 30 day's prior written notice. In either such event, all finished or unfinished documents, data, studies, reports, or other materials prepared by the Consultant shall, at the option of the City become its property. The Consultant shall be entitled to receive just and equitable compensation for any satisfactory work completed. Notwithstanding the above, the Consultant shall not be relieved of liability to the City for damages sustained by the City by virtue of any such breach of the contract by the Consultant.

8. Assignment: The Consultant shall not assign any interest in this contract, and shall not transfer any interest in the same (whether by assignment or novation), without prior written consent of the City thereto. Provided, however, that claims for money due or to become due to the Consultant from the City under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of such assignment or transfer shall be furnished in writing promptly to the City. Any such assignment is expressly subject to all rights and remedies of the City under this agreement, including the right to change or delete activities from the contract or to terminate the same as provided herein, and no such assignment shall require the City to give any notice to any such assignee of any actions which

the City may take under this agreement, though City will attempt to so notify any such assignee.

9. Any reports, data, or similar information given to or prepared or assembled by the Consultant under this contract which the City requests to be kept as confidential shall not be made available to any individual or organization by the Consultant without prior written approval of the City.

10. Modification of Contract: The Scope of Work to be done under the Contract shall be subject to modification and supplementation upon the written Agreement of the duly authorized representatives of the Contracting parties. No provision in the Contract shall be changed or modified without the execution of a formal amendment to the Contract, mutually agreed to by the City and the Consultant and processed through the Division of Purchases. Upon request by the City, the Consultant shall provide an estimate of cost of any additional work or services to be incorporated by a modification to the Scope of Work and the Contract.

11. Contract Documents: The agreement between the City of Joplin and the Consultant shall consist of (1) The Contract form which embodies the requirements contained herein, (2) the Request for Proposal, and any amendments thereto and, (3) the proposal, as accepted, submitted in response to the Request for Proposal. In the event of a conflict in language between the documents referenced above, the provisions and requirements set forth and/or referenced in the Contract shall govern over all other documents, and the Request for Proposal and amendments thereto shall govern over the Consultant's Proposal and amendments thereto. However, the City reserves the right to clarify any Contractual relationship in writing with the concurrence of the Consultant, and such written clarification shall govern in case of conflict with the applicable requirements stated in the Request for Proposal or the Consultant's proposal. In all other matters not affected by the written clarification, if any, the Request For Proposal shall govern. The Consultant is cautioned that the proposal shall be subject to acceptance without further clarification.

12. Appropriation of Funds: In the event that funds are not appropriated by the Council of the City of Joplin for any term of the contract or extension thereto or portion of any term of the contract which falls in a fiscal period other than a fiscal period for which funds have been appropriated, the contract shall terminate without notice at the end of the fiscal period for which funds are appropriated.

13. The Consultant agrees and understands that the City of Joplin's Agreement to the Contract may be predicated, in part and among other considerations, on the utilization of the specific individual(s) and/or personnel qualification(s) as identified and/or described in the Consultant's proposal. Therefore, the Consultant agrees that no substitution of such specific individuals and/or personnel qualifications shall be made without the prior written approval of the City. The Consultant further agrees that any substitution made pursuant to this paragraph must be equal or better than originally proposed and that the City's approval of a substitution

shall not be construed as an acceptance of the substitution's performance potential. The City of Joplin agrees that an approval of a substitution will not be unreasonably withheld.

14. General Independent Contractor Clause: This agreement does not create an employee/employer relationship between the parties. It is the parties intention that the Contractor will be an Independent Contractor and not the City's employee for all purposes, including but not limited to, the application of the Fair Labor Standards Act minimum wage and overtime payments, Federal Insurance Contributions Act, the Social Security Act, the Federal Unemployment Tax Act, the provisions of the Internal Revenue code, Missouri revenue and taxation laws, Missouri Workers' Compensation and unemployment insurance laws. The Contractor will retain sole and absolute discretion in the judgment of the manner and means of carrying out the Contractor's activities and responsibilities hereunder. The Contractor agrees that it is a separate and independent enterprise from the public employer, that is has a full opportunity to find other business, that is has made its own investment in its business, and that it will utilize a high level of skill necessary to perform the work. This agreement shall not be construed as creating any joint employment relationship between the Contractor and the City, and the City will not be liable for any obligation incurred by the Contractor, including but not limited to unpaid minimum wages and/or overtime premiums.

15. The Consultant shall not be entitled to any of the benefits established for the employees of the City nor be covered by the Workers Compensation Program of the City.

16. Certification of Non-Resident/Foreign Consultants: If the Consultant is a foreign corporation or non-resident Consultant, it is agreed that the Consultant shall procure and maintain during the life of this contract:

A. A certificate of authority to transact business in the State of Missouri from the Secretary of State, unless exempt pursuant to the provisions of Section 351.570 RSMo.

B. A certificate from the Missouri Director of Revenue evidencing compliance with transient employer financial assurance law, unless exempt pursuant to the provisions of Section 285.230 RSMo.

17. Nondiscrimination: The Consultant agrees in the performance of this contract not to discriminate on the ground or because of race, creed, color, national origin or ancestry, sex, religion, handicap, age, or political opinion or affiliation, against any employee of Consultant or applicant for employment and shall include a similar provision in all subcontracts let or awarded hereunder.

A. This contractor and subcontractor shall abide by the requirements of 41 C.F.R 60-300.5(a). This regulation prohibits discriminations against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment protected veterans.

B. This contractor and subcontractor shall abide by the requirements of 41 C.F.R 60-741.5(a). This regulation prohibits discriminations against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

18. Consultant covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services to be performed under this contract. The Consultant further covenants that in the performance of this contract no person having such interest shall be employed.

19. Consultant's Responsibility for Subcontractors: It is further agreed that Consultant shall be as fully responsible to the City for the acts and omissions of its subcontractors, and of persons either directly or indirectly employed by them, as Contractor is for the acts and omissions of persons it directly employs. Consultant shall cause appropriate provisions to be inserted in all subcontracts relating to this work, to bind all subcontractors to Consultant by all the terms herein set forth, insofar as applicable to the work of subcontractors and to give Consultant the same power regarding termination of any subcontract as the City may exercise over Consultant under any provisions of this contract. Nothing contained in this contract shall create any contractual relation between any subcontractor and the City or between any subcontractors.

20. The certificates of insurance, including evidence of the required endorsements of the policies shall be filed with the City of Joplin within ten (10) days of the date of receipt of the Award of the contract to the Consultant and prior to the start of work. All insurance policies shall provide thirty (30) days written notice to be given by the insurance company in question, prior to modification or cancellation of insurance. Such notices shall be mailed, return receipt requested to:

City Attorney
City of Joplin
602 South Main
Joplin, MO 64801
"Library Complex Project Construction Inspection Services 2016-RFP-03".

copy: City of Joplin
Tony Robyn, Planning, Development, and Neighborhood Services Department
Joplin City Hall, 4th Floor
602 S. Main Street, Joplin, MO 64801

21. Liability and Indemnity:

A. In no event shall the City be liable to the Contractor for special, indirect, or consequential damages, except those caused by the City's gross negligence or willful or wanton misconduct arising out of or in any way connected with a breach of this contract. The maximum liability of the City shall be limited to the amount of money to be paid or received by the City under this contract.

B. The Contractor shall defend, indemnify and save harmless the City, its elected or appointed officials, agents and employees from and against any and all liability, suits, damages, costs (including attorney fees), losses, outlays and expenses from claims in any manner caused by, or allegedly caused by, or arising out of, or connected with, this contract, or the work or any subcontract there under (the Contractor hereby assuming full responsibility for relations with subcontractors), including, but not limited to, claims for personal injuries, death, property damage, or for damages from the award of this contract to Contractor.

C. The Contractor shall indemnify and hold the City harmless from all wages or overtime compensation due any employees in rendering services pursuant to this agreement or any subcontract, including payment of reasonable attorneys' fees and costs in the defense of any claim made under the Fair Labor Standards Act, the Missouri Prevailing Wage Law or any other federal or state law.

D. The indemnification obligations of Contractor hereunder shall not be limited by any limitations as to the amount or type of damages, compensation or benefits payable by or for the Contractor, under any federal or state law, to any person asserting the claim against City, its elected or appointed officials, agents and employees, for which indemnification is sought.

E. The indemnification obligations herein shall not negate, abridge or reduce in any way any additional indemnification rights of the City, its elected or appointed officials, agents and employees, which are otherwise available under statute, or in law or equity.

F. Contractor affirms that it has had the opportunity to recover the costs of the liability insurance required in this agreement in its contract price. Contractor's obligation under this agreement to defend, indemnify and hold harmless any person from that person's own negligence or wrongdoing is limited to the coverage and limits of the applicable insurance.

22. Conflict of Interest: No salaried officer or employee of the City and no member of the City Council shall have a financial interest, direct or indirect, in this contract. A violation of this provision renders the contract void. Any federal regulations and applicable provisions in RSMo. Chapter 105 shall not be violated.

23. Entire Agreement: This agreement, including the contract documents contained or referenced herein, constitutes the entire agreement between the parties. No modification,

amendment, or waiver of any of the provisions of this agreement shall be effective unless in writing specifically referring hereto, and signed by both parties.

24. Waiver: No provision of the contract documents shall be construed, expressly or by implication, as a waiver by the City of any existing or future right or remedy available by law in the event of any claim of default or breach of contract.

25. Jurisdiction: This agreement and every question arising hereunder shall be construed or determined according to the laws of the State of Missouri. Should any part of this agreement be adjudicated, venue shall be proper only in the Circuit Court of Jasper County, Missouri.

26. Notices: All notices required or permitted hereunder and required to be in writing may be given by first class mail addressed to Division of Purchases, 602 South Main, Joplin, Missouri, 64801, and the Consultant at the address indicated on Affidavit of Compliance form. The date of delivery of any notice shall be the date falling on the second full day after the day of its mailing.

IN WITNESS WHEREOF the parties have hereunto set their hands and seal the date first above written.

CITY OF JOPLIN, MISSOURI

By: _____
Samuel L. Anselm, City Manager

CONSULTANT

_____
Company Name

By: _____
Signature

Name: _____
Print or type

Title: _____

APPROVED AS TO FORM:

_____
Peter Edwards, City Attorney

ATTEST TO BUDGETED FUNDS:

_____
Leslie Haase, Finance Director

EXHIBIT E
Library Site and Building





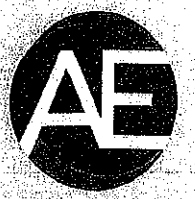
(This Page Intentionally Left Blank)

EXHIBIT B

ANDERSON AE ENGINEERING

**A CIVIL ENGINEERING &
LAND SURVEYING COMPANY**

STATEMENT OF QUALIFICATIONS
RESPECTFULLY SUBMITTED TO
THE CITY OF JOPLIN
FOR
CONSTRUCTION INSPECTION SERVICES
JOPLIN LIBRARY COMPLEX ~ 2016-RFP-03



ANDERSON ENGINEERING
EMPLOYEE OWNED

aeinc@aeincmo.com
www.aeincmo.com Federal ID #44-0581184

2045 W Woodland, Springfield, MO 65807 / 417.866.2741
811 E Third Street, Joplin, MO 64801 / 417.782.7399 - Contact Person: Jason Eckhart, PE
1745 Garrison Ave., Carthage, MO 64836 / 417.358.9551 Email address: jeckhart@aeincmo.com
218 5th Street, Monett, MO 65708 / 417.236.0112

TABLE OF CONTENTS

Letter of Interest

Background And Location Of Operations

Resumes

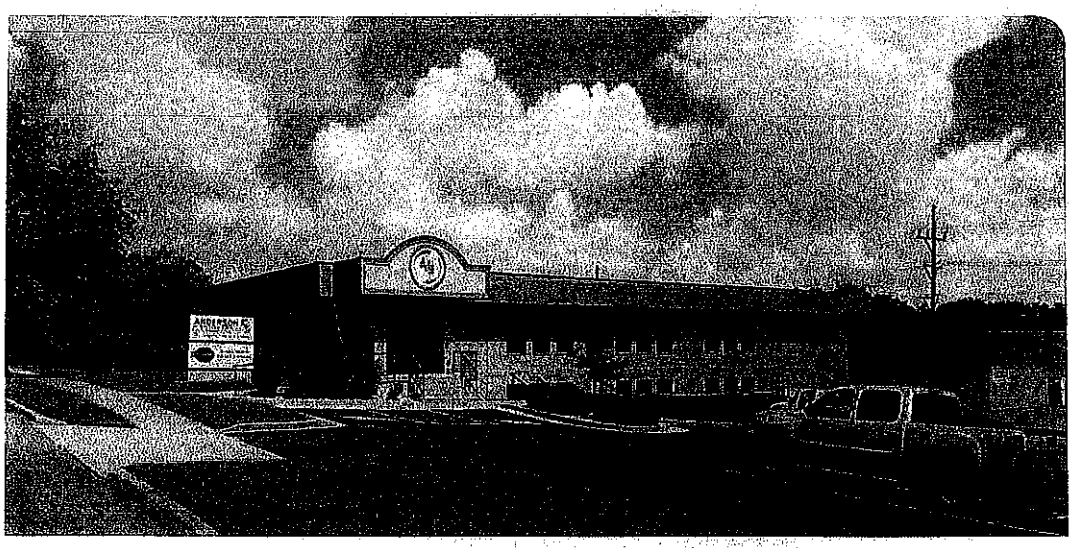
Capacity And Capability To Perform

Geotechnical And Drilling Department

Materials Testing Department

Reference Letters

Estimated Project Costs



Joplin office location

ANDERSON ENGINEERING
EMPLOYEE OWNED

December 30, 2015

City of Joplin
Attn: Tony Robyn
602 S. Main Street, 4th Floor
Joplin, Missouri 64801

Dear Mr. Robyn:

We greatly appreciate the opportunity to furnish our Statement of Qualifications for consideration in providing inspection services to the City of Joplin.

Anderson Engineering, Inc. has considerable experience with city improvement projects and is able to provide the construction inspection and management services; materials engineering (testing, evaluation and inspection); and geotechnical engineering (soils, foundations and sinkholes) you are seeking for this project to be completed with your timeframe.

The team listed in our Statement of Qualifications has worked on many projects in the past and would approach your project with the experience and knowledge as listed on each individual's resumes.

You can view more about our company on our website at www.aeincmo.com. Please feel free to contact me at our office in Joplin at (417) 782-7399, with any questions or concerns that you may have. We appreciate your consideration.

Very truly yours,

ANDERSON ENGINEERING, INC.

Jason Eckhart

Cody R White

Jason Eckhart, PE
Vice-President

Cody White, PE

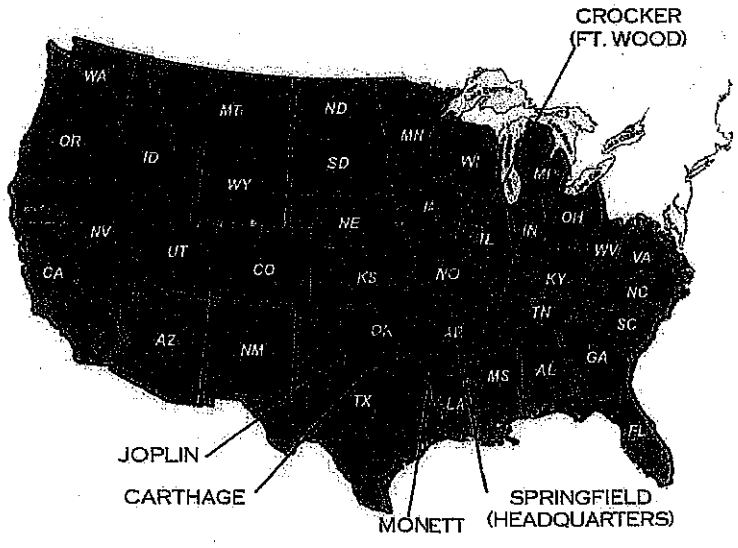
BACKGROUND AND LOCATION OF OPERATIONS

On January 2, 2013, Anderson Engineering, Inc. and Sprenkle & Associates, Inc. merged to form a bigger and better Anderson Engineering. Through our diverse staff, we offer a vast variety of experience and are able to offer a full range of services. We are able to provide General Civil Engineering (bridges, municipal planning, stormwater, FEMA, water/wastewater, streets, structural, land development, construction inspection and management services); Materials Engineering (testing, evaluation and inspection); Geotechnical Engineering (soils, foundations and sinkholes) and Land Surveying in-house.

Originally founded in 1954 as Tri-Lakes Concrete Company, the firm became incorporated in Missouri, USA, and changed names to Wright-Weeks, Inc. in 1958. In 1959, the firm became registered with the state of Missouri to practice engineering services as #000062. Once again, it changed names to Wright and Associates, Inc. in 1966 until it became Anderson Engineering in 1977, as it remains today. Anderson Engineering has a long history of successfully and competitively providing engineering services for hundreds of projects from our headquarters in Springfield, Missouri with branch offices in Joplin and Crocker (Ft. Leonard Wood). Now, along with the staff from Sprenkle & Associates, Inc., we have added two additional offices in Monett and Carthage giving us a wider range of personalized service at reasonable costs.

All departments of Anderson Engineering, Inc. are fully trained and able to provide a variety of technical knowledge and experience to deliver cost effective, understandable, timely and consistent results for our clients. Our dedication is to meet the concerns of our client, as every detail is important in order to complete each project successfully. Our commitment to your concerns will always be addressed.

OFFICE LOCATIONS



RESUMES



Jason Eckhart, P.E.

Vice President

Mr. Eckhart served as President of Sprenkle & Associates, Inc., prior to the company merger with Anderson Engineering, inc. in January, 2013. He joins Anderson Engineering's team with a wealth of experience as specified in the following summary:

- Design and construction supervision of urban and rural roadways and bridges
- Hydrologic and hydraulic analysis of bridge structures, culverts and floodplains
- Field inspection and testing of construction materials for a variety of transportation and building projects
- Design of water distribution systems
- Design of stormwater management and erosion control projects
- Design of sanitary sewer collection and treatment systems
- Design of reinforced concrete, pre-stressed concrete, timber and steel structures including bridges and buildings
- Residential inspection of foundations and determination of flood damage

Education:

Bachelor of Science in Civil Engineering
- University Of Arkansas, 1994

Master of Science in Civil Engineering
- University of Arkansas, 1996

Registrations:

Professional Engineer
- Missouri - #30102
- Arkansas - #11536
- Kansas - #18656
- Oklahoma - #22064

Memberships:

National Society of Professional Engineers

Missouri Society of Professional Engineers

American Society of Civil Engineers



Cody R. White, P.E.

Construction Materials Testing Manager

Cody has been with Anderson Engineering since 2005. He has daily responsibility for the laboratory in the Joplin office – this includes supervision for all field and laboratory testing for construction testing and inspection and for geotechnical engineering drilling. In this role, he is in charge of testing for projects involving soil, concrete, masonry, asphalt, and steel. He also oversees geotechnical drilling programs for sampling of soil and rock for shallow and deep building foundations, civil engineering road and earthwork projects, and other specialty projects such as tower projects. Mr. White is also qualified to oversee and perform Special Inspections as required by IBC.

Prior to becoming the Laboratory Manager, Cody served as a civil engineering design engineer. His responsibilities included the design of streets, stormwater, detention ponds, sewers, and water systems. He also performs GIS analyses and has done Phase I Environmental Site Assessments. Prior to joining Anderson Engineering, Mr. White also worked for Missouri Department of Transportation (MoDOT) as a construction inspector intern. In his MoDOT capacity, he supervised the construction of various highway projects including earthwork, concrete paving, and stormwater structures.

Some of Cody's projects include: Special Inspector services for MSSU Health Sciences building (soil, concrete, masonry, and steel), WWTP soil testing for Southwest City, MO, and an apartment Complex construction in Chanute, KS (soil, concrete, and foundations). Mr. White's recent design projects include 17th Street, Webb City, MO, the new Cingular Call Center in Joplin, MO, and stormwater designs for Joplin, MO.

Education:

Bachelor of Science in Civil Engineering
- University of Missouri - Rolla 2005

Registrations:

American Concrete Institute - Concrete Field Technician - Grade 1

American Technical Institute - Nuclear Density Gauge

Professional Engineer– MO 2010

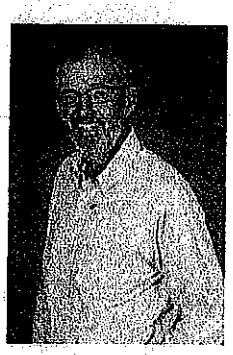
Memberships:

MO Society of Professional Engineers

Southwest Chapter of MO Society of Professional Engineers

Joplin Area Chamber of Commerce

Young Professionals network
- Executive committee member
- Chair of Political awareness Subcommittee



Steve Graham

Senior Field Inspector and Testing Technician

Mr. Graham has been with Anderson Engineering since 1990. He is the most experienced field technician in the Joplin area. He has provided extensive laboratory and field testing and special inspection services on a wide variety of construction projects involving soil, deep foundations, concrete, masonry, asphalt, steel and fireproofing. He has been involved on a number of projects as the primary on-site representative of the owner involved with quality assurance (QA) and monitoring of construction activities from the initial site excavation, earthwork, soil foundations, slab and steel erection to the final building and pavement construction. Mr. Graham has also performed quality control (QC) testing on behalf of the contractor for multiple types of projects.

Experience summary:

- Inspection services for buildings (rock piers, shallow foundations, soil, concrete, reinforced masonry and structural steel.
- WWTP soil testing.
- Soil, concrete and foundation testing.

Education:

Bachelor of Science/Industrial Technology
- Missouri State University, 1987

Certifications:

*Field Testing Course (1996)

*LPA Construction Engineering Certification Program (KDOT)-Materials

*Testing, Concrete Paving and Asphalt Inspection

*American Concrete Institute-Concrete Field Technician - Grade 1

*American Technical Institute - Nuclear Density Gauge

*40-Hour Hazardous Waste Operations Course (HAZWOPER)

*10-Hour Missouri OSHA Construction Safety Course

*MoDOT Certified for Soil, Aggregate, Asphalt and Concrete Testing



Jesse Thomas *Field Inspector/Technician*

Jesse has been with Anderson Engineering since 2010. He serves as lead construction testing and inspection field technician on large projects for Anderson Engineering. Mr. Thomas has been involved on many projects as the primary testing representative providing quality assurance for the owner and quality control testing on behalf of the contractor.

Summary of experience:

- Inspection/testing involving soils and concrete.
- Proficient in laboratory testing
- Experience in geotechnical drilling
- Recent projects: New Joplin High School, New Joplin East Middle and Elementary School, Joplin Aquatic Center, FEMA shelters for Carl Junction School District and Joplin Home Depot.

Registrations:

*MoDOT Certification for Concrete Testing

*American Concrete Institute-Concrete Field Technician-Grade 1

*American Technical Institute-Nuclear Density Gauge

*10-Hour Missouri OSHA Construction Safety Course



Druly Thomas
Field Inspector/Technician

Druly has been with Anderson Engineering since 2011. He serves as a lead construction testing and inspection field technician. Some of his specialties include the following:

- Inspection/testing involving soils and concrete.
- Testing representative for QA/QC.
- Special inspection services as lead inspector.
- Recent projects: New Joplin High School, New Joplin East Middle and Elementary School, FEMA shelter Baxter Springs High School, Carthage Intermediate School, Mercy Hospital North Joplin, FEMA shelters for: Columbia Elementary, West Central Elementary, Duenweg Elementary and Jefferson Elementary.

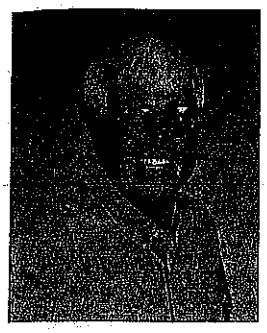
Registrations:

*MoDOT Certification for Concrete Testing

*American Concrete Institute-Concrete Field Technician-Grade 1

*American Technical Institute-Nuclear Density Gauge

*10-Hour Missouri OSHA Construction Safety Course



Larry Long

Construction Inspector

Larry brings years of experience as a construction inspector on numerous projects including bridge and culvert projects (county, state and federal); roadway projects; downtown enhancement projects; water/ wastewater system improvement projects.

Summary of experience:

- Independent assurance sampling to comply with federal projects
- Construction staking and surveying
- Right-of-way negotiator
- Construction material sampling and quality assurance testing
- Construction supervision
- Data collection for "as-built" plans

Registrations:

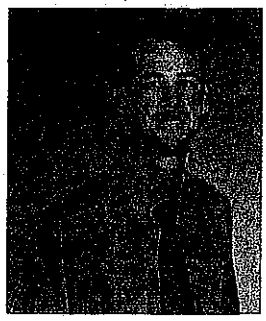
Field Technician Certification MoDOT

American Concrete Institute

Technician Grade 1

OSHA Certification Occupational Safety And Health Course

Accessology Certification - ADA for Municipalities



Justin "Butch" Hunt

Construction Inspector

Butch started working for Anderson Engineering, Inc. in September, 2015. His knowledge of onstruction inspection is that of both the inspector and the contractor. He joins Anderson Engineering's team with the following experience:

- Municipal utility inspection including HDD, sanitary and storm sewer,water main installation and concrete projects.
- Concrete testing
- Construction staking and surveying
- Water pressure and chlorination testing
- Construction management

Education:

Bachelor of Science-Engineering Technology - Construction Management

- Pittsburg State University, Pittsburg, KS - 2002

Registrations:

American Concrete Institute

Field Technician Certification MoDOT

CAPACITY AND CAPABILITY TO PERFORM

Anderson Engineering proudly completes projects on schedule and has a long history of meeting stated deadlines and budgets. Our experienced and responsible staff of over 70 allows office work loads to be effectively adjusted to facilitate required project completion dates and provides professional experience related to your project. Engineers on staff offer a wide variety of experience including pedestrian routes, street design, water and sewer projects, stormwater, planning, geotechnical services and materials. Please refer to our attached references. In addition, we strive to create good communication and coordination of work among involved parties, including state and federal agencies, which is critical to efficiently completing proposed services and addressing any difficulties that arise.

Our office has the ability to begin the provision of services in a timely manner and the flexibility and resources to complete required services in advance of disclosed deadlines. We are prepared to start work immediately and meet requested deadlines or as required by funding or approval agencies.

It is important to our office to have multiple personnel available to meet your demands and that you are comfortable with the personnel working on your particular project. In general, we strive to have one primary project contact with multiple others available to assist as needed. The following is a listing of personnel preliminarily proposed to be assigned to be available to work on your specific project:

Primary Contact:

Jason Eckhart, P.E. - Principal

Other knowledgeable personnel available for this project:

Cody White, P.E. - Project Manager for Construction Materials Testing

Steve Graham - Senior Field Inspector and Testing Technician

Jesse Thomas - Field Inspector/Technician

Drew (Druly) Thomas - Field Inspector/Technician

Larry Long - Construction Inspection

Justin (Butch) Hunt - Construction Inspection

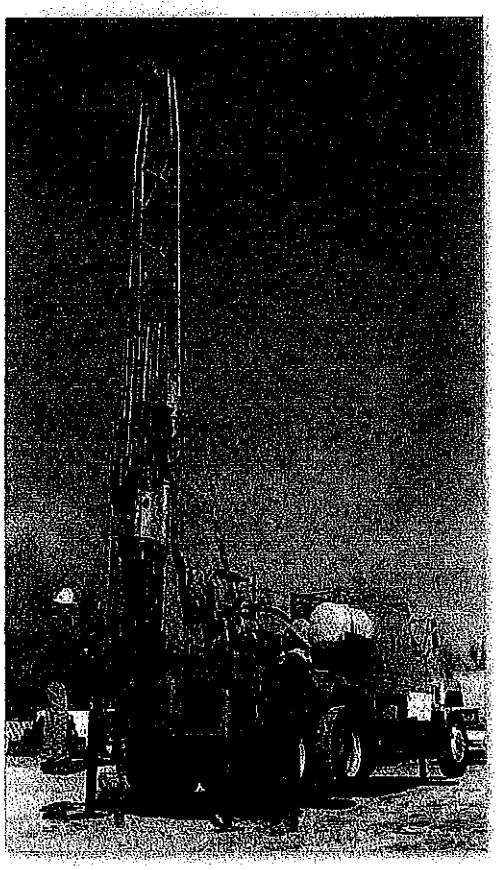
GEOTECHNICAL AND DRILLING DEPARTMENT

The drilling services department of Anderson Engineering, Inc., offers a full range of field drilling services to municipal governments, federal and state agencies, utilities, industry, engineers, architects, and contractors.

Drilling Services

- Environmental Drilling
- Monitoring Well Installation
- Geotechnical Laboratory Testing
- Probing for Rock

Anderson Engineering, Inc.'s drilling services department handles a wide range of projects. We can also design specialized drilling programs to meet the unique needs of your project. Dedicated, dependable, fast service is one of our key strengths. We have provided drilling services on hundreds of projects.



MATERIALS TESTING DEPARTMENT

The materials testing department of Anderson Engineering, Inc., provides a full range of services to engineers, architects, utilities, municipal governments, federal and state agencies, industry, and contractors. These services include geotechnical investigations, construction inspection, soil compaction, soil testing, concrete and asphalt testing. Our professionals and skilled technicians use state-of-the-art equipment in performing these services.

Materials Testing Services

- Concrete Testing and Inspection
- Bituminous Testing
- Soils Testing
- Aggregate Testing
- Steel Testing and Inspecting

Anderson Engineering, Inc.'s materials testing department handles a wide variety of projects. We can provide services on a full-time or an on-call basis. We can design specialized tests to meet the unique needs of your project. Dedicated *project testing and inspection* is one of our strengths; we have provided this service on hundreds of construction projects.



Joplin Schools

3901 E. 32nd Street • PO Box 128 • Joplin, MO 64804
phone (417) 625-5200

February 28, 2014

To Whom it May Concern,

This is a letter of referral for the work Anderson Engineering has recently done for Joplin Schools. During my years as superintendent for the Joplin School District, I have had the opportunity to be associated with Anderson Engineering on numerous projects.

Anderson Engineering has provided civil engineering services, land surveying, geotechnical drilling services, special inspections, and construction testing on many Joplin Schools projects. Most recently and notably Anderson Engineering has provided a range of services for the following schools: reconstruction of East Middle School and Soaring Heights Elementary School that were destroyed by the May 2011 tornado, reconstruction of Joplin High School and Franklin Technology Center that were destroyed in the May 2011 Tornado, and FEMA shelter additions at Royal Heights Elementary School, Jefferson Elementary School, Duenweg Elementary School, and Kelsey Norman Elementary School.

Anderson Engineering has done an exemplary job in the services they have conducted for our school district. The employees have been extremely responsive to our tight schedules and conscientious of our needs and budgets while helping to make these facilities available to the students of Joplin. We always appreciate the efforts that Anderson Engineering makes to provide their services with the best interests of our school district and students in mind.

On behalf of Joplin Schools, we are very pleased with Anderson Engineering and highly recommend them.

Sincerely,

Dr. C.J. Huff
Joplin Schools Superintendent

MIAMI
City of Vision, Spirit & Opportunity

Mayor Rudy Schultz
Councilmember Kristi McClain, Ward 1
Councilmember Doug Weston, Ward 2
Councilmember Neal Johnson, Ward 3
Councilmember Joe Sharbutt, Ward 4

Jeff Bishop, City Manager
David Anderson, City Attorney

January 2, 2014

Anderson Engineering, Inc.
Attn: John Snider
811 East Third Street
Joplin, MO 64801

Subject: Letter of Referral

Dear John Snider;

This is a letter of referral for the work you have done for the City of Miami. Since 2011 your company has been involved with the $8 million dollar public bond project for City Streets. This included testing and inspection of City Streets for Phase I and Phase II in 2011 and 2012. For Phase III Streets construction in 2013 your company also designed and helped do construction administration for 9 City Streets with a program amount of $2 million besides the testing and inspection.

Your company has done a great job and been very responsive to our tight demands for committing the programmed funding. Also you have kept on budget for your services. Also with each street we have been able to customize the designs to meet the requirements of the City's needs and budget. This has let us get value for the engineering and testing/inspection that you do. Thanks to your company's planning, the construction budgets have also been kept on track.

Besides the City Streets program, your company also has done several storm water projects, grant-related projects, flood plain permitting, and other civil engineering projects for us.

We appreciate your efforts for the City Public Works projects. If you have any questions please feel free to contact me.

Sincerely,

Tyler Cline

Tyler Cline

Assistant Public Works Director
E-mail: tcline@miamiokla.net

City of Monett, Missouri

THIRD CLASS CITY – COMMISSION FORM OF GOVERNMENT
James Orr, Mayor • Mike Brownsberger, Commissioner • Jerry Dierker, Commissioner
Dennis L. Pyle, City Administrator
217 Fifth Street • Monett, Missouri 65708

City Clerk - (417) 235-3763
City Council - (417) 235-3355
City Administrator - (417) 235-3355
Collections - (417) 235-3544
Fax - (417) 235-4608

September 28, 2015

To Whom It May Concern:

The engineering firm of Anderson Engineering (AE) has served as the City of Monett's designated city engineer since January, 2014. During this time, AE/SAI (Anderson Engineering/Sprenkle & Associates, Inc.) has performed all of the typical functions of a city engineer which specifically included design, testing, and inspection of streets, bridges, sidewalks/trails, waterlines, storm sewers, sanitary sewers, and airport projects. In addition to these tasks, AE/SAI has also developed the City's Geographic Information System, provided surveying and construction administration services, and also administered the City's stormwater management program.

I have served in the capacity of City Administrator since November 1, 2007, and have found Kevin Sprenkle and his associates with AE/SAI to have performed excellent work on our behalf. The firm is timely in their responsiveness to our requests for service and are diligent in their work. I consider customer service to be one of the firm's primary strengths.

If you have any questions concerning the work performed by AE/SAI for the City of Monett, please feel free to contact me at 417.235.3355.

Respectfully,

Dennis L. Pyle, City Administrator

Note:
Kevin Sprenkle and SAI has been the City of Monett Contract Engineer since October 1996. Then in January 2014, SAI merged with Anderson Engineering and continued that role.

Pride and Progress

AFFIDAVIT of COMPLIANCE

Section 285.530.2

State of Missouri) **ss**

County of Greene)

Now this 10 **day of** May , **2012**, **the undersigned, being first duly sworn, deposes and says:**

1. I am more than 18 years of age.

2. I make this affidavit from my personal knowledge of the facts stated herein or upon information and facts available to me as a duly authorized owner, partner, corporate or LLC officer or Human Relations Director of Anderson Engineering, Inc.
(name of Corporation, LLC, sole proprietorship or partnership)

3. I am authorized to make this affidavit on behalf of Anderson Engineering, Inc. **.**
(name of business entity, same as above)

4. I state and affirm that Anderson Engineering, Inc. **is enrolled and is currently participating in E-Verify, a federal work authorization program or another equivalent electronic verification of work authorization program operated by the United States Department of Homeland Security under the Immigration Reform and Control Act of 1986.**
(name of business entity, same as above)

5. Further, Anderson Engineering, Inc. **does not knowingly employ**
(name of business entity, same as above)

any person who is an unauthorized alien.

6. Further, Anderson Engineering, Inc. **has performed an electronic verification check as described above on all workers hired since January 1, 2009 or obtained documents required for completion of a federal I-9 form before it began participating in e-verify.**

(name of business entity, same as above)

7. Attached to this affidavit is a true and accurate copy of this company's Memorandum of Understanding with the United States concerning the use of e-verify.

I certify under penalty of perjury that the statements above are complete, true and accurate to the best of my knowledge and belief.

Authorized Agent, Partner, Owner or Officer

If business has a Human Relations Director or equivalent that person must sign as an affiant as well.

I certify under penalty of perjury that the statements above are complete, true and accurate to the best of my knowledge and belief.

Human Relations Director

This form is promulgated pursuant to 15CSR 60-15-.020. Use of this form is not required but the Attorney General has deemed this affidavit sufficient in form to satisfy the requirements of section 285.540, RSMo., Supp. 2008.

FURTHER THE AFFIANT SAYETH NOT

(Signature)

On this 10 day of May in the year 20 12, before me, Neil S. Bradley a Notary Public in and for said State, personally appeared before me, known to me to be the person who executed the within affidavit, and acknowledged to me that he/she executed the same for the purposes therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the county and State aforesaid, the day and year first above written.

Notary Public

My Commission Expires:
5-31-2013

SHELIA M. STANFIELD
Notary Public - Notary Seal
STATE OF MISSOURI
Greene County - Comm#09467244
My Commission Expires May 31, 2013

EXHIBIT B

Joplin Public Library - Fee Proposal - REVISED 1-5-16

A Proposal Information

Bidder Name: Anderson Engineering

Signed by: Cody R Wh Lab Manager Dated: 1/5/16

B Proposal Breakdown

BASE PROPOSAL DETAIL

SPECIAL INSPECTIONS	PROPOSAL AMOUNT COST	PERCENT OF TOTAL PROPOSAL	PROPOSAL HOURS
Verification of soil			50
Tech I	$645.00	0.78	
Tech II	$1,125.00	1.35	
Tech III	$510.00	0.61	
Atterberg Limits	$174.00	0.21	
Standard Proctor	$540.00	0.65	
Field Density	$320.00	0.38	
Concrete testing			352
Tech I	$2,580.00	3.10	
Tech II	$10,890.00	13.09	
Tech III	$2,550.00	3.06	
Concrete Cylinders (4 inch)	$2,640.00	3.17	
Masonry			110
Tech I	$1,290.00	1.55	
Tech III	$4,080.00	4.90	
Mortar Cubes/Grout Prisms	$546.00	0.66	
Precast Erection			32
Tech III	$1,632.00	1.96	
Steel Frame Inspection			48
Steel Inspector I	$1,200.00	1.44	
Steel Inspector II	$2,640.00	3.17	
Bolting/Welding Inspection			220
Steel Inspector I	$1,500.00	1.80	
Steel Inspector II	$8,800.00	10.58	
Non Destructive Testing (NDT)	$2,520.00	3.03	
Fire Resistant Inspection			40
Tech III	$2,040.00	2.45	
Wage Reporting	$6,408.00	7.70	72
Site Visits/ Daily Report	$8,100.00	9.74	180
Verification of Quantities and Pay	$8,100.00	9.74	90
Engineering Supervision and	$12,369.00	14.87	93
Total Fee Proposal:	$83,199.00		

ESTIMATED COST OF REIMBURSABLES - Travel, Printing, Courier Services, etc.

	Amount	Percentage of Total Expenses
Reimbursable Expenses		
Vehicle Mileage	No Charge	100
Reimbursable Expense Estimate	$0.00	

Joplin Public Library – Fee Proposal Assumptions

1. This estimate is based on working hours of Monday through Friday, maximum 8 hours per day, not including holidays. Time required to be worked more than 8 hours per day, on weekends, or holidays will be billed at 1.5 times the hourly rate.
2. This estimate is based on periodic testing and observations as required by the pace of construction. Technicians will be available as necessary to maintain the flow of construction.
3. This proposal does not include full time, IBC Chapter 17 special inspections.
4. The estimate is based on one technician at a time conducting the testing and observation services. Concurrent activities and or the construction pace may require multiple technicians.
5. The project engineer will generally be used for supervision, meetings, and reporting.
6. The estimate does not account for retesting that may be necessary from discrepancies discovered in the contractor's work.
7. Only minor soil grading will be required as mass site grading was completed under a previous contract.
8. Trench backfill is to be tested at a rate of one test per 150 linear feet of trench on the first and last lift per the specifications. Trench backfill testing is for areas beneath structures and paving areas.
9. Materials to be tested in the lab for conformance to specifications will be delivered to our lab for testing by others.
10. Soils provided for conformance testing for use as structural fill will meet Atterberg Limits requirements and will not require additional testing to obtain use approval (i.e. sieve analysis, swell testing, etc.)
11. This does not provide testing of sewer water and storm water piping such as, but not limited to pressure testing, mandrel testing, or lantern testing.
12. Observations for footing bearing, rebar observation, and concrete placement techniques will be conducted concurrently with the concrete sampling trip.
13. Storm water structures will be precast.
14. Steel observations included in the estimated total cost are for onsite observations. Shop visits are not included
15. Fireproofing test charges are per test plus Technician time.
16. Soil verifications are assumed to take 1 week.
17. One set of grout and mortar tests will be conducted for each 5000 square feet of masonry wall.
18. Standard proctor is assumed to be a 4 inch mold
19. Pricing for field tests (field density tests, concrete cylinders, mortar cubes, etc.) is included in the total cost for the corresponding service above, however those tests will be charged as a per unit fee.
20. One set of cylinders every 50 yard of concrete. One set consists of 4 cylinders.
21. Wage Reporting review will occur once per week and is assumed to take 1 hour each time.
22. Daily reports to be done during site visits are expected to take 30 minutes additional time each day.
23. Verification of quantities and pay application review is assumed to occur once per month for the duration of the project which is about 18 months.

EXHIBIT C

CITY OF JOPLIN
PLANNING, DEVELOPMENT & NEIGHBORHOOD SERVICES

Memo

To: Procurement Review Committee; Troy Bolander

From: Tony Robyn, Assistant Director

Date: 1/5/2016

Re: Alternative Low Bid Selection

On December 30, three bids were received for Library Construction Inspection Services and opened by the duly authorized representative as shown in the below bid tabulation.

The review committee selected Anderson Engineering as the lowest, most reasonable bid. Palmerton Parrish's bid was rejected due to the absence of the required affidavit and digital response copy. In addition, the reviewing team agrees they significantly underestimated by over half the total hours needed for project completion, and their fee table did not include daily wage verification services as requested and as shown in respondents' fee schedules.

We are intending to bring a contract to the January 18 council meeting.

Please let me know of any questions you may have.

Tony

BID OPENING TABULATION FORM Construction Inspection Services **Joplin Public Library** EDA Project #05-79-05345			30-Dec-15 2:00 PM Joplin City Hall, 5th Floor
Bidder	Olsson and Associates	Anderson Engineering	Palmerton Parrish
Amount	Reimbursables $6,000 Base Bid $99,541.00	No Reimbursables Base Bid $83,199	Base and Reimbursables $31,311.50
Notes	Affidavit yes Hours 1331	Affidavit yes Hours 1367	Incomplete packet/proposal Affidavit no Hours 548
In Attendance:	Tony Robyn - City Lindsay Dunn - City	Proposal Reviewers:	Tony Robyn – City, Planning David Hertzberg – City, Engineer Robert Beachner – City, Construction Coordinator Michelle Kaiser – CBC, Project Manager

COUNCIL BILL NO 2016-356 ORDINANCE NO.

AN ORDINANCE approving an agreement by and between the City of Joplin and Anderson Engineering for Library Construction Inspection Services. The contract amount is $83,199.00 (Eighty Three Thousand One Hundred and Ninety-Nine Dollars), and authorizing the City Manager to execute said Agreement; and containing an emergency clause.

BE IT ORDAINED by the Council of the City of Joplin, Missouri, as follows:

Section 1. That the City authorize the Anderson Engineering agreement to include the amount of $83,199.00 (Eighty Three Thousand One Hundred and Ninety-Nine Dollars) for Library Construction Inspection Services.

Section 2. That the City Manager of the City of Joplin, Missouri, is hereby authorized to execute said Agreement and is hereby authorized to execute said Agreement, or in substantially similar form, for and on behalf of the City of Joplin.

Section 3. That this Ordinance dealing with a public improvement, is an emergency within the meaning of Section 2.12(6) of the Home Rule Charter of the City of Joplin, Missouri, and, the same shall be in full force and effect immediately from and after its adoption and approval. Specifically, this Ordinance will allow RE Smith and the City of Joplin to continue construction of the library to meet the May 2017 completion timeframe.

Passed by the Council of the City of Joplin, Missouri, this _____ day of _____, 2016, by a _____ vote.

_____
ATTEST: Michael L. Siebert, Mayor

_____
Barbara L. Hogelin, City Clerk

APPROVED AS TO FORM:

_____
Peter Edwards, City Attorney

I hereby certify that a sufficient amount is available in the CDBG-DRII Grant Award Park Budget.

_____
Leslie Haase, Director of Finance

City of **JOPLIN** City Council Agenda Item

Requested Council Meeting Date: January 19, 2016

Item: CDBG-DR Sub-Recipient Agreement with Ozark Center
Originating Department: Planning & Community Development

Attachments: 1) Council Bill No. 2016-400
2) CDBG-DR Sub-Recipient Agreement

Planning and Community Development Director: Troy Bolander
Finance Department: Leslie Haase
City Attorney: Peter Edwards
City Manager: Samuel Anselm

Recommended Action: Approval of Council Bill No. 2016-400

INTRODUCTION:
The following Council Bill is for an agreement between the City of Joplin and Ozark Center to pay for salaries and benefits for staff to provide in-patient and out-patient mental health services to children and adults in the City of Joplin who suffer from conditions related to the May 2011 tornado. City Council previously approved this activity in the Round 2 Community Development Block Grant Program – Disaster Recovery (CDBG-DR) Amendment 9 (Partial Action Plan #5) on September 8, 2015.

DISCUSSION:
Ozark Center's main goal of the services provided is to improve the health of the communities served by providing contemporary, innovative, trauma-informed, quality healthcare solutions. The proposed mental health services will increase the access to trauma-informed care.

At least 51% of services will be provided to both uninsured and under-insured LMI individuals to help combat conditions related to trauma as a result of the tornado, some of which include post-traumatic stress disorder, anxiety disorders, depression, and substance abuse. The services to be provided include 24 hour crisis services, individual, group and family therapy, residential care, inpatient/outpatient psychiatric services, substance abuse/addiction, support groups, and in-home support.

The agreement provides for reimbursement of costs in an amount not to exceed $110,000.00 that will be incurred to hire a combination of new employees for a portion of full time salaries and benefits for Therapists, Psychology Interns, and Community Support/Outreach employees.

RECOMMENDATION:
City Staff recommends the approval of this Council Bill on an emergency basis, meaning of Section 2.12(1) of the Home Rule Charter of the City of Joplin, Missouri, in that said ordinance deals with the preservation of public health, so Ozark Center may provide services to increase access to care which increases patient functional status, allowing them to be healthy citizens, productive employees, and functional community members.

CDBG-DR SUB-RECIPIENT AGREEMENT BETWEEN
THE CITY OF JOPLIN
AND
OZARK CENTER

THIS SUB-RECIPIENT AGREEMENT ("Agreement") entered this day of , 2016, by and between the City of Joplin (herein called the "Grantee") and Ozark Center, DUNS# 08-312-3018 (herein called the "Sub-Recipient").

WHEREAS, the Grantee has applied for and received funds from the Federal Government, U.S. Department of Housing and Urban Development (HUD) under the Disaster Relief Appropriations Act of 2013, Public Law 113-2, Federal Award ID# B-13-MS-29-0001; and

WHEREAS, the Grantee wishes to engage the Sub-Recipient to assist the Grantee in utilizing such funds;

NOW, THEREFORE, it is agreed between the parties hereto that;

I. SCOPE OF PROJECT

A. Activities

Ozark Center (Sub-Recipient) will be responsible for administering a Community Development Block Grant – Disaster Recovery (CDBG-DR) grant in a manner satisfactory to the Grantee and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant – Disaster Recovery program:

Program Delivery
Activity: Ozark Center will provide in-patient and out-patient mental health services to children and adults within the Joplin population who suffer from conditions related to the May 2011 tornado. These conditions include post-traumatic stress disorder, anxiety disorders, depression, and substance abuse. Care will be provided to both uninsured and underinsured individuals. The services provided include 24 hour crisis services, individual, group and family therapy, residential care, inpatient/outpatient psychiatric services, substance abuse/addiction, support groups, and in-home support.

Federal Award Description
As required under 2 CFR Part 200 Subpart D §331(a)(ix) provide assistance that aids in the funding of clinical providers and services to accommodate additional beds that were added as a result of the tornado, particularly Low to Moderate Income ("LMI") residents. These mental health services will increase access to trauma-informed care for the LMI population of all ages. Reimbursement will increase patient functional status, allowing them to be healthy parents, productive employees, and functional community members.

This award is not intended for Research & Development activities.

General Administration
The Sub-Recipient will maintain program and financial records documenting eligibility, provisions of services, and Sub-Recipient's expenses relative to the project as a result of assistance provided through the CDBG-DR program.

The Sub-Recipient shall provide the Grantee with a resolution from its governing board accepting the terms, conditions and obligations of this Agreement, and directing it's duly authorized representative to execute the Agreement on behalf of the Sub-Recipient; said resolution to be attached to this Agreement and identified as Exhibit A.

B. National Objectives
All activities funded with CDBG-DR funds must meet one of the CDBG-DR program's National Objectives: benefit low-and moderate-income persons; aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208.

The Sub-Recipient certifies that the activity(ies) carried out under this Agreement will meet the Low-Moderate Income Limited Clientele activity [570.208(a)(2)(i)(a)]. This activity is eligible under the category Public Services [24 CFR 570.201(e)]. Sub-Recipient will use Demographic/Income form to document the national objective. See Appendix A/B.

C. Project Compliance Requirements
Sub-Recipient agrees to adhere and comply with all CDBG-DR project compliance requirement, including yet not limited to the following:

1. Follow CDBG-DR regulations for procuring property and services
2. Maintain proper financial and program administration records related to the management of Project as identified by Grantee (i.e., procurement records, invoices, time sheets, etc.)
3. Ensure that the use of State of Missouri Prevailing wage determinations and/or Davis Bacon wage determination (whichever is higher)
4. Serve at least 51% LMI clientele for the life of the grant and maintain adequate documentation for at least a period of 4 years after the close out of the grant from which the assistance was provided (period of performance).
5. The Sub-Recipient will secure and submit to the Grantee income verification information from all individuals, new or existing, or their guardian benefiting from this grant including those enrolled in psychiatric appointments/visits. This documentation will include individual's or their guardian's most recent IRS W2 Form or IRS Form 1040 Return, a completed and fully executed IRS 4506-T Form, or documentation from the State of Missouri Department of Mental Health. The IRS 4506-T Form will only be submitted to the IRS by the Sub-Recipient if the participating individual's or their guardian's W2 Form or IRS Form 1040 Return is not received by the Sub-Recipient within three (3) weeks after the official date of patient enrollment to receive services with the use of CDBG-DR funds.

D. Project Accomplishments – Goals and Performance Measures
The Sub-Recipient must ensure the following:

1. Provide services to City of Joplin individuals diagnosed with mental health

disorders, substance use disorders or developmental disabilities within the timeframe as described in Section II below.

2. At least 51% of the appointments/visits will be provided to LMI Joplin residents, impacted by the disaster.
3. Hire a combination of Therapists, Psychology Interns, and Community Support/Outreach employees to aid in providing services to the additional capacity of patients as a result of the increased inpatient psychiatric beds available after the tornado. The breakdown of salaries to be provided will be explained in Exhibit B.
4. Assist people with mental illness in leading more productive and autonomous lifestyles, and to promote mental health through service, advocacy, and education.
5. Maintain financial performance necessary for the continuing provision of quality services.
6. Assure that consumers receive services that are individualized, rehabilitative in nature and strength-based.
7. All records and files related to the additional staff and services provided under this agreement are maintained and submitted to the city as required.
8. All invoices are reviewed for completeness prior to submitting to the City for their review and reimbursement.

E. Staffing

Staff Member & Title	General Project Duties
- Mary Parrigon, Executive Director	- Authorized contract signatory, Director of the Center's day to day operations, financial services and reporting, Project supervision,

Any changes in the Key Personnel assigned or their general responsibilities under this project are subject to the prior approval of the Grantee.

F. Performance Monitoring

The Grantee will monitor the performance of the Sub-Recipient against goals and performance standards required herein. Substandard performance as determined by the Grantee will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the Sub-Recipient within a reasonable period of time after notification by the Grantee, Agreement suspension, termination, and recapture procedures may be initiated.

II. PERIOD OF PERFORMANCE

Services shall start on the day of February 2016 and end on the day of September 2017

Funds will not be available to the Sub-Recipient from the CDBG-DR Program after the completion date, unless otherwise approved by Grantee. Any extension request would need to be approved by the City of Joplin. To obtain such an extension the Sub-Recipient must submit a written letter to be approved by the Grantee.

III. BUDGETS – DEVELOPMENT & OPERATION

The Grantee will reimburse the Sub-Recipient for not more than One Hundred Ten Thousand Dollars ($110,000.00) to hire a combination of new employees for a portion of full time salaries and benefits for the following: Therapist, Psychology Intern, and Community Support/Outreach employee for

services provided to Joplin residents over the course of the period of performance described in Section II above. A copy of the budget and project schedule will be attached as Exhibit B.

Any indirect costs charged must be consistent with the conditions of Paragraph VIII (C) (1) of this Agreement. Any amendments to the budget must be approved in writing by both the Grantee and the Sub-Recipient.

IV. PAYMENT

It is expressly agreed and understood that the total amount of Federal funds obligated, and to be paid, by the Grantee under this Agreement shall not exceed:

One hundred ten thousand and No/100 ($110,000) Dollars

Drawdowns for the payment of eligible expenses shall be made against the budget specified in Section III herein. Expenses for general administration for both the Grantee and the Sub-Recipient shall also be paid against the budget specified in Paragraph III. All payments will be on a reimbursement basis contingent upon proper documentation provided.

Payments may be contingent upon certification of the Sub-Recipient's financial management system in accordance with the standards specified in 2 CFR Part 200 Subpart D §305.

V. COMMUNICATIONS, NOTICES & DEMANDS

General project communications required by this Agreement shall be in writing and delivered via mail (postage prepaid), commercial courier, or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery. All notices and other written communications under this Agreement shall be addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communications, official notices, demands and other details concerning this Agreement shall be directed to the following representatives:

Grantee		Sub-Recipient	
Name:	Troy Bolander	Name:	Mary Parrigon
Title:	Director of Planning, Development & Neighborhood Services	Title:	Executive Director
Grantee:	City of Joplin 602 South Main Street Joplin, Missouri 64801	Sub-Recipient:	Ozark Center 1102 W. 32nd Street Joplin, MO 64804
Phone:	(417) 624-0820 ext. 510	Phone:	(417) 347-7602
Fax:	(417) 525-4738	Fax:	(417) 347-9960
Email:	tbolande@Joplinmo.org	Email:	MBParrigon@freemanhealth.com

VI. SPECIAL CONDITIONS

The final 5% of this grant, or five thousand five hundred ($5,500) Dollars will be withheld from reimbursement until all documentation is received by the Grantee for this activity. Required documentation shall include proof that the Sub-Recipient has made final payments to additional staff contracted to perform services under this grant and that the work is substantially complete.

VII. GENERAL CONDITIONS

The following requirements are applicable to all activities undertaken with CDBG-DR funds.

A. General Compliance

The Sub-Recipient agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the U.S. Housing and Urban Development regulations concerning Community Development Block Grants Disaster Recovery(CDBG-DR)) including subpart K of these regulations, except that the Sub-Recipient does not assume the City's environmental responsibilities described in 24 CFR 570.604. The Sub-Recipient also agrees to comply with all other applicable Federal, state and local laws, regulations, and policies governing the funds provided under this Agreement. The Sub-Recipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

B. "Independent Contractor"

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Sub-Recipient shall at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The Grantee shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Sub-Recipient is an independent contractor.

C. Hold Harmless

The Sub-Recipient shall hold harmless, defend and indemnify the Grantee from any and all claims, actions, suits, charges, and judgments whatsoever that arise out of the Sub-Recipient's performance or nonperformance of the services or subject matter called for in this Agreement, except for claims, actions, suits, charges, and judgments arising from the Grantee's performance or nonperformance of its duties and obligations called for in this Agreement.

D. Workers' Compensation

The Sub-Recipient shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this Agreement.

E. Insurance & Bonding

Consistent with the requirements of 2 CFR Part 200 Subpart D §304 and §310, the Sub-Recipient shall procure, at Sub-Recipient's sole cost and expense, sufficient insurance coverage to protect Agreement assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to the Grant amount.

The Sub-Recipient agrees to procure endorsements on the required insurance policy(ies) wherein and whereby the insurance company will agree that the Grantee will be given ten (10) days advance written notice of any cancellation or reduction of insurance under such policy and that copies of all endorsements issued after the date of such policy will be forwarded to the Grantee. In the event the Sub-Recipient fails to pay any premium on such policy when due, the insurance company agrees to notify Grantee of such past-due payment status.

F. Grantee Recognition

The Sub-Recipient shall insure recognition of the role of the Grantee in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement

shall be prominently labeled as to funding source. In addition, the Sub-Recipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement. The Sub-Recipient agrees not to use CDBG-DR funds for such recognition and/or any other promotional material or efforts.

G. Amendments

The Grantee or Sub-Recipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the Grantee's and Sub-Recipient's respective governing bodies. Such amendments shall not invalidate this Agreement, nor relieve or release the Grantee or Sub-Recipient from its obligations under this Agreement.

The Grantee may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both Grantee and Sub-Recipient.

H. Suspension or Termination

In accordance with 2 CFR Part 200 Subpart D §338-339, the Grantee may suspend or terminate this Agreement if the Sub-Recipient materially fails to comply with any terms of this Agreement, which include (but are not limited to), the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
2. Failure, for any reason, of the Sub-Recipient to fulfill in a timely and proper manner its obligations under this Agreement;
3. Ineffective or improper use of funds provided under this Agreement; or
4. Submission by the Sub-Recipient to the Grantee reports that are incorrect or incomplete in any material respect.

In accordance with 2 CFR Part 200 Subpart D §339, this Agreement may also be terminated for convenience by either the Grantee or the Sub-Recipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the Grantee determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the Grantee may terminate the award in its entirety.

I. Recapture

In the event that the Sub-Recipient has, in the Grantee's sole discretion, failed to comply with the Sub-Recipient Agreement or any other CDBG-DR program requirement, the Sub-Recipient shall perform any remedial actions determined appropriate by the Grantee to correct the deficiency, which actions may include, but are not limited to:

1. The repayment or reimbursement to the Grantee of inappropriately used CDBG-DR funds;
2. The hiring of additional therapists, interns or case managers to provide the services described in this Sub-Recipient Agreement; and,

3. The return of any equipment, real property, materials, or supplies purchased, leased, or lease purchased using CDBG-DR funds to Grantee or the supplier; and,
4. Any other actions the City deems appropriate.

The Grantee may terminate the Sub-Recipient Agreement in whole or in part, at any time, including before Project completion, whenever it is determined by the Grantee that the Sub-Recipient has failed to comply with the conditions of the Agreement. The Grantee shall notify the Sub-Recipient in writing of the determination and the reasons for the termination, together with the effective date. It shall be the Sub-Recipient's duty to take any and all legal efforts to cancel any obligations outstanding upon termination.

VIII. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Sub-Recipient agrees to comply with 2 CFR Part 200 Subpart D §302 - §303 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principals

The Sub-Recipient shall administer its program in conformance with Cost Principles as outlined in 2 CFR Part 200 Subpart E, as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to be Maintained

The Sub-Recipient shall maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

a. Records providing a full description of each activity undertaken;
b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG-DR program;
c. Records required to determine the eligibility of activities;
d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG-DR assistance;
e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG-DR program;
f. Financial records as required by 24 CFR 570.502, and 2 CFR Part 200 Subpart D §333; and
g. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.
h. Records that document that at least 51 percent of the appointments/visits provided with funds from this grant will be held by LMI persons.

2. Retention

The Sub-Recipient shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of

four (4) years. The retention period begins on the date of the submission of the Grantee's Quarterly Performance Report (QPR) in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the four- year period, whichever occurs later.

3. Client Data
   The Sub-Recipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to Grantee monitors or their designees for review upon request.

4. Disclosure
   The Sub-Recipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the Grantee's or Sub-Recipient's responsibilities with respect to services provided under this Agreement, is prohibited unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-Outs
   The Sub-Recipient's CDBG regulatory obligation to the Grantee shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, de-obligation of unused funds, disposing of program assets (including the return of all unused materials, equipment, program income balances, and accounts receivable to the Grantee), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Sub-Recipient has control over CDBG-DR funds, including program income.

6. Audits & Inspections
   All Sub-Recipient records with respect to any matters covered by this Agreement shall be made available to the Grantee, grantor agency, and the Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Sub-Recipient within 30 days after receipt by the Sub-Recipient. Failure of the Sub- Recipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.

   The Sub-Recipient shall have an annual audit by a Certified Public Accountant conducted in accordance with current Grantee policy concerning Sub-Recipient audits and 2 CFR Part 200 Subpart F (Audit required if the Sub-Recipient receives $750,000 or more in federal funds).

C. Reporting and Payment Procedures

1. Indirect Costs

If indirect costs are charged, the Sub-Recipient will develop an indirect cost allocation plan for determining the appropriate Sub-Recipient's share of administrative costs and shall submit such plan to the Grantee for approval, in a form specified by the Grantee. Indirect costs are those that have been incurred for common or joint purposes. These costs benefit more than one cost objective (programs and projects) and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned directly to Federal awards and other activities, as appropriate, indirect costs are those remaining to be allocated to benefited cost objectives.

2. Payment Procedures

The Grantee will pay to the Sub-Recipient funds available under this Agreement based upon information submitted by the Sub-Recipient and consistent with any approved budget and Grantee policy concerning payments. Payments will be made for eligible expenses actually incurred by the Sub-Recipient, and not to exceed actual cash requirements. Payments will be adjusted by the Grantee in accordance with advance fund and program income balances available in Sub-Recipient accounts. In addition, the Grantee reserves the right to liquidate funds available under this Agreement for costs incurred by the Grantee on behalf of the Sub-Recipient.

3. Quarterly Progress Reports

The Sub-Recipient shall submit regular Progress Reports to the Grantee in the form, content, and frequency as required by the Grantee. In order to comply with HUD reporting requirements, the Sub-Recipient shall submit Quarterly Progress Reports 15 days after the close of the calendar Quarter (i.e., January 15, April 15, July 15, October 15) at the sole discretion and direction of the Grantee such reports will include yet not be limited to the following information: obligated funding amount, expended funding amount, and activities completed and compliance data collected to-date.

D. Procurement

1. Compliance

The Sub-Recipient shall comply with current Grantee policy concerning the purchase of equipment, materials and/or services. The Sub-Recipient shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All unexpended program assets (including program income, property, equipment, etc.) shall revert to the Grantee upon termination of this Agreement.

2. OMB Standards

Unless specified otherwise within this agreement, the Sub-Recipient shall procure all materials, property, or services in accordance with the requirements of 24 CFR 85.36.

3. Travel

The Sub-Recipient shall obtain written approval from the Grantee for any travel

outside the Joplin, Missouri metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of 2 CFR Part 200 Subpart D and 24 CFR 570.502, 570.503, and 570.504, as applicable, which include but are not limited to the following:

1. The Sub-Recipient shall transfer to the Grantee any CDBG-DR funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.

2. Real property under the Sub-Recipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of $25,000 shall be used to meet one of the CDBG-DR National Objectives pursuant to 24 CFR 570.208 until five (5) years after expiration of this Agreement. If the Sub-Recipient fails to use CDBG-DR- assisted real property in a manner that meets a CDBG-DR National Objective for the prescribed period of time, the Sub-Recipient shall pay the Grantee an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG-DR funds for acquisition of, or improvement to, the property. Such payment shall constitute program income to the Grantee. The Sub-Recipient may retain real property acquired or improved under this Agreement after the expiration of the five-year period.

3. In all cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds shall be program income (prorated to reflect the extent to that funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Sub-Recipient for activities under this Agreement shall be (a) transferred to the Grantee for the CDBG-DR program or (b) retained after compensating the Grantee [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG-DR funds used to acquire the equipment].

IX. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Sub-Recipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. The Sub-Recipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b) (2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-DR-assisted project. The Sub-Recipient also agrees to comply with applicable Grantee ordinances, resolutions and policies concerning the displacement of persons from their residences.

X. PERSONNEL & PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Sub-Recipient agrees to comply with Title VI of the Civil Rights Act of 1964

as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination
   The Sub-Recipient agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.

3. Land Covenants
   This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P. L. 88-352) and 24 CFR 570.601 and 570.602. In regard to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement, the Sub-Recipient shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the Grantee and the United States are beneficiaries of and entitled to enforce such covenants. The Sub-Recipient, in undertaking its obligation to carry out the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

4. Section 504
   The Sub-Recipient agrees to comply with all Federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination against the individuals with disabilities or handicaps in any Federally assisted program.

B. Affirmative Action

1. Approved Plan
   The Sub-Recipient agrees that it shall be committed to carry out an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1966. This Executive Order applies to all federally assisted construction contracts and subcontracts. It provides that no person shall be discriminated against on the basis of race. The Sub-Recipient shall submit a plan for an Affirmative Action Program to the Grantee for approval.

2. Women- and Minority-Owned Businesses (W/MBE)
   The Sub-Recipient will use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of this Agreement. As used in this Agreement, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the

purpose of this definition, “minority group members” are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The Sub-Recipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

3. Access to Records
   The Sub-Recipient shall furnish and cause each of its own Sub-Recipients or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by the Grantee, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

4. Notifications
   The Sub-Recipient will send to each labor union or representative of workers with which it has a collective bargaining Agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker’s representative of the Sub-Recipient’s commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

5. Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement
   The Sub-Recipient will, in all solicitations or advertisements for employees placed by or on behalf of the Sub-Recipient; state that it is an Equal Opportunity or Affirmative Action employer.

6. Subcontract Provisions
   The Sub-Recipient will include the provisions of Paragraphs X.A, Civil Rights, and B, Affirmative Action(except this paragraph 6), in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own Sub-Recipients or subcontractors.

C. Employment Restrictions
   1. Prohibited Activity
      The Sub-Recipient is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities; inherently religious activities; lobbying; political patronage; or nepotism activities.

   2. Labor Standards
      The Sub-Recipient agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.) and all other applicable Federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. The Sub-Recipient agrees to comply with the Copeland Anti-Kick Back Act (18 U.S.C. 874 et seq.) and it’s implementing regulations of the U.S. Department of Labor at 29 CFR Part 5. The Sub-Recipient shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Grantee for review upon request.

3. "Section 3" Clause

    a. Compliance

    Compliance with the provisions of Section 3 of the HUD Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this Agreement, shall be a condition of the Federal financial assistance provided under this Agreement and binding upon the Grantee, the Sub-Recipient and any of the Sub-Recipient's Sub-Recipients and subcontractors. Failure to fulfill these requirements shall subject the Grantee, the Sub-Recipient and any of the Sub- Recipient's Sub-Recipients and subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. The Sub-Recipient certifies and agrees that no contractual or other disability exists that would prevent compliance with these requirements.

    The Sub-Recipient further agrees to comply with these "Section 3" requirements and to include the following language in all subcontracts executed under this Agreement:
    The work to be performed under this Agreement is a project assisted under a program providing direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701). Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low- and very low-income residents of the project area, and that contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very low-income persons residing in the metropolitan area in which the project is located."

    The Sub-Recipient further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the CDBG-DR-funded project is located; where feasible, priority should be given to low- and very low-income persons within the service area of the project or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs; and award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project to business concerns that provide economic opportunities for low- and very low-income persons residing within the metropolitan area in which the CDBG-DR-funded project is located; where feasible, priority should be given to business concerns that provide economic opportunities to low- and very low-income residents within the service area or the neighborhood in

which the project is located, and to low- and very low-income participants in other HUD programs.

The Sub-Recipient certifies and agrees that no contractual or other legal incapacity exists that would prevent compliance with these requirements.

b. Notifications

The Sub-Recipient agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker's representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

c. Subcontracts

The Sub-Recipient will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the grantor agency. The Sub-Recipient will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

4. Federal Work Authorization Program "FWAP"

Sub-recipient represents and agrees that it is enrolled and participating a Federal Work Authorization Program ("FWAP") that ensures that all of its employees or agents have the legal right to work in the United States, as defined in 8 U.S.C. 1324a(h)(3) and RSMo § 285.525-285.555, and that it will maintain this compliance for the entire duration of its Agreement with the City of Joplin. Sub-recipient agrees that it does not knowingly employee any unauthorized alien in connection with the contracted services with the City. Sub-recipient agrees to provide an Affidavit of Compliance stating that they are in enrolled and participating in a FWAP, and that Sub-Recipient does not knowingly employee any unauthorized aliens in connection with the contracted services, upon execution of this Agreement. All Subcontractors shall state, in writing, in their contracts with Sub-Recipient, that they are not in violation of RSMo § 285.530.1 and shall not thereafter be in violation, or subcontractor may submit a sworn affidavit to this effect. Sub-recipient agrees to hold harmless and indemnify the City for any liability due to Sub-Recipient's failure to maintain compliance with FWAP or for violations of the Missouri Unauthorized Alien Workers Act.

D. Conduct

1. Assignability

The Sub-Recipient shall not assign or transfer any interest in this Agreement without the prior written consent of the Grantee thereto; provided, however, that claims for money due or to become due to the Sub-Recipient from the Grantee

under this Agreement may be assigned to a bank, trust company, or other financial institution with such approval. Notice of any such assignment or transfer shall be furnished promptly to the Grantee.

2. Subcontracts
    a. Approvals
    The Sub-Recipient shall review and certify sub-contractors and shall submit the documentation to the City for their approval prior to entering into any contracts.

    b. Monitoring
    The Sub-Recipient will monitor all subcontracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

    c. Content
    The Sub-Recipient shall cause all of the provisions of this Agreement in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.

    d. Selection Process
    The Sub-Recipient shall undertake to insure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements. Executed copies of all subcontracts shall be forwarded to the Grantee along with documentation concerning the selection process.

3. Hatch Act
The Sub-Recipient agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.

4. Conflict of Interest
The Sub-Recipient agrees to abide by the provisions of 2 CFR Part 200 Subpart B §112; Subpart D §318 and 570.611, which include (but are not limited to) the following:
    a. The Sub-Recipient shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.
    b. No employee, officer or agent of the Sub-Recipient shall participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.
    c. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-DR-assisted activities, or

who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or Agreement with respect to the CDBG-DR-assisted activity, or with respect to the proceeds from the CDBG-DR-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the Grantee, the Sub-Recipient, or any designated public agency.

5. Lobbying

   The Sub-Recipient hereby certifies that:

   a. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

   b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

   c. It will require that the language of paragraph (d) of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and contracts under grants, loans, and cooperative agreements) and that all Sub-Recipients shall certify and disclose accordingly

6. Copyright

   If this Agreement results in any copyrightable material or inventions, the Grantee and/or grantor agency reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

7. Religious Activities

   The Sub-Recipient agrees that funds provided under this Agreement will not be

utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

XI. ENVIRONMENTAL CONDITIONS

A. Air and Water

The Sub-Recipient agrees to comply with the following requirements insofar as they apply to the performance of this Agreement:

- Clean Air Act, 42 U.S.C. , 7401, et seq.;
- Federal Water Pollution Control Act, as amended, 33 U.S.C., 1251, et seq., as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued hereunder;
- Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.
- Executive Order 11990, Protection of Wetlands;
- The Wild and Scenic Rivers Act of 1968, as amended, (16 U.S.C.S. 1271);
- The Safe Drinking Water Act of 1974, as amended (42 U.S.C.S. 30f et. seq.);
- The Clean Water Act of 1977 (Public Law 95-217);

B. Flood Disaster Protection

In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001), the Sub-Recipient shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

C. Lead-Based Paint

The Sub-Recipient agrees that any construction or rehabilitation of structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-DR-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

D. Historic Preservation

The Sub-Recipient agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this agreement.

In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are

included on a Federal, state, or local historic property list.

E. Other Provisions

The Sub-Recipient agrees to comply with the following requirements insofar as they apply to the performance of this Agreement:

- The National Environmental Policy Act of 1969 (42 U.S.C. Sect. 4321 et. seq.) and 24 CFR Part 58;
- The Endangered Species Act of 1973, as amended (16 U.S.C.S. 1531 et. seq.);
- The Fish and Wildlife Coordination Act of 1958, as amended, (16 U.S.C.S. 661 et. seq.);
- The Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 (re U.S.C.S. 6901 et. seq.).

XII. HANDBOOK FOR CDBG SUBRECIPIENTS

Sub-Recipient is required and agrees to follow the requirements found in the U.S. Department of Housing and Urban Development office of Community Planning and Development, Community Development Block Grant Program handbook "*Playing by the Rules*". This handbook is found as Appendix C.

XIII. FEDERAL AWARD INFORMATION

As required under 2 CFR Part 200 Subpart D §331, the following information under HUD CDBG-DR Award #B-13-MS-29-0001 is provided with regard to the disaster relief funds awarded to the Grantee:

a. Federal award date: May 2013
b. Federal award amount: $113,276,000
c. Funds obligated by this action: $110,000
d. This award does not have an Indirect Cost Rate, negotiated or de minimus

XIV. SERVABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

XV. SECTION HEADINGS AND SUBHEADINGS

The section headings and subheadings contained in this Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Agreement.

XVI. WAIVER

The Grantee's failure to act with respect to a breach by the Sub-Recipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the Grantee to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

XVII. ENTIRE AGREEMENT

This document constitutes the entire Agreement between the Grantee and the Sub-Recipient for the use of funds received under this Agreement and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written between the Grantee and the Sub-Recipient with respect to this Agreement.

Date: _____

IN WITNESS WHEREOF, the Parties have executed this contract as of the date first written above.

City of Joplin, Missouri A Municipal Corporation	Ozark Center Not-for-profit
_____	_____
Signature: Troy Bolander Planning, Development & Neighborhood Services Director	Signature: Lisa Nelson Grant Program Supervisor

STATE OF MISSOURI)) ss.

COUNTY OF JASPER)

AFFIDAVIT OF COMPLIANCE
(Missouri Unauthorized Alien Workers Act)

My name is_____and I am the_____. I hereby represent, affirm and certify to the City of Joplin that my company does not knowingly employ any person who is an unauthorized alien in connection with contracted services with the City. I further affirm that my company is actively enrolled and participating in a federal work authorization program with respect to all employees working in connection with the contract services provided to the City.

_____
Affiant

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my

official seal this____day of_____, 2015.

_____
Notary Public

My commission expires:

_____

Appendix A **CDBG-DR Income/Demographic Form**
(To Be Completed By Participant)

INSTRUCTIONS: The organization has participated in a federal program that is required to meet certain standards. Completion of this form and this information will be kept confidential, with access only to the Sub-Recipient, administrating staff of the City of Joplin, and officials of Housing and Urban Development.

1. **FAMILY SIZE: _____person(s)**
   Family Size: give the number of persons in your family living with you in your household including husband, wife, and all dependents, as defined by the Internal Revenue Service (IRS).

2. **FAMILY INCOME: $_____.00***
   Family Income: give the total annual income from all family members, as determined on today's date; in IRS terms, this would be adjusted gross income.
   ***Support documentation is needed for this item. Documentation will include a copy of the most recent IRS W2 or IRS Form 1040 Return, a filled out and signed IRS 4506-T Form or verification from the State of Missouri Department of Mental Health.**

3. **ELDERLY: _____person(s)**
   Elderly: how many persons in your family are 62 years of age and over?

4. **HANDICAPPED: _____person(s)**
   Handicapped: how many persons in your family have a physical or mental impairment that substantially limits one or more of the individual's major life activities.

5. **ETHNICITY (Check one box only):** ☐ Hispanic or Latino ☐ Not Hispanic or Latino

6. **HEAD OF HOUSEHOLD:** ☐ Male ☐ Female

7. **RACIAL DESIGNATION**: (select one or more) for each household, enter the number of family members by each applicable race.

☐ White	☐ Black/African American	☐ Asian
☐ American Indian/Alaskan Native	☐ Native Hawaiian/Other Pacific Islander	☐ American Indian/Alaskan Native & White
☐ Asian & White	☐ Black/African American & White	☐ American Indian/Alaskan Native & Black/African American
☐ Other		

CERTIFICATION:

"To the best of my knowledge, the above information is true and can be verified if requested by proper officials of the Grantee, City of Joplin and HUD."

_____ _____
Print Name Date

_____
Sign Name
If you need assistance completing this form, please check with the Sub-Recipient Agreement for assistance.

For Grantee Use Only

Name of Grantee: _____

Appendix B

CITY OF JOPLIN COMMUNITY DEVELOPMENT
2015/2016 INCOME/DEMOGRAPHIC SUMMARY FORM

FAMILY SIZE (a)	LMI Families (See 2nd Page for Income Limits)			TOTAL LMI PERSONS [(b)+(c)+(d)] * (a)
	Extremely Low (b)	Very Low (c)	Low (d)	
1 PERSON				
2 PERSONS				
3 PERSONS				
4 PERSONS				
5 PERSONS				
6 PERSONS				
7 PERSONS				
8 PERSONS				

Non-LMI	TOTAL Non-LMI PERSONS

1. TOTAL NUMBER OF SURVEYS DISTRIBUTED:		
2. TOTAL NUMBER OF HISPANIC OR LATINO:		
3. RACIAL DESIGNATION	NUMBER OF INDIVIDUALS	NUMBER OF HISPANIC (All Races Can Also Be Hispanic)
A. WHITE		
B. BLACK/AFRICAN AMERICAN		
C. ASIAN		
D. AMERICAN INDIAN /ALASKA NATIVE		
E. NATIVE HAWAIIAN/OTHER PACIFIC ISLANDER		
F. AMERICAN INDIAN/ALASKAN NATIVE & WHITE		
G. ASIAN &WHITE		
H. BLACK/AFRICAN AMERICAN & WHITE		
I. AM. INDIAN/ALASKAN NATIVE & BLACK/AFRICAN AM		
K. OTHER MULTI-RACIAL		

	NUMBER	PERCENT
4. ELDERLY/AGE 62 OR OLDER		
5. HANDICAPPED/DISABLED		
6. FEMALE HEAD OF HOUSEHOLD		

DATE:_____

SIGNATURE:_____

Return to: City of Joplin, Community Development, 602 South Main Street, Joplin, Missouri 64801 at the end of project.

FY 2015 Income Limits Summary

Joplin, MO MSA Median Income: $51,000

FY 2014 Income Limit Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Extremely Low (30%) Income Limits (b)	$11,770	$15,930	$20,090	**$24,250**	$27,300*	$29,300*	$31,350*	$33,350*
Very Low (50%) Income Limits (c)	$17,700	$20,200	$22,750	**$25,250**	$27,300	$29,300	$31,350	$33,350
Low (80%) Income Limits (d)	$28,300	$32,250	$36,400	**$40,400**	$43,650	$46,900	$50,100	$53,350

The **Joplin, MO MSA** contains the following areas: Jasper County, MO.

* * The FY 2014 Consolidated Appropriations Act changed the definition of extremely low-income to be the greater of 30/50ths (60 percent) of the Section 8 very low-income limit or the poverty guideline as established by the Department of Health and Human Services (HHS), provided that this amount is not greater than the Section 8 50% very low-income limit. Consequently, the extremely low income limits may equal the very low (50%) income limits.

Income Limit areas are based on FY 2015 Fair Market Rent (FMR) areas. For information on FMRs, please see our associated FY 2015 Fair Market Rent documentation system.

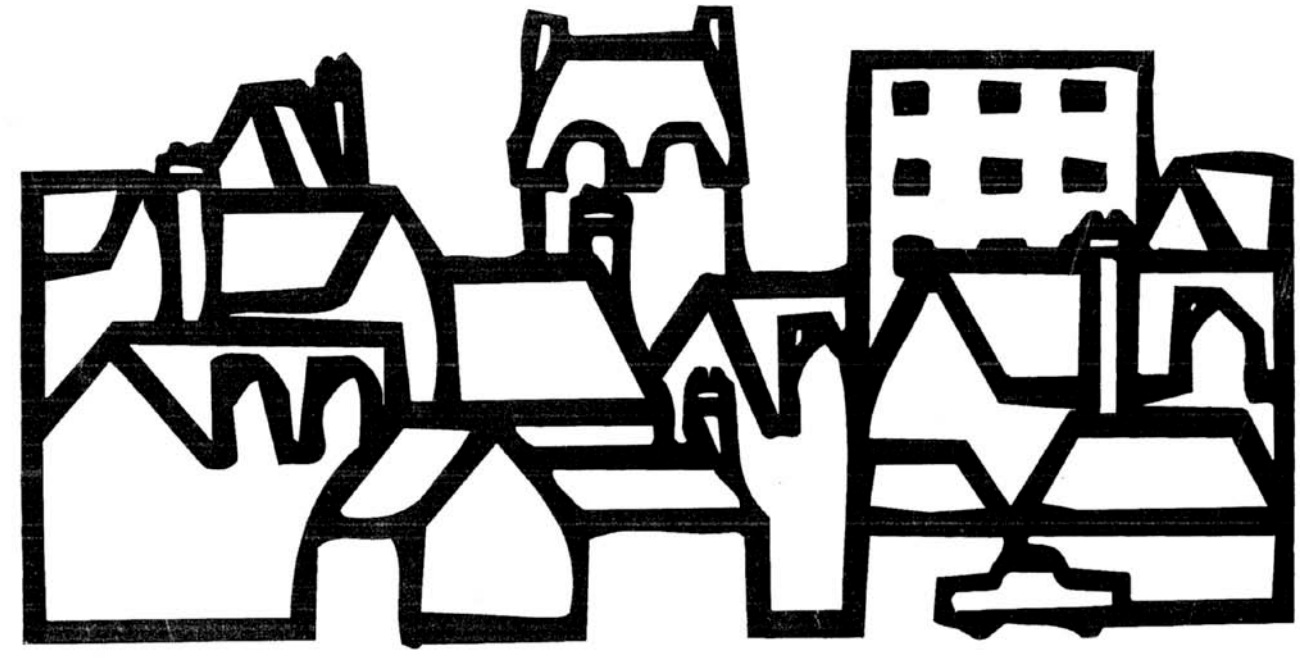
Appendix C

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Office of Community Planning and Development
Community Development Block Grant Program

Playing by the Rules

A Handbook for CDBG Subrecipients on Administrative Systems

March 2005



HUD-2005-05-CPD http://www.hud.gov/offices/cpd/communitydevelopment/library/index.cfm

Playing by the Rules

A Handbook for CDBG Subrecipients on Administrative Systems

U.S. Department of Housing and Urban Development
Office of Community Planning and Development
Community Development Block Grant Program

Updated Reprint
March 2005

TABLE OF CONTENTS

CONTENTS **PAGE**

PROLOGUE: A MESSAGE TO CDBG SUBRECIPIENTS vi

1.0 INTRODUCTION 1–1

1.1 How to Use This Handbook 1–2
1.2 Summary of Principal Regulations Governing CDBG Administrative Systems 1–3

2.0 FINANCIAL MANAGEMENT 2–1

2.1 Overview 2–4
2.2 Internal Controls 2–4
2.3 Accounting Records 2–6
2.4 Allowable Costs 2–8
2.5 Source Documentation 2–11
2.6 Budget Controls 2–13
2.7 Cash Management 2–13
2.8 Financial Reporting 2–16
2.9 Other Miscellaneous Requirements for Subrecipient Financial Management Systems 2–17

Exercise for Chapter 2.0 — Financial Management 2–19

3.0 PROCUREMENT AND CONTRACTING 3–1

3.1 General Procurement Provisions 3–3
3.2 Permitted Approaches to Procurement 3–6
3.3 Bonding 3–9
3.4 Use of Local Businesses; Contracting with Small, Minority, and/or Women-Owned Businesses 3–10

Exercise for Chapter 3.0 — Procurement and Contracting 3–11

4.0 PROPERTY MANAGEMENT AND DISPOSITION 4–1

4.1 Overview 4–4
4.2 Real Property 4–4
4.3 Personal Property — Equipment 4–5
4.4 Personal Property — Supplies 4–8
4.5 Personal Property — Copyrights 4–8

Exercise for Chapter 4.0 — Property Management and Disposition....4–9

5.0 RECORD-KEEPING AND REPORTING REQUIREMENTS.... 5–1

5.1 General Record-Keeping Requirements.... 5–3
5.2 File Organization and Maintenance.... 5–5
5.3 Retention of Records 5–7
5.4 Access to Records.... 5–7
5.5 Reporting Requirements 5–7

Exercise for Chapter 5.0 — Record-Keeping and Reporting Requirements.... 5–14

6.0 OTHER ADMINISTRATIVE AND PROGRAM REQUIREMENTS 6–1

6.1 Program Income.... 6–3
6.2 Programmatic and Budget Changes 6–4
6.3 Civil Rights and Fair Housing; Employment and Contracting Opportunities 6–5
6.4 Labor Standards 6–8
6.5 Environment Requirements.... 6–8
6.6 Historic Preservation.... 6–9
6.7 National Flood Insurance Program.... 6–9
6.8 Floodplain Management.... 6–9
6.9 Relocation, Real Property Acquisition, and One-for-One Housing Replacement 6–10
6.10 Lead-Based Paint.... 6–10
6.11 Political Activity 6–13
6.12 Conflict of Interest.... 6–13
6.13 Program Monitoring.... 6–14
6.14 Suspension and Termination.... 6–14

Exercise for Chapter 6.0 — Other Administrative and Program Requirements 6–15

7.0 AUDITS 7–1

7.1 General Audit Requirements 7–3
7.2 Internal Control and Compliance Review.... 7–4
7.3 Audit Reports.... 7–4
7.4 Auditor Selection/Procurement 7–5
7.5 Audit Costs 7–6
7.6 Audit Review and Resolution.... 7–6

Exercise for Chapter 7.0 — Audits.... 7–9

8.0 CLOSEOUT 8–1

8.1 Overview 8–3
8.2 Closeout Procedures 8–3
8.3 Cost and Cash Adjustments 8–4
8.4 Continuing Subrecipient Responsibilities 8–5

Exercise for Chapter 8.0 — Closeout 8–6

EXHIBITS: 1-1 Regulatory Framework for CDBG Entitlement Program 1–7
4-1 Rules for Property Management and Disposition 4–2
5-1 Record-Keeping Checklist for Tracking Activities 5–11

PROLOGUE: A MESSAGE TO CDBG SUBRECIPIENTS

As Community Development Block Grant (CDBG) subrecipients, you are an indispensable part of the CDBG Entitlement program. You provide grantees and the U.S. Department of Housing and Urban Development (HUD) with assurance that the diverse communities, groups, and individuals whom the CDBG program is intended to serve are in fact reached by the program. Your participation provides:

- Access to, and knowledge of, the specific neighborhoods and beneficiaries served by the program.
- Technical and managerial capabilities that might not otherwise be available to grantees.
- A mechanism for assuring citizen participation by involving the intended beneficiaries in the design and delivery of those services.

Without your continued involvement and support, the CDBG program could not address the broad range of needs in our communities. Whether you are a governmental agency, a non-profit organization, or a for-profit entity, HUD and the more than 1,000 CDBG Entitlement grantees count on you to make sure that needed services are delivered in a cost-effective way. This is not an easy task. Despite numerous accomplishments in program delivery, many of you have encountered administrative problems in achieving your mission; hence, the motive for this handbook.

Common Subrecipient Problems

The majority of difficulties experienced by subrecipients lay in the area of financial management, administrative systems, documentation, and record keeping. Many of these problems are attributed to:

- Limited experience in dealing with Federally-funded programs.
- Lack of adequate staffing or financial resources available on a consistent basis.
- Limited understanding about how to meet the complex administrative requirements that must be satisfied in using Federal funds for CDBG activities.
- Limited oversight, communication, or management support from grantees.

Subrecipient Responsibilities

You and your grantees share joint responsibility for carrying out permitted activities in conformance with applicable Federal requirements. Grantees and subrecipients are partners. Both partners must accept the fact that there is no such thing as a "free lunch." In return for Federal funding, grantees and subrecipients agree to comply with the laws and regulations governing the use of those funds. A central principle is that most of the Federal requirements imposed on the grantee are passed along to you, the subrecipient. As more experienced subrecipients can attest, the more you know about the rules, the more efficient you can be in designing and conducting your activities. Playing by the rules does not detract from your performance; it enhances it (and enables you to continue receiving funds).

Regulatory compliance and performance go hand-in-hand. Performance measurement is an effective management technique that enables grantees to analyze the benefits of their investments. It is a mechanism that tracks the progression of projects and evaluates their overall program effectiveness. The CDBG program requires that each grantee submit a performance and evaluation report concerning the use of CDBG funds, together with an assessment of the relationship of the use of funds to the objectives identified in the grantee's Consolidated Plan. Subrecipients should also establish goals and measure their performance in a manner consistent with the grantee's performance measurement system.

In using Federal funds the cardinal rule is: **documentation.** The achievement of program goals and the completion of activities must be supported by adequate documentation of the facts. If your activities, personnel, procedures, expenditures, and results are not documented properly, from the Federal Government's perspective, you have not done your job, *regardless of your accomplishments*. Appropriate records are the lifeblood of all successful CDBG agencies.

Finally, successful CDBG programs depend upon the commitment of grantees and subrecipients to **effective management practices**. These include: (1) supporting cooperative, problem-solving relationships among HUD, grantees, and subrecipients; (2) working toward continuous improvement in regulatory compliance and timely program performance; (3) maintaining open and frequent communications among all participants; and (4) focusing on preventing problems first, rather than curing them later. Such a commitment to effective management will assure that the "minimum requirements" specified in the handbook and the training do not become "maximums" for either grantees or subrecipients.

This handbook is designed to help you understand the administrative requirements that apply to the use of Federal funds for the delivery of CDBG programs and activities. Not surprisingly, you will find the bulk of these requirements reflect common sense and good business practices, like balancing your checkbook or shopping for the lowest price. We hope that what you learn from this handbook about meeting CDBG administrative requirements will save you from major headaches later on.

You will also recognize that most of the standards presented in this handbook represent the ***minimum requirements*** prescribed by Federal regulations, not ***optimum*** or ***maximum.*** Therefore, we hope your agency will resist the temptation to allow these standards to become "maximums" for its activities, but rather, will seek to use these regulations as a path to optimum performance and full achievement of all your goals.

This handbook had not been updated since its first printing in 1993. The changes currently being made reflect the incorporation of OMB Circulars A-102 and A-110 into the HUD Common Rule at 24 Code of Federal Regulations (CFR) Parts 84 and 85, as well as changes to the CDBG regulations that were made between 1993 and 2003.

Experience has shown that activities undertaken by subrecipients are potentially high risk. Many subrecipients have excellent intentions but use volunteers or inexperienced staff who don't know Federal requirements. In our efforts to promote timely expenditure of CDBG funds, we also found that delays in subrecipient activities were a cause for grantee failure to comply with the timeliness requirements at 24 CFR 570.902.

Over 10 years have passed since CPD first issued the three related publications dealing with subrecipients. This material is now being updated because in the intervening years, some administrative requirements have changed, grantees and subrecipients have experienced staff turnover, and new subrecipients are participating in the program. It is again time to focus grantees' attention on their responsibilities for subrecipient oversight and to encourage entitlement communities to take a fresh look at their internal processes for subrecipient selection, training, management, and monitoring.

This is an opportunity for grantees to distribute copies of Playing by the Rules to all their subrecipient organizations and to conduct training for both grantee and subrecipient staff, using the newly issued Training CDBG Subrecipients in Administrative Systems as a guide. Because both these publications are available from the HUD Web site*, it has been made easier for grantees to distribute materials and to conduct this training. In addition to promoting program compliance, the sound management practices advocated in these publications can also serve to facilitate the development of performance measures for project implementation. Such actions will result in improved delivery of CDBG programs to the intended program beneficiaries, the low- and moderate-income residents of the community.

*http://www.hud.gov/offices/cpd/communitydevelopment/library/index.cfm

CHAPTER 1.0: INTRODUCTION

The purpose of this handbook is to provide subrecipients of CDBG Entitlement funds with an explanation of the basic administrative requirements of the CDBG program. A **"subrecipient"** is a public agency, a private non-profit organization, in some circumstances a Community-Based Development Organization (CBDO), or perhaps even a for-profit entity that has been provided CDBG funds by the local "grantee" (the city or county) to carry out agreed upon activities that are eligible under the Federal regulations. While you may not technically meet the CDBG definition of a "subrecipient," your grantee may want to treat you like one to achieve its own objectives. In the administration of its CDBG funds, each subrecipient must meet the administrative requirements covered in this handbook.

The CDBG Entitlement program for metropolitan cities and urban counties is a "block grant" program. Through the block grant approach, the Federal Government offers localities a great deal of flexibility in the way they may use their funds, and in the activities they support, either directly or through subrecipients.

Since the start of the CDBG program over 30 years ago, HUD has issued numerous rules and regulations governing the program to ensure that the intent and requirements of the law are fulfilled, and that the opportunities for fraud, waste, mismanagement, and abuse of program resources are minimized. Although the regulations cover administrative and program requirements for both grantees and subrecipients, **this handbook is primarily concerned with:**

- The regulations that apply to internal management and financial systems of subrecipients; and

- Subrecipients' responsibilities to document and report their CDBG-funded activities.

The administrative systems that are the subject of this handbook are ***critical*** to a subrecipient's ability to comply with CDBG program requirements. For example, a non-profit organization may indeed be providing highly effective public services to its low-income clientele; but it is only through its record-keeping and financial systems that the subrecipient will be able to justify its use of CDBG funds by showing that the activities were both eligible and consistent with its Subrecipient Agreement with the grantee, and that its expenses were appropriate and allowable under the program guidelines.

For those subrecipient organizations having little prior experience with Federal grant programs, the complexity of regulations that mandate specific procedures ("means") for achieving program objectives ("ends") can be daunting. The emphasis on specific procedures and extensive record keeping may appear on the surface to be bureaucratic red tape. However, many of the required systems and procedures are based on widely-accepted standards for good business practices that

are extensively observed in the private sector. They are also designed to help ensure that every entity administering CDBG funds has basic management controls and financial safeguards in place to reduce the likelihood of mismanagement in the use of public funds. With the oversight and analytic capacity that these systems provide, many program managers find they are able to adjust their operations continuously and improve their performance on a regular basis.

1.1 How to Use This Handbook

This Handbook is organized into chapters corresponding to particular components of a subrecipient's administrative operations:

- Financial Management (Chapter 2.0).
- Procurement and Contracting (Chapter 3.0).
- Property Management and Disposition (Chapter 4.0).
- Record-Keeping and Reporting Requirements (Chapter 5.0).
- Other Administrative and Program Requirements (Chapter 6.0).
- Audits (Chapter 7.0).
- Closeout (Chapter 8.0).

Each chapter begins with a brief explanation of the underlying management principles that apply to that facet of program administration, followed by the basic standards that must be met as specified in the applicable regulations or circulars.

It is important to note that sometimes differences exist in the specific requirements for governmental versus nongovernmental subrecipients. In such cases, the set of requirements that is generally more stringent or detailed is described first and then any exceptions to such rules are discussed. For example, the rules for procurement spelled out in Parts 84 and 85 of Title 24 of the Code of Federal Regulations (CFR) for nongovernmental and governmental subrecipients, respectively, distinguish how the rules differ depending on the type of subrecipient. Therefore, the chapter on procurement first outlines the requirements of 24 CFR Part 85 for governmental subrecipients and then discusses how those in Part 84 for nongovernmental subrecipients differ.

To the extent feasible, performance standards have been listed in order from the most basic requirements to the most specialized. This has been done to facilitate use of the handbook as a

checklist for building administrative systems "from the ground up," and/or for reviewing existing systems for their adequacy in meeting the standards.

Subrecipients (and grantees) are cautioned to use this handbook as a supplement to, not a replacement for, the applicable regulations. It is assumed that the reader has access to, or copies of, the basic regulations identified in Section 1.2, which follows. Over time, use of the handbook as a reference tool should help the recipient de-mystify the regulations and become more familiar with the requirements of the CDBG program. This knowledge, in turn, should assist the subrecipient avoid the pitfalls (and penalties) of noncompliance.

Readers of this handbook may notice some duplication from chapter to chapter. This reflects the overlap that occasionally occurs in the regulations themselves and was retained in the text to minimize the amount of cross-referencing.

1.2 Summary of Principal Regulations Governing CDBG Administrative Systems

The key regulations that form the basic administrative requirements of the CDBG Entitlement program are summarized here to acquaint the reader with the various sources for the following standards described throughout the remainder of this handbook. At the end of this chapter, Exhibit 1–1 describes the regulatory framework for the CDBG program. Regulations are developed in response to, or in fulfillment of, Federal statutes that govern the CDBG Entitlement program, both those specific to the CDBG program and those addressing other Federal laws or policies that apply to the CDBG program (e.g., National Environmental Policy Act, Americans with Disabilities Act, Davis-Bacon Act).

The basic program regulations governing management and financial systems for the CDBG program are contained in ***24 CFR Part 570, Subparts J and K.*** They are applicable both to grantees and subrecipients in the public and private sectors:

a) ***Subpart J (24 CFR 570.500–570.513)*** addresses general responsibilities for grant administration, including the applicability of uniform administrative requirements, provisions of Subrecipient Agreements, program income, use of real property, record keeping and reporting, and closeout procedures.

b) ***Subpart K (24 CFR 570.600–570.613)*** deals with **other program requirements** of the CDBG program, including civil rights; labor standards; environmental standards; flood insurance; relocation; displacement; acquisition; employment and contracting opportunities; lead-based paint; use of debarred, suspended, or ineligible contractors; uniform administrative requirements and cost principles; and conflicts of interest.

In addition to the basic regulations of the CDBG program contained in 24 CFR Part 570, there are three other categories of requirements that affect the administrative systems and procedures subrecipients must have in place to receive support:

- Federal regulations governing administrative and audit requirements for grants and cooperative agreements (governmental subrecipients) for which HUD has oversight responsibilities.

- Administrative circulars from the Office of Management and Budget (OMB) and Department of the Treasury governing cost principles, administrative systems, fiscal procedures, and audit requirements for grantees and subrecipients.

- Executive Orders from the Office of the President implementing various equal employment opportunity and environmental policies.

The applicability of these administrative requirements depends upon the public or private status of the organization receiving funds. **For subrecipients that are private*, non-profit organizations,*[1] the key regulations defining administrative requirements are:**

24 CFR Part 84 "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-profit Organizations"[2]**:** These regulations implement OMB Circular A-110 and specify standards relative to cash depositories, bonding and insurance, retention and custodial requirements for records, financial management systems, monitoring and reporting on performance, property management, and procurement.

[1] For-profit entities organized pursuant to Section 301(d) of the Small Business Investment Act of 1958 (15 U.S.C. 681(d)) and for-profit local development corporations (LDCs) may also qualify as CBDOs under the requirements of 24 CFR 570.204 and thus serve in the role of a subrecipient under the CDBG program if so designated by the grantee. The CDBG regulations pertaining to non-profit organizations apply to such for-profit entities.

[2] Not all the requirements of 24 CFR Parts 84 and 85 are applicable to CDBG subrecipients; 24 CFR 570.502(a) and (b) specify the sections and paragraphs of the Common Rule that apply to CDBG recipients and subrecipients.

OMB Circular A-122 "Cost Principles for Non-profit Organizations": A publication of OMB, this document establishes principles for determining costs that are allowed to be charged to Federal grants, contracts, and other agreements with non-profit organizations (except educational institutions). The principles are designed to ensure that the Federal Government will bear its fair share of costs except where restricted or prohibited by law.

OR,

OMB Circular A-21 "Cost Principles for Educational Institutions": This document covers much of the same subject matter as OMB Circular A-122, only it is aimed at educational institutions (public and private).

AND,

OMB Circular A-133 "Audits of States, Local Governments and Non-profit Organizations": This circular defines audit requirements for both governments and non-profits receiving Federal funds. The document addresses mandated frequency and scope of audits, allowability of audit costs, and the process of auditor selection.

For "governmental subrecipients" ***(a public agency that is independent of the grantee government, such as a public housing authority, parks commission, or a jurisdiction cooperating with an urban county CDBG grantee[3]), the key administrative requirements*** **are:**

24 CFR Part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally-recognized Indian Tribal Governments" (also known as "the Common Rule")[2]: For governmental entities and public agencies, Part 85 of Title 24 of the CFR details standards for financial management systems, payment, allowable costs, property management, procurement, monitoring and reporting program performance, financial reporting, record retention, and termination.[3]

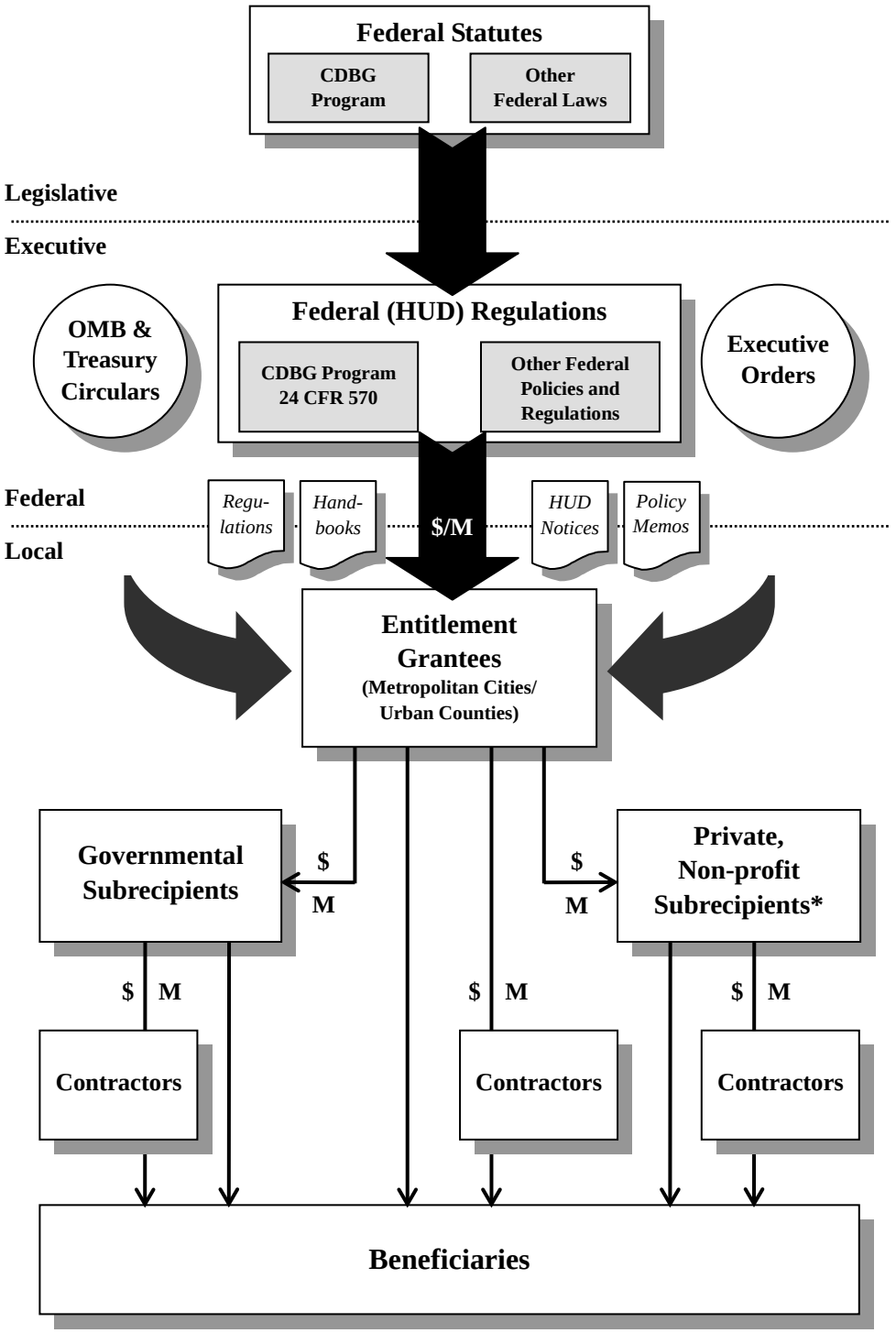
OMB CircularA-87 "Cost Principles for State and Local Governments": For governmental entities receiving CDBG or other Federal funds, this document is the equivalent of OMB Circular A-122. The circular establishes the principles for determining the allowable costs of programs administered by public entities under grants or contracts from the Federal Government. The principles are designed to provide the basis for a uniform approach to determining costs and to promote efficiency.

[3] Under the CDBG program, participating units under an urban county are considered to be part of the grantee; however, the grantee is responsible for applying the same requirements to these participating jurisdictions as are applicable to subrecipients.

OMB-133 "Audits of State, Local Governments and Non-profit Organizations":
For state and local governments which receive Federal aid, this document describes audit requirements, including frequency and scope of audit, audit standards, and auditor selection procedures.

The above referenced sections of Title 24 regulations and OMB circulars may be accessed at the HUD Web site at http://www.hudclips.org/cgi/index.cgi.

Exhibit 1–1: Regulatory Framework for CDBG Entitlement Program



$=Funds provided. M=Monitoring required. *Includes §204(c)(2) for-profit CBDOs.

CHAPTER 2.0: FINANCIAL MANAGEMENT

When subrecipients first begin providing services under the CDBG program and drawing down funds, few have financial systems in place that meet all pertinent Federal requirements. For many of you, putting together a financial system both that serves your needs and meets Federal requirements may have been a matter of trial and error. This kind of "ad hoc" approach is dangerous, however, because you may not find out about the inadequacies of your system until it is too late, such as when you run into a major problem with an overspent budget or a serious audit finding.

This chapter provides you with a summary of the required elements of financial systems for managing Federal funds. Before you plunge into the details of the Federal requirements, you may want to ask yourself the following eight sets of questions to find out if there are *particular* areas where you may need help.

1) Internal controls: Does your agency have a written set of policies and procedures that define staff qualifications and duties, lines of authority, separation of functions, and access to assets and sensitive documents? Does your agency have written accounting procedures for approving and recording transactions? Are financial records periodically compared to actual assets and liabilities to check for completeness and accuracy?

2) Accounting records: Does your agency maintain an adequate financial accounting system, the basic elements of which should include: (a) a chart of accounts, (b) a general ledger, (c) a cash receipts journal, (d) a cash disbursements journal, (e) a payroll journal, (f) payable and receivable ledgers, and (g) job cost journals (if involved in construction)? Does your accounting system provide reliable, complete, and up-to-date information about sources and uses of all funds? Are "trial balances" performed on a regular basis (at least quarterly)?

3) Allowable costs: Does your agency have a clearly defined set of standards and procedures for determining the reasonableness, allowability, and allocability of costs incurred that's consistent with the basic Federal rules (OMB Circulars A-87 or A-122)? Does your agency know which specific types of expenditures are prohibited under the CDBG program? Does your agency have an approved indirect cost allocation plan?

4) Source documentation: Does your agency maintain up-to-date files of original source documentation (receipts, invoices, canceled checks, etc.) for all of your financial transactions, including those involving obligations incurred and the use of CDBG program income?

5) Budget controls: Does your agency maintain an up-to-date (approved) budget for all funded activities, and perform a comparison of that budget with actual expenditures for each budget category? Does your agency regularly compare progress toward the achievement of goals with the rate of expenditure of program funds?

6) Cash management: Does your agency have a regular procedure for accurately projecting the cash needs of the organization that will serve to minimize the time between the receipt of funds from the grantee and their actual disbursement? Can your agency ensure that all CDBG program income is used for permitted activities, and that such program income is used before further drawdowns are made from the grantee for the same activity?

7) Financial reporting: Is your agency able to provide accurate, current, and complete disclosure of the financial results of each Federally-sponsored project or program in accordance with the reporting requirements of the grantee and HUD?

8) Audits: When was your last Independent Public Accountant (IPA) audit and what were the results? Does your agency have a copy of the management letter?

If your answer is “yes” to all of these questions, then your agency has established a laudable degree of control over its financial affairs. If you were not able to give an affirmative answer to all of the questions in the preceding section, then this chapter will help you to understand the minimum Federal requirements for financial management and to identify where your systems need strengthening. Once these areas have been identified, you can work with your financial staff, your auditor and/or your grantee to develop the systems and expertise you need to gain control of your agency’s financial affairs and meet the Federal requirements.

AS YOU READ THIS CHAPTER, THINK ABOUT …

1. Checking your systems against the standards described here.

2. Reviewing the capabilities of your current bookkeeping or accounting staff to fulfill their responsibilities under these requirements, and listing the areas where they may need support.

3. Talking to your present accountant/auditor to find out if he or she has fully evaluated the adequacy of your systems and is familiar with the requirements outlined here.

4. Getting the names of people to contact in your grantee's agency (e.g., city or county Community Development agency) who can answer questions and help you strengthen your systems.

5. Paying attention to any warning signs that may signal a need for help (for example, unexplained expenditures, unrecorded program income, expenditures occurring much more rapidly than progress is attained.)

2.1 Overview

The requirements for financial management systems and reporting are found in **24 CFR Part 85.20 for governmental subrecipients**[1] and in **24 CFR Part 84.21-28 as amended by 570.502**, for non-profit subrecipients. The purpose of these requirements is to ensure that a subrecipient receiving Federal funds has a financial management system sufficient to:

a) Provide effective control over and accountability for all funds, property, and other assets.

b) Identify the source and application of funds for Federally-sponsored activities, including verification of the "reasonableness, allowability, and allocability" of costs and verification that the funds have not been used in violation of any of the restrictions or prohibitions that apply to this Federal assistance.

c) Permit the accurate, complete, and timely disclosure of financial results in accordance with the reporting requirements of the grantee or HUD.

d) Minimize the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by the subrecipient.

The Federal regulations provide specific requirements in connection with the eight areas previously identified in this chapter, namely, internal controls, accounting records, allowable costs, source documentation, budget controls, cash management, financial reporting, and audits. The first seven areas are discussed in Sections 2.2 to 2.8. Auditing standards are described separately in Chapter 7.0.

2.2 Internal Controls (see 24 CFR 85.20(b)(3) and 84.21(a)(3))

The soundness of any organization's financial management structure is determined by its system of internal controls. **"Internal controls" consist of a combination of procedures, specified job responsibilities, qualified personnel, and records that together create accountability in an organization's financial system and safeguard its cash, property, and other assets.** Through its system of internal controls, an agency's management can ensure that:

- Resources are used for authorized purposes and in a manner consistent with applicable laws, regulations, and policies.

[1] Paragraph (a) of 24 CFR 85.20, however, does not apply to subrecipients, but only to states that are recipients of Federal funds. (Per 570.502(a)(4)).

- These resources are protected against waste, mismanagement, or loss.

- Reliable information on the source, amount, and use of resources are secured, up-to-date, and recorded.

Accordingly, some of the basic elements that a subrecipient should consider in developing its system of internal control include:

- An ***organizational chart*** setting forth the actual lines of responsibility of individuals involved in approving or recording financial transactions.

- ***Written definition of the duties*** of key employees.

- ***A formal system of authorization and supervision*** sufficient to provide accounting control over assets, liabilities, receipts, and expenditures. This should include:

    - Maintenance of a policy manual specifying approval authority for financial transactions and guidelines for controlling expenditures.

    - Written procedures for the recording of transactions as well as an accounting manual and a chart of accounts (see Accounting Records, in the following section).

    The system of authorizations should provide a way for management to ensure supervisory approval of transactions and documentation of these transactions for accounting purposes. A system of authorizations can be general, as in a procedures manual that explains how accounting functions are to be performed, or very specific, as in identifying who has the authority to sign a contract on behalf of the organization or to sell a piece of equipment.

- Adequate ***separation of duties,*** so no one individual has authority over an entire financial transaction. Separation of duties specifically involves the separation of three types of functional responsibilities: (a) authorization to execute a transaction, (b) recording of the transaction, and (c) custody of the assets involved in the transaction. No one person should have control of more than one of these functional responsibilities.[2]

[2] It is often beneficial to have different individuals or even different departments handle the various steps in the processing of transactions. First, separation of functional responsibility results in cross-checking by the individuals involved, increasing the likelihood that errors will be discovered and corrected. Second, fraud is more difficult to carry out if it requires the collusion of two persons or more. In organizations with very limited staff, however, it may

- Hiring policies to ensure that ***staff qualifications*** are commensurate with job responsibilities.

- ***Control over access to assets, blank forms, and confidential documents.*** Physical access to records, blank forms, cash, and other assets should be limited to authorized personnel only. For example, access to accounting records should be limited to only those individuals having record-keeping or supervisory responsibility for them.

- Periodic ***comparisons of financial records to actual assets and liabilities (reconciliation),*** with corrective action taken in response to any discrepancies. As with separation of duties, this is a crucial exercise to uncover and correct inadvertent record-keeping errors in a timely manner. It is also essential for identifying potential weaknesses in an organization's system for safeguarding resources as well as possible instances of fraud or misuse of assets.

2.3 Accounting Records (see 24 CFR 85.20(b)(2) and 84.21)

Subrecipients are required to have ***accounting records that adequately identify the source and application of CDBG funds*** provided to them. To meet this requirement, a subrecipient's accounting system should include at least the following elements:

- ***A chart of accounts.*** This is a list of names and the numbering system for the individual accounts that contains the basic information about particular classifications of financial transactions for the organization. Accounts are created and, in turn, used to summarize the financial transaction data, according to some common characteristics. For example, a typical chart of accounts might have separate account categories for describing assets (cash in a checking account, accounts receivable, prepaid insurance, etc.); liabilities (loans, accounts payable, obligated funds, etc.); revenue (drawdowns from CDBG awards, cash contributions, proceeds from sales, other program income, etc.); and expenses (rent, wages, heat, telephone, etc.).

- ***A cash receipts journal.***[3] This journal documents chronologically when funds were received, in what amounts, and from what sources.

---

be difficult to achieve optimal separation of duties. In such instances, the most critical functional areas are separation between custody for cash, record keeping for cash, and control of assets easily converted to cash.

[3] A journal is a chronological record of transactions showing the charges to be recorded as a result of each transaction. Every transaction is initially recorded in a journal. Therefore, a journal is called a record or book of original entry. Each entry in the journal states the names of the individual accounts to be debited and credited, the dollar amount of each debit and credit, the date of the transaction, and any other necessary explanation of the transaction. The act of entering a transaction in a journal is called "journalizing." Information for a journal entry can originate from a variety of sources, such as checks issued or received, invoices, cash register tapes, and time sheets.

A cash disbursements journal. This journal documents chronologically the expenditures of the organization (e.g., when the expense was incurred, how much was spent, to whom funds were paid, and for what purpose).

- ***A payroll journal.*** This journal documents the organization's expenses on salaries and benefits and distinguishes different categories for regulatory purposes.

- ***A general ledger.*** After a transaction is entered in a journal, that information also should be transferred to the proper accounts contained in the general ledger. The general ledger summarizes chronologically the activity and financial status of all the accounts of an organization. The process of transferring transaction information from a journal to a ledger is known as "posting." The entries in the journal and ledger should be cross-indexed to permit the tracing of any recorded transaction (i.e., an "audit trail").

  Periodically, a "trial balance" is performed, to test the mathematical accuracy of the ledger and to prepare a statement of the financial position of an organization as of a particular date.

Sources and Uses of Funds

For the CDBG program, these ***accounting records must contain reliable and up-to-date information*** about the sources and uses of funds, including:

- Federal **grant awards** (or subgrant allocations) received by the organization.

- **Current authorizations and obligations** of CDBG funds.

- **Unobligated balances** (funds remaining available for distribution).

- **Assets and liabilities.**

- **Program income**.

- Actual **outlays or expenditures,** with further breakdowns by:

- The grant program from which the funds are derived.[4]

- The "eligible activity" classifications specified in 24 CFR 570.201–570.206 (housing rehabilitation, economic development, public facilities, public services, etc.) or similar classifications which clearly indicate use of program funds for eligible activities.

Maintenance of Records

The internal control requirements provide for the **separation of duties** and the **secure storage** of accounting records in limited access areas. In maintaining these accounting records a subrecipient should also ensure that:

- Journal entries are properly approved and explained/supported.

- Posting and trial balances are performed regularly.

- Fidelity bond coverage is obtained for responsible officials of the organization.

The grantee may require the subrecipient to purchase additional fidelity bond coverage in cases where it believes the normal policy coverage is not sufficient to protect the interest of the Government.

2.4 Allowable Costs (see 24 CFR 85.22 and 84.27)

The standards for determining the reasonableness, allowability, and allocability of costs incurred as part of CDBG-financed activities are found in **OMB Circular A-87 for governmental subrecipients, OMB Circular A-122 for non-profit subrecipients, and OMB Circular A-21 for educational institutions.**

According to basic guidelines contained within these OMB circulars, a ***cost is allowable*** under the CDBG program if:

1. The expenditure is ***necessary, reasonable, and directly related to the grant***.

   This standard applies equally to such items as salaries and administrative services contracts, as well as to real property and equipment purchases or leases, travel, and other administrative expenditures. In determining the reasonableness of a given cost, consideration shall be given to:

[4] Subrecipients are encouraged, but not required by HUD, to identify expenditures by the specific grant.

a) Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the organization or the performance of the award.

b) The restraints or requirements imposed by such factors as generally accepted sound business practices, arms length bargaining, Federal and state laws and regulations, and terms and conditions of the award.

c) Whether the individuals concerned acted with prudence in the circumstances, considering their responsibilities to the organization, its members, employees and clients, the public at large, and the Government.

d) Significant deviations from the established practices of the organization that may unjustifiably increase the award costs.

2. The expenditure has been ***authorized by the grantee*** (the city or county that provides the CDBG funds to the subrecipient), generally through approval of the budget for the activity.

   For example, grantees generally are limited by HUD to obligating no more than 15 percent of any year's CDBG award on public services expenses. Therefore, in their agreement with a subrecipient, the grantee will stipulate how much the particular subrecipient will be allowed to obligate on such activities to keep the grantee's overall public services expenditures within the 15-percent ceiling. Any obligations by the subrecipient on such activities exceeding the approved amount may be disallowed by the grantee based upon the provisions of the Subrecipient Agreement.

3. The ***expenditure is not prohibited*** under Federal, state, or local laws or regulations.

   For example, OMB Circular A-87, Attachment B, and OMB Circular A-122, Attachment B, explicitly prohibit expenditure of Federal funds for entertainment, contributions and donations, fines and penalties, and bad debts.[5]

   In addition, the regulations specific to the CDBG program (at 24 CFR 570.207) prohibit the use of program funds for:

[5] OMB Circulars A-87 and A-122 also prohibit expenditures on interest and other financial costs *except where authorized by legislation* as is the case under Section 105(a)(13) of Title I of the Housing and Community Development Act of 1974, as amended, which specifically identifies "reasonable ... carrying charges related to the planning and execution of community development and housing activities" as eligible costs under the CDBG program.

- **Buildings used for the general conduct of government**
- **General governmental expenses**
- **Political activities**

This section of the program regulations also specifies that the following activities may ***not*** be assisted with CDBG funds ***unless*** authorized as a special economic development activity under 24 CFR 570.203, ***or*** when carried out by Community-Based Development Organizations (CBDOs) under the provisions of 24 CFR 570.204, or when the other special conditions noted in the following section after each category are met:

- **Purchase of construction equipment** (unless purchased for use as part of a solid waste disposal facility, which is eligible under 24 CFR 570.201(c)).
- **Personal property, furnishings, fixtures, or motor vehicles** (unless these items constitute part or all of a public services activity under 24 CFR 570.201(e), are eligible as fire fighting equipment under 24 CFR 570.201(c), or are necessary in the administration of activities assisted with CDBG funds).
- **Operating and maintenance expenses** (except for expenses associated with public service, "In Rem," and interim assistance activities, or office space for program staff employed in carrying out the CDBG program).
- **New housing construction** (unless performed in accordance with the "last resort" housing provisions of 24 CFR Part 42, or carried out by a CBDO under Section 570.204).
- **Income payments** (this prohibition does not preclude payments made under 24 CFR 570.201(n) to facilitate and expand homeownership by low- and moderate-income persons or emergency grant payments made over a period of up to 3 consecutive months to the provider of such items as food, clothing, housing, or utilities).

4. The ***expenditure is consistently treated,*** in the sense that the subrecipient applies generally accepted accounting standards in computing the cost, and utilizes the same procedures in calculating costs as for its non-Federally assisted activities.

5. The ***cost must be allocable to the CDBG program.*** A cost is allocable to a particular cost objective (e.g., grant, program, or activity) in proportion to the relative benefits received by that objective. This means that:

    - If an office is utilized by two programs during the same hours, the costs of the office should be allocated between the two programs on an equitable basis.

    - The same expense cannot be claimed against more than one grant (i.e., double-billing is prohibited). In addition:

        - A cost originally allocable to a particular Federal grant program **cannot be shifted to another Federal grant program** to overcome funding deficiencies, to avoid restrictions imposed by the grant or by law, or for any other reasons.

        - In accordance with the guidance found in OMB Circulars A-87 and A-122, the composition of direct and indirect costs must be clear. **Direct costs** must be identified specifically with a particular activity. **Indirect costs** are those incurred for common objectives that benefit more than one activity (e.g., salaries of executive officers, accounting and auditing, other costs of general administration). The subrecipient's indirect costs must be supported by an indirect cost proposal/cost allocation plan prepared in accordance with U.S. Department of Health and Human Services Circular OASMB-5 (for non-profit subrecipients) or OASC-10 (for governmental subrecipients).

6. The ***cost is net of all applicable credits.*** Any credits such as purchase discounts or price adjustments must be deducted from total costs charged. The subrecipient is not allowed to make a profit from any costs charged to CDBG funds.

2.5 Source Documentation

The general standard is that ***all accounting records must be supported by source documentation (see 24 CFR 85.20(b)(6) and 84.21(b)(7)).*** Supporting documentation is necessary to show that the costs charged against CDBG funds were incurred during the effective period of the subrecipient's agreement with the grantee, were actually paid out (or properly accrued), were expended on allowable items, and had been approved by the responsible official(s) in the subrecipient organization.

The source ***documentation must explain the basis of the costs incurred*** as well as show the actual dates and amount of expenditures. For example:

- With respect to **payrolls,** source documentation should include employment letters and all authorizations for rates of pay, benefits, and employee withholdings. Such documentation might include union agreements or minutes from board of directors' meetings where salary schedules and benefit packages are established, copies of written personnel policies, W-4 forms, etc. For staff time charged to the CDBG program activity**, time and attendance records should be available.** If an employee's time is split between CDBG and another funding source, there must be time distribution records supporting the allocation of charges among the sources. Canceled checks from the employees, insurance provider, etc., or evidence of direct deposits will document the actual outlay of funds.

- With respect to the cost of **space and utilities,** space costs must be supported by documentation such as rental or lease agreements. Utility costs will be supported by bills from the utility companies. Both types of expenses will be supported by canceled checks. If the cost of space or utilities is split between the CDBG program and other sources, there must be a reasonable method in place to allocate the charges fairly among the sources, consistent with the guidelines covering allocable costs in Section 2.4.

- With respect to **supplies,** documentation would include purchase orders or requisition forms initiated by an authorized representative of the subrecipient, an invoice from the vendor (which has been signed-off by the subrecipient to indicate the goods were received), the canceled check from the vendor demonstrating payment was made, and information regarding where the supplies are being stored and for what cost objective(s) they are being used.

Some additional requirements related to source documentation include:

- All **source documentation** does not have to be located in the CDBG project files, but it must be **readily available for review by the grantee, HUD, or other authorized representatives at all times.** For example, employment letters and salary schedules are not likely to be maintained in a subrecipient's CDBG files but instead will be kept in the organization's central personnel files.

- The subrecipient must ensure that either (a) **an encumbrance/obligation is recorded** whenever a contract is signed or a purchase order is issued or (b) **up-to-date information on the status of all obligations** is otherwise readily accessible.

- The subrecipient must maintain a complete, accurate, and up-to-date record of the receipt and use of CDBG-generated **program income.** (See Chapter 6.0.)

2.6 Budget Controls

Subrecipients must have procedures in place to monitor obligations and expenditures against their approved budget(s) for CDBG-funded activities. **Depending on the language of the Subrecipient Agreement, the grantee may be under no obligation to reimburse a subrecipient for expenditures that exceed approved budget line items or the overall budget for CDBG-assisted activities.** Therefore, the subrecipient needs to have an ongoing system to compare actual receipts, encumbrances, and expenditures with the CDBG budget to ascertain in a timely fashion **whether it will be necessary to initiate a formal budget revision.** In addition, since the budget reflects the subrecipient's best estimate of the resources necessary to accomplish the CDBG project scope of services, any pattern of line item overruns should prompt a careful re-assessment of whether the available resources will still be sufficient to achieve the agreed-upon objectives.

To compare and control expenditures to approved budgets, a subrecipient must:

- Maintain in its accounting records **the amounts budgeted for eligible activities.**

- **Include unexpended/unobligated balances** for budgeted categories, as well as obligations and expenditures.

- Periodically **compare actual obligations and expenditures to date against planned obligations and expenditures, and against projected accomplishments for such outlays.**

Obviously, these comparisons should be made on an ongoing basis, and not after a majority of funds have been committed. In addition, it is critical that subrecipients maintain a close watch over the progress achieved for the amount of funds expended. It does little good to stay within the budget line if the actual accomplishments lag far behind in terms of the units of service delivered.

2.7 Cash Management

Subrecipients are required to have procedures in place to minimize the time elapsed between receipt of funds from the grantee and the actual disbursement of those funds. This requirement is intended to curtail unnecessary drawdowns of CDBG funds (through the grantee) from the U.S. Treasury and minimize the cost of financing the CDBG program by the Federal Government.

Grantees have two general methods available to transfer CDBG grant funds to subrecipients: the reimbursement method and the cash advance method.

- The **reimbursement method** entails a transfer of grant funds to the subrecipient **based on actual expenditures by the subrecipient before the request for funds.**

- **The cash advance method** involves the transfer of CDBG funds from the grantee based upon the subrecipient's request (and information on obligations) **before the actual cash disbursements have been made by the subrecipient.**

Both methods must be implemented in compliance with the cash management requirements. In accordance with 24 CFR 85.21 or 570.502(b)(3)(i), as applicable, and 31 CFR Part 205[6], these requirements include:

- A subrecipient must include ***accurate information in its drawdown request to a grantee.*** This requirement is intended to address the intentional falsification of drawdown information. The Federal Government is also concerned that all subrecipients have adequate financial record-keeping systems in place to be able to determine reliably how much cash they have on hand and what their immediate cash needs will be.

- ***Although there is no explicit regulation for cash advances, the general standard is that the subrecipient must disburse the funds to pay for CDBG program costs within 3 business days of the receipt of those funds from the grantee.*** The subrecipient should also maintain written justification in its files for each instance in which disbursement of an advance took longer than a 3-day period.

- A subrecipient must ***return erroneously drawn funds to the grantee in a timely fashion.*** This applies to both advances and reimbursement payments when it is determined that the transfer resulted in more funds being drawn down than what was required by the subrecipient's immediate disbursement needs.

  For example, if a subrecipient drew down CDBG funds in anticipation of the start of a public facilities project, and the project's commencement was delayed, the subrecipient is required to return the CDBG funds to the grantee and re-initiate the drawdown process at a later point.

[6] These are the regulations of the U.S. Department of the Treasury governing withdrawal of cash from the Treasury for an advance under a Federal grant program.

- If CDBG ***grant advances*** are placed in an interest-bearing account by a subrecipient, the subrecipient must ***return this interest income to the U.S. Treasury*** via the grantee (per 24 CFR 85.21(i) or 570.502(b)(3)(i), as applicable, and 24 CFR 570.500(a)(2)). Such interest income is not considered program income. Similarly, if a subrecipient uses ***a "revolving loan fund account"*** under the CDBG program, ***the funds must be deposited in an interest bearing account, and all interest earned on funds on deposit must be returned to the Treasury via the grantee no less frequently than annually*** (24 CFR 570.500(b)).

- ***Program income (other than program income deposited in a revolving fund) must be disbursed in payment of program costs before requesting further drawdowns from the grantee*** (24 CFR 570.504(b)(2)(ii) and 570.504(c)).

- If program income is put in an approved revolving fund by a subrecipient, the subrecipient must ***disburse this program income for the same activity for which the revolving fund was established,*** before making further cash drawdown requests to the grantee for the activity. The account must be interest bearing, and interest earned or funds held in the account must be remitted to the grantee at least annually (24 CFR 570.504(b)(2)(i) and 570.500 (b)).

- Funds held in an ***escrow account*** for rehabilitation activities generally must be disbursed within 10 days (24 CFR 570.511(a)(4)).

While avoiding excessive drawdowns, a subrecipient should also exercise care that the legitimate cash needs of its CDBG activities are being met. As noted in the preceding section, a subrecipient needs to be able to forecast accurately what its project expenses are going to be. If its CDBG activities are relatively stable (the same type and level of activities from month to month), a subrecipient can begin with the previous month's financial activity as a starting point for its estimate of current period cash needs. This estimate, however, should be modified for periodic expenses or seasonal variations in costs, such as for heating and electricity. If a subrecipient's activities are expanding or exhibit irregular fluctuations in expenses, then it is important to devote more careful attention to predicting future cash requirements.

It should be noted that, in the private sector, the "cash requirements report" is a standard management tool for anticipating the monthly (or even weekly) cash flow needs of a business. When a subrecipient is not able to plan its expenditures and encounters large fluctuations in the disbursement of obligated funds (as can happen, for example, in construction activities), there is a tendency to invade other non-CDBG funds, or alternatively to "temporarily borrow" CDBG funds for non-CDBG purposes. ***Such inter-fund transfers that result in using CDBG funds for***

non-CDBG purposes are not allowed and may result in program sanctions or termination of the CDBG contract by the grantee.

2.8 Financial Reporting

Financial reports prepared by a subrecipient must be accurate, timely, current, and represent a complete disclosure of the financial activity and status in each Federal grant program under which assistance is received (24 CFR 85.20(b) and 85.41(c) and (d), or 84.21 and 24 CFR 570.502(b)(3)(i), as applicable).

Although the format and frequency of the financial reports required of subrecipients may differ from locality to locality, a subrecipient must have the capacity to provide at least the following information **for each CDBG activity:**

- ***Amount budgeted.***
- ***Advances/reimbursements*** received to date.
- ***Program income and other miscellaneous receipts*** in the current period and to date.
- ***Actual expenditures/disbursements*** in the current period and cumulatively to date, for both program income and regular CDBG grant funds.

- ***Current encumbrances/obligations*** in addition to disbursements.

- ***Unpaid requests for payment*** previously submitted at time of latest drawdown.

In addition, a subrecipient's accounting and record-keeping system must be able to support the data included in (a) its drawdown requests, (b) its other financial and progress reports, and (c) the grantee's Consolidated Annual Performance and Evaluation Report (CAPER) submitted to HUD.

2.9 Other Miscellaneous Requirements for Subrecipient Financial Management Systems

- **Loan servicing:** A subrecipient must have a system for properly servicing all CDBG-funded loans, where applicable, including:

    - **Loan agreements** with clear repayment terms and default definitions, descriptions of how defaults can be resolved, what actions will be taken if a loan is in default, and what is pledged as security for each loan.

    - **Collection procedures** that provide for recognition of all current amounts due and when past payments were received, notification when payments are overdue, as well as a procedure for taking further action to collect overdue amounts and criteria for writing off bad debts.

- **Cash depositories:** Regular banking procedures may be followed without any separate bank account or special bank eligibility requirements. Subrecipients are advised, however, to obtain information on bank ratings before depositing CDBG funds with a financial institution.[7]

  In addition, subrecipients are encouraged to use minority-owned financial institutions in conjunction with their CDBG activities whenever possible.

[7] Bank rating and research firms which provide information on the comparative financial strength of local banks and other financial institutions are found in most regions of the country. Frequently the local city or county treasurer's office subscribes to a bank rating service and may be able to provide subrecipients with useful information on the ratings of local financial institutions.

- **Real property:** The subrecipient must:

    - Keep track of CDBG-acquired real property to ensure that program income from sales or rental of such property or assets is properly recorded and reported (24 CFR 570.503(b)(3)).

    - Have procedures for ensuring ongoing compliance with the National Objectives requirements associated with real property acquired or improved with CDBG funds in excess of $25,000 (24 CFR 570.503(b)(7)).

Exercise for Chapter 2.0 — Financial Management

Circle the Correct Answer

1. Which of the following are components of an organization's system of *internal controls* for financial management?

   (a) Written procedures and policies.

   (b) Specified job responsibilities.

   (c) Job qualifications.

   (d) Accounting records.

   (e) All of the above.

2. The sole purpose of *accounting records* is to provide reliable and up-to-date information on the cash controlled by an organization or agency.

   TRUE **FALSE**

3. An expenditure by a subrecipient will be considered an *allowable* CDBG expense if it is necessary to carry out an approved activity and is not explicitly prohibited by Federal, state, or local regulations.

   TRUE **FALSE**

4. *Source documentation* does not have to be located in the CDBG project files.

   TRUE **FALSE**

5. An effective system of *budget controls* requires a periodic comparison of actual obligations and expenditures to planned obligations and expenditures, and to projected accomplishments for such outlays.

   TRUE **FALSE**

6. Interest income from CDBG advances and revolving loan accounts may be retained by the subrecipient as *program income.*

TRUE **FALSE**

The answers are on next page.

Exercise for Chapter 2.0 — Financial Management (continued)

Answers to questions from preceding pages

1. "(e) All of the above."

2. ***FALSE.*** The purpose of accounting records is to provide information *not only on cash* but also on *all the assets and liabilities* of an organization, including property, receivables, payables, and other obligations.

3. ***FALSE.*** The fact that an expenditure is both necessary and not explicitly prohibited by law and program regulations *is only part of the criteria* that must be met for it *to be considered an allowable CDBG expense.* In addition, the expenditure must:

    - Have been authorized by the grantee (through an approved budget or other mechanism).
    - Be reasonable.
    - Have been treated by the subrecipient in a manner consistent with its normal procedures for computing costs.
    - Be allocable to an approved-CDBG cost objective.
    - Be net of all applicable credits.

4. ***TRUE.*** *Source documentation does not have to be stored in the CDBG project files if it is readily available to be reviewed by the grantee, HUD, or other authorized representatives.* In general, however, subrecipients will find that it is more efficient in the long run to maintain as much project information as possible in files specifically dedicated to their CDBG activities.

5. ***TRUE.***

6. ***FALSE.*** One of the primary purposes of a subrecipient's *cash management* system is to minimize the time between receipt of CDBG funds and their disbursement; therefore, if the subrecipient's system is working efficiently, *there shouldn't be any interest income* generated on cash advances. In fact, 24 CFR 570.500(a)(2) makes explicit that *the definition of program income does not include interest earned on the investment of the initial proceeds of a grant advance, including funds advanced from a grantee to a subrecipient,* and any such funds must be promptly remitted to the U.S. Treasury. Moreover, 570.500(b) makes it clear that cash balances held in a revolving fund must be

held in an interest-bearing account and that any interest earned on funds held in such an account will be considered to be interest income generated on a cash advance and must be remitted to the Treasury at least annually.

CHAPTER 3.0: PROCUREMENT AND CONTRACTING

This chapter outlines the requirements for using Federal funds to purchase materials, products, or services under the CDBG Entitlement program. Whether you are a small agency purchasing occasional office supplies or a large organization contracting for millions of dollars of construction services, the requirements governing the purchasing process are designed to ensure that you:

- Follow a **free and open competitive process** in securing those products or services.
- Properly **document** your purchasing activities and decisions.
- Observe the special **rules for particular kinds of purchases** (small purchases, competitive sealed bids, competitive proposals, and sole source procurements).
- **Properly bond and insure** work involving large construction contracts and/or subcontracts.
- Use **local businesses** and contract **with small, minority and/or women-owned businesses** to the maximum extent feasible.

When it comes to spending the taxpayer's money, no matter how little the amount, it is important to ensure that the prices you pay are competitive, and that you (and the taxpayer) are getting good value. The rules don't require that you get a bargain every time you buy, but only that you pay a fair price. They don't require that you always get the latest in technology at the lowest possible cost, but only that you shop around and get what you paid for. This means that you should seek to buy with CDBG funds only what is necessary under the terms of your Subrecipient Agreement, and no more. You should also be able to ensure the integrity of your purchasing decisions; to document the history, results, and decisions behind your purchases; to follow the rules for certain kinds of transactions; and to offer opportunities to local and disadvantaged firms to respond to your purchasing needs. By following these requirements you are helping to guarantee the fairness and the vitality of our free market system, and to ensure that taxpayer resources are not being wasted.

By observing the basic rules, you'll also find your purchasing decisions can be more efficient. For example, if you set up a standardized purchasing system for securing price quotations and preparing purchase orders, you won't have to reinvent the wheel every time you want to buy materials and supplies. These efficiencies in turn can help make your limited purchasing budgets go much farther. You'll also have the satisfaction of knowing you paid a fair price for every purchase.

In addition, when you use CDBG funds to purchase materials or services, it is not sufficient simply to *state* that you got the lowest possible price and followed the rules. You have to be able to *prove it.* Therefore, to avoid disallowed costs and/or recapture of payments, it is necessary that you document the background, need, and the details of every purchasing decision, whether it involves renting an office or buying two-by-fours. At first, this may appear burdensome, but full documentation can only help you avoid serious problems and a lot of extra work in the long run.

AS YOU READ THIS CHAPTER, THINK ABOUT …

1. Planning how would you set up a purchasing system if you were spending your own money and wanted to spend it efficiently.

2. Updating the list of vendors and contractors from whom you plan to purchase materials, supplies, equipment, and services over the next 12 months (if you don't have such a list, think about developing one for all vendors and contractors you might buy from).

3. Developing (or expanding) your own written procurement manual describing your procedures and a code of conduct for all employees involved in purchasing.

4. Identifying ways to ensure that all purchasing documents such as cost and price solicitations, purchase orders, contracts, delivery receipts, invoices, payables records, and check vouchers are integrated into one system.

5. Ensuring the *honesty and fairness* of your purchasing decisions.

3.1 General Procurement Provisions

The standards and procedures for procurement are intended to ensure that supplies, equipment, construction and other services acquired in whole or in part with Federal funds are:

a) Obtained as efficiently and economically as possible.

b) Procured in a manner that provides, to the maximum extent practical, open and free competition.

Solicitations must clearly explain all requirements that the bidder/offeror must fulfill in order for his or her bid/offer to be evaluated by the subrecipient. Solicitations for goods and services must be based on a clear and accurate description of the material, product, or service to be procured, and cannot contain features which unduly restrict competition. Some of the situations considered to be restrictive of competition include, but are not limited to:

- Placing unreasonable qualifying requirements on firms.
- Requiring unnecessary experience and excessive bonding.
- Specifying only “brand name” products instead of allowing “an equal” product.
- Noncompetitive pricing practices between firms or affiliated companies.
- Noncompetitive awards to consultants on retainer contracts.

Awards are to be made to the bidder/offeror whose bid/offer is responsive to the solicitation and is most advantageous to the subrecipient, price and other factors considered. Any and all bids may be rejected when it is in the subrecipient’s interest to do so. The subrecipient must ensure that the award is only made to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. Consideration should be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

The Federal guidelines for contracting are designed to further ensure that contracts are structured and managed in a way that is consistent with good administrative practices and sound business judgment.

The Federal requirements for these administrative areas are found in **24 CFR 85.36 for governmental subrecipients and in 24 CFR 84.40-48 for subrecipients that are non-profit organizations.** Because the procurement standards in 24 CFR Part 85 are generally more

specific than those found in Part 84, the former will be used as the principal basis for this chapter's presentation of applicable requirements. **Whenever there is a clear distinction between the requirements of 24 CFR Parts 85 and 84, the text will distinguish between the two sets of requirements.** However, in general, the standards set forth in 24 CFR Part 85 for procurement may be viewed as a "safe harbor" for satisfying the Federal requirements.

The general requirements for procurement include the following:

- According to 24 CFR 85.36(b)(9), a subrecipient must maintain ***records to detail the significant history of a procurement.*** These records include, not are not limited to, files on the rationale for selecting the methods of procurement used, selection of contract type, the contractor selection/rejection process, and the basis for the cost or price of a contract *(for non-profit subrecipients*, 24 CFR 84.46 specifies that procurement records and files *for purchases in excess of the small purchase threshold fixed at 41 U.S.C. 403(ii), currently $100,000,* must include the basis for contractor selection, justification for lack of competition when competitive bids or offers are not obtained, and the basis for the award cost or price).

- ***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 during the solicitation period (24 CFR 85.36(c)(4)).

- As part of its efforts to eliminate unfair competitive advantage, a subrecipient should ***exclude contractors that develop or draft specifications,*** requirements, statements of work, invitations for bids, and/or requests for proposals from competing for such procurement (24 CFR 84.43).

- A subrecipient must ensure that ***awards are not made to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation*** in Federal assistance programs under Executive Order 12549, "Debarment and Suspension" (24 CFR 85.35).

- There must be ***written selection procedures for procurement transactions,*** and the procedures must be adequate to ensure that:

    - **The purchase of unnecessary or duplicate items is avoided.** Where appropriate, an analysis should be made of lease versus purchase alternatives (24 CFR 85.36(b)(4) and 84.44(a)(1)-(2));

- Whenever possible, use of **Federal excess and surplus property** or **intergovernmental agreements for procurement or use of common goods and services** should be considered as a way to foster greater economy and efficiency (24 CFR 85.36(b)(5) and (6));

- **All purchase orders (and contracts) are signed by the authorized official(s)** of the subrecipient;

- **Items delivered and paid for are consistent with the purchase order** and/or contract for the goods or services;

- **Timely payment to vendors** occurs once the order is delivered, inspected, accepted, and payment authorized;

- **A cost or price analysis** is performed for every procurement action, including contract modifications, and documentation to that effect is maintained in the subrecipient files. The *method and degree of analysis is dependent on the facts surrounding the particular procurement situation,* but as a starting point, subrecipients must make independent estimates before receiving bids or proposals (24 CFR 85.36(f) and 84.45);

- **Profit or fee is negotiated separately from price** where competition is lacking or whenever a cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of past performance, and industry rates for the area (24 CFR 85.36(f)(2)); and,

- The list of **provisions in 24 CFR 85.36(i) or 84.48, as applicable,** must be included in any contracts.

- Subrecipients must ***not* use "cost plus a percentage of cost" pricing** for contracts (24 CFR 85.36(f)(4) and 84.44(c)); in addition, subrecipients should use *"time and material" type contracts* only after a determination is made that no other contract is suitable and the contract includes a ceiling price that the contractor exceeds at its own risk (24 CFR 85.36(b)(10)).

- 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 grantee (24 CFR 85.36(b)(12)).

- There must be a ***documented system of contract administration*** for determining the adequacy of contractor performance (24 CFR 85.36(b)(2)).

- A subrecipient must have a ***written code of conduct governing employees, officers, or agents engaged in the award or administration of contracts*** (24 CFR 85.36(b)(3) and 84.42).

3.2 Permitted Approaches to Procurement

Depending on the scarcity of the item or service desired, and the size of the purchase, different methods of procurement are available for use by subrecipients under the Federal regulations.[1]

- Small purchases may be used for procurement of $100,000 or less in the aggregate: (24 CFR 85.36(d)(1) and 84.44(e)(2))

    - Small purchases are made through the use of purchase orders. Competition is sought through oral or written price quotations. A subrecipient must document the receipt of an adequate number of price or rate quotations from qualified sources.

    - A procurement of more than $100,000 may not be inappropriately broken up into smaller components solely to qualify for the less complicated procedures followed under the "small purchases" approach.

- **Competitive sealed bids** (formal advertisement, 24 CFR 85.36(d)(2)):

    - The procurement must lend itself to a firm, fixed price contract (lump sum or unit price) where the selection can be principally made on the basis of price.

    - A subrecipient must advertise the Invitation for Bid (IFB) in publications of general circulation.

    - The IFB must include complete and accurate specifications and pertinent attachments and clearly define items or services needed, in sufficient detail for the bidders to properly respond.

[1] Subrecipients need to be aware, however, that local or state laws or policies may require additional procedures or set lower dollar-value thresholds for some forms of procurement. Therefore, it is important to check with your grantee to learn whether any such additional procurement provisions apply.

- Bids must be opened publicly at the time and place stated in the IFB.

- A subrecipient must receive at least two or more responsible bids for each procurement transaction.

- If awarded, the contract must be given to the lowest responsive and responsible bidder (the subrecipient, however, can decide *not* to make the award to *any* of the bidders).

The competitive sealed bid method is the preferred approach for procuring construction services.

- **Competitive proposals** (24 CFR 85.36(d)(3)):

  - A subrecipient should use this method only when conditions are not appropriate for the use of formal advertising.

  - The Request for Proposal (RFP) must clearly and accurately state the technical requirements for the goods and services required.

  - A subrecipient must publicize the RFP, and to the maximum extent practicable, honor reasonable requests by parties to have an opportunity to compete.

  - Proposals must be solicited from an adequate number of qualified sources, consistent with the nature and requirements of the procurement.

  - The subrecipient must conduct a technical evaluation of the submitted proposals to identify the responsible offerors.

  - As necessary, the subrecipient conducts negotiations with those offerors who are deemed responsive and responsible and fall within a competitive price range, based on the subrecipient's evaluation of the bidders' pricing and technical proposals. After negotiations, these bidders may be given the opportunity to submit a "best and final" offer.

  - The subrecipient must award the contract to the most responsive and responsible offeror after price and other factors are considered through scoring the proposals (or "best and final" offers) according to predetermined evaluation criteria. The successful proposal/offeror must clearly be the "most advantageous" source of the goods and services for the subrecipient.

For procurement involving **architecture or engineering (A/E) services,** subrecipients may use competitive proposal procedures whereby competitors' qualifications are evaluated and **the most qualified competitor is selected,** subject to negotiation of fair and reasonable compensation. In these instances, price is ***not*** used as a selection factor. Once the most-qualified firm is identified, only that firm is asked for a price proposal that is subject to negotiation of a fair and reasonable price. If negotiations with the selected firm are unsuccessful, this process is repeated with the next highest-ranked firm, until a fair and reasonably priced contract can be awarded. The subrecipient must be careful to document the bases for its determination of the most qualified competitor and the reasonableness of the contract price. This qualifications-based approach to the competitive proposals method may ***not*** be used to purchase other than A/E services. (See 24 CFR 85.36(d)(3)(v).)[2]

In addition, the Federal procurement regulations generally *discourage the use of local geographical preferences in the evaluation of bids or proposals (except where mandated by Federal statutes),* due to the restrictions on open competition which result. However, in procuring A/E services, geographic location is permitted as a selection criteria provided this criterion leaves an appropriate number of qualified firms (24 CFR 85.36(c)(2)).

- **Noncompetitive proposals/sole source procurement** (24 CFR Part 85.36(d)(4)):

  Noncompetitive negotiations may be utilized only under very limited circumstances. The subrecipient must show that another method of procurement was infeasible because:

  - The item or service was only available from a single source.
  - A public emergency or condition requiring urgency existed which did not permit the use of competitive procurement.
  - Competition was determined to be inadequate after receiving proposals from numerous sources.

[2] It is important to note that many states have laws which *require* the use of qualifications-based selection (QBS) procedures when purchasing professional A/E services. In those states, the discretion afforded by 24 CFR 85.36(d)(3)(v) is removed. Absent a state QBS law, a recipient could opt to use QBS or competitive proposals. In the latter instance, prices are solicited from all contractors and considered in the selection process.

Among the procurement approaches described in the preceding section, the *competitive sealed bid* resulting in a firm, fixed price contract is the preferred procurement approach when there are a number of available and qualified providers, when the requirements and specifications are thoroughly detailed and are unlikely to change, and where the subrecipient has the opportunity to make the provider assume a large share of the risk for non-performance.

In other instances, for example, complicated rehabilitation projects, or unique human service activities, other forms of competitive and noncompetitive procurement may be necessary or desirable. In cases where price is not the single most important objective, it is still important to try to assure the highest possible quality of procurement at the lowest reasonable price through "open and free competition."

3.3 Bonding

The requirements for bonding in procurement are as follows:

- **For construction or facility improvement (sub)contracts exceeding $100,000,** the following *minimum Federal requirements (24 CFR 85.36(h) or 84.48(c))* for bid guarantees, performance bonds, and payment bonds must be met. These include:

    - A **bid guarantee** from each bidder equivalent to **5 percent of the bid price.** The "bid guarantee" must be a firm commitment in the form of a bid bond, certified check, or other negotiable instrument as assurance that the bidder is prepared to execute a contract within the time specified for the bid amount.

    - A **performance bond** from the (sub)contractor for **100 percent of the contract price** to secure the (sub)contractor's fulfillment of all obligations under the contract.

    - A **payment bond from the (sub)contractor for 100 percent of the contract price** to assure payment of all persons supplying labor and material under the contract.

- **For non-profit subrecipients,** 24 CFR 84.48(c) states that for contracts or subcontracts awarded for construction or facility improvement **equal to or less than $100,000,** a subrecipient must follow its own policies for bid guarantees, performance bonds, and payment bonds.

    For both **non-profit subrecipients** and **governmental subrecipients,** however, the Subrecipient Agreement may mandate compliance with *the grantee's bid guarantee, bonding, and insurance requirements* in instances of

contracts or subcontracts for construction or facility improvements with a value equal to or less than $100,000.

3.4 Use of Local Businesses; Contracting with Small, Minority, and/or Women-Owned Businesses

Federal regulations, both CDBG and non-CDBG, make it very clear that subrecipients should make every effort to use local business firms and contract with small, minority-owned and/or women-owned businesses in the procurement process. Specifically,

- A subrecipient must take **affirmative steps to use small firms, minority-owned firms, women-owned firms, or labor surplus area firms** in its CDBG-financed activities (24 CFR 85.36(e) or 84.44(b)). The efforts which a subrecipient should make include:

    - Incorporating such businesses in **solicitation lists** whenever they are potential sources.

    - Ensuring that **such businesses are solicited** when identified as potential sources.

    - **Dividing procurement requirements,** when economically feasible, to permit maximum participation of such businesses.

    - Requiring prime contractors, when **subcontracts** are let, to take affirmative steps to select such firms.

- In conformance with the requirements of ***Section 3 of the Housing and Community Development Act of 1968,*** to the greatest extent feasible, subrecipients must award contracts for work to be performed to eligible ***business concerns located in or owned by residents of the target area*** to ensure that the employment and other economic opportunities generated by Federal financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low- and very low-income persons, particularly those who are recipients of governmental assistance for housing (see 24 CFR 570.607(b)).

Subrecipients should note, however, that the desire to award contracts to local firms is *not* a legitimate excuse for avoiding an open and competitive procurement process.

Exercise for Chapter 3.0 — Procurement and Contracting

Circle the Correct Answer

1. The reason for Federal competitive procurement requirements is:

   (a) To ensure that supplies, equipment, and services are acquired efficiently.

   (b) To help guarantee a "fair" price for items or services bought with Federal funds.

   (c) To give the public confidence in the procurement practices of Federal assistance programs.

   (d) To allow more firms, particularly local firms, small businesses, and minority- or women-owned businesses, to have an opportunity to compete for work under Federal programs.

   (e) All of the above.

2. A cost or price analysis and documentation of the procurement process is only required for *major purchases*.

   TRUE **FALSE**

3. A governmental subrecipient is justified in breaking up a procurement into components of $100,000 or less to utilize the "small purchase" procedures if the procurement process for each purchase is still competitive.

   TRUE **FALSE**

4. The "Section 3" requirements for awarding work to local business concerns takes precedence over the competitive procurement requirements.

   TRUE **FALSE**

The answers are on next page.

Exercise for Chapter 3.0 — Procurement and Contracting (continued)

Answers to questions from preceding page

1. "(e) All of the above."

2. ***FALSE.*** A subrecipient must do a cost or price analysis and maintain documentation of the procurement process for *every* procurement. However, the level of complexity of the analysis and detail of the documentation should vary by the size of the procurement and the extent of competitiveness in the process. Therefore, the purchase of desktop stationary supplies will require that the subrecipient maintain a very modest level of documentation of how comparative prices were analyzed (through catalogs and/or price quotes). A sole source procurement, on the other hand, will require much more extensive documentation to justify the noncompetitive process and to demonstrate that the price incurred was fair.

3. ***FALSE.*** The standard for "small purchases" is that the procurement is for services, supplies, or property does not exceed $100,000 *in the aggregate.* Therefore, for example, it is not allowable to break up arbitrarily a $150,000 procurement of weatherization materials into three $50,000 purchases just to be able to use the less complicated "small purchase" procedures. The purchase of such materials should be handled through a *sealed bid* method of procurement, with the larger purchase volume entailed in this approach likely to result in lower per unit prices.

4. ***FALSE.*** *Both* sets of requirements must be satisfied. Therefore, the competitive procurement procedures adopted by the subrecipient also must be designed to facilitate and encourage local businesses to compete for the proposed work.

CHAPTER 4.0: PROPERTY MANAGEMENT AND DISPOSITION

If you use CDBG funds to acquire real or personal property, Federal regulations make you, the subrecipient, responsible for ensuring that the property continues to be used for its intended (and approved) purpose, that you keep track of it, that you take care of it, and that if you sell it, you reimburse the grantee for the CDBG share of the property's value.

This fairly straightforward proposition about the ownership, use, management, and disposition of property is complicated by two facts. First, the rules about property management and disposition differ slightly depending on whether you are a public-sector or private-sector subrecipient. (The rules are generally more explicit for governmental subrecipients). Second, the rules depend on the nature of the property. Real property (e.g., land, buildings) is treated differently than personal property (e.g., equipment, supplies, intangible property like copyrights).

This chapter outlines the rules for subrecipients regarding the ownership, management, and disposition of real and personal property. Despite the different treatments, there are several key themes applicable to most property that should be emphasized at the outset:

- Property can only be acquired with CDBG funds for a *specific purpose* that must be approved by the grantee and should be made a part of the Subrecipient Agreement.

- The use of that property for the *approved purpose must continue;* in the case of personal **property,** generally for if the subrecipient owns it and the property is needed for the CDBG activity, and in the case of real **property** (acquired or improved with CDBG funds in excess of $25,000), generally for at least 5 years following the expiration of the Subrecipient Agreement.

- If you own the property, you should *keep accurate records* for it (e.g., purchase date, price, location, physical description, maintenance history and condition, original and current use, and other inventory types of data).

- You have to *control the use* of the property (in accordance with its intended purpose) and *take good care* of it (that is, take adequate steps to prevent its damage, theft, or loss).

- If you no longer need the property, you can dispose of it but only according to specific rules (such as paying back the grantee, accounting for program income, etc.).

The following chart summarizes the applicability of specific sections of the regulations to particular categories of property for governmental and private subrecipients and shows the relevant regulations affecting its ownership, use, and disposition.

Exhibit 4-1: Rules for Property Management and Disposition

Property Management and Disposition Regulations **24 CFR 570.503—all subrecipients (subs)** **24 CFR 85.32–85.34, govt. subs** **24 CFR 84.32–84.34, non-profit subs**	**Real Property (Acquired with CDBG funds)**	**Personal Property Acquired with CDBG funds**		
		Tangible		**Intangible**
		Nonexpendable	**Expendable**	
Typical Example	*Land/Buildings*	*Cars/Equipment*	*Office Supplies*	*Copyrights*
Ownership	See property acquisition, 24 CFR 570.201(a), 201(c), 202, 203(a)	Vested in subs 24 CFR 85.32 24 CFR 84.34	Vested in subs 24 CFR 85.33 24 CFR 84.35	Nonexclusive license to govt. 24 CFR 85.34 24 CFR 84.36
Use & Management	24 CFR 570.505 governs grantees; subrecipients follow 503(b)(7) *	24 CFR 85.32 24 CFR 84.34	24 CFR 85.33 24 CFR 84.35	
Disposition	24 CFR 570.503(b)(7)	Generally, fair-market value or proceeds returned to grantee; with grantee approval, proceeds retained as program income 24 CFR 85.32 and 24 CFR 570.502(a)(8) 24 CFR 84.34 as modified by 570.502(b)(3)(vi)	Residual inventories 24 CFR 85.33 24 CFR 84.35	Nonexclusive license to use remains with govt.

* 570.501(b) requires that units of general local government participating with, or as part of, an urban county, or as part of a metropolitan city, follow the same requirements as are applicable to subrecipients, except that the 5-year period identified under 570.503(b)(7)(i) begins with the date that the unit of general local government is no longer considered by HUD to be a part of the urban county or metropolitan city, instead of the date that the subrecipient agreement expires.

AS YOU READ THIS CHAPTER, THINK ABOUT …

1. Whether your agency would care for the property differently if it were purchased with agency funds rather than CDBG funds.

2. Whether your agency's records are up to date in documenting the ownership, use, management, and/or disposition of its property.

3. Whether the procedures for maintaining and protecting the agency's property are adequate or need strengthening.

4. If you are planning to dispose of any property, whether your agency has taken appropriate steps to ensure that the applicable disposition rules are followed for the particular type of property involved.

4.1 Overview

The relevant Federal regulations governing the management and disposition of property are 24 CFR 570.503 for all subrecipients, 24 CFR 84.34(g) as amended by 570.502(b)(3)(vi) for private sector subrecipients, and 85.32, as modified by 570.502(a)(8), and 85.33-34 for governmental subrecipients.

For the purposes of these Federal regulations, "property" is classified according to the following distinct categories:

- **Real property: "**real property" means land, including any improvements to and structures located on the land, but excluding any movable machinery or equipment.

- **Personal property: "**personal property" is basically any kind of property other than real property. Personal property can be *tangible* (such as supplies, furniture, and equipment), or *intangible* (such as copyrights, patents, and inventions).

  Further distinctions can be made between:

  - **Non-expendable personal property,** which generally is considered to include *tangible* personal property having a useful life of more than 1 year and an acquisition cost of $300 or more per unit.

  - **Expendable personal property,** which includes all *tangible* personal property other than non-expendable personal property.

The Federal requirements relating to property are organized according to title (ownership), use, and disposition. In general, a subrecipient's property management system must provide for **accurate records, the conduct of regular inventories, adequate maintenance and control, and proper sales procedures.** Subrecipients must follow sales procedures that provide for competition, to the extent practicable, and that result in the highest possible return.

4.2 Real Property

For *grantees*, the use of real property is governed by 24 CFR 570.505. For real property acquired or improved in whole or in part with CDBG funds in excess of $25,000, the grantee cannot change the use or planned use of the property (including the beneficiaries of such use) without first providing affected citizens notice and opportunity to comment, and determining that either:

a) The contemplated new use meets one of the National Objectives and is not a building for the general conduct of government.

b) The contemplated new use is deemed appropriate (after consultation with affected citizens) but will not meet a National Objective. In this latter case, the grantee must reimburse the CDBG program in the amount of the current fair market value of the property, less the value attributable to the non-CDBG portion of the acquisition or improvements.

The Subrecipient Agreement must be **explicit** about the use of any real property under the subrecipient's control that was acquired or improved in whole or in part with CDBG funds in excess of $ 25,000. For such instances, **24 CFR 570.503(b)(7)** mandates that such real property either:

- Must be used by the subrecipient to continue to meet one of the CDBG program's National Objectives **for at least 5 years after the expiration of the Subrecipient Agreement** (or a longer time as specified by the grantee in the Subrecipient Agreement); or

- If a National Objective is not met during this time period, the grantee must be **reimbursed for the current fair market value,** less any portion of the value attributable to non-CDBG funds.

4.3 Personal Property — Equipment

For **governmental subrecipients** (24 CFR 85.32):

- **Title:** Title to equipment acquired with CDBG funds is vested in the subrecipient, subject to the conditions described in the following section.

- **Use:** Equipment purchased with CDBG funds or other forms of Federal assistance must be used by the subrecipient in the program or project for which it was acquired, and **as long as needed, whether or not the program or project continues to be supported by Federal funds.**

    - When no longer needed for the original program or project, the equipment may be used in other activities currently or previously supported by a Federal agency.

    - The subrecipient also must make the acquired equipment **available for use on other projects or programs** currently or previously supported by the Federal

Government **provided that such use will not interfere with the work on the project or program for which the equipment was originally acquired.**

- A subrecipient is **prohibited** from using CDBG-acquired equipment **to provide services for a fee to compete unfairly** with private companies that provide equivalent services unless specifically authorized by Federal statute.

- With the approval of the grantee, equipment acquired with CDBG funds may be used as **a trade-in on replacement property.**

- **Management requirements:** For equipment (including replacement equipment) acquired in whole or in part with CDBG funds, the subrecipient must have procedures and control systems in place to:

  - Keep **adequate equipment records,** which must include information on:

    - Property description.

    - Identification.

    - Funding source (grant number).

    - Title holder.

    - Acquisition date and cost.

    - Federal share of cost.

    - Location, use, and condition.

    - Unit acquisition cost.

    - Disposition data.

  - **Conduct a physical inventory** of the property no less often than every 2 years, with a reconciliation of the inventory results with the equipment records.

    - Ensure adequate **safeguards for preventing loss, damage, or theft** of property.

- Maintain the equipment in **good condition.**

- **Disposition:** When original or replacement equipment acquired with CDBG funds is no longer needed for the original project or program or for other activities currently or previously assisted with Federal funds, the following rules of disposition will apply **to governmental subrecipients:**

    1) Equipment with **a current per-unit fair market value of less than $5,000** may be retained, sold, or otherwise disposed of by the subrecipient *after notice to the grantee,* subject to the conditions in 3) in the following section.

    2) Equipment with **a current per-unit fair market value of $5,000 or more** may *after notice to the grantee* be retained or sold by the subrecipient with the grantee having the right to compensation in an amount equal to multiplying the current fair market value *or* the proceeds from sale by the Federal share (percentage) in the original acquisition price of the equipment.

    3) The grantee may reserve **the right to transfer title of the equipment** to the Federal Government or a third party (24 CFR 85.32(g)).

In addition, per 24 CFR 570.502(a)(8), in all cases when equipment purchased with CDBG funds is sold, the net proceeds are considered **program income.**

For **non-profit subrecipients** (24 CFR 84.34):

- **Title:** Title to personal property acquired with CDBG funds is vested with the subrecipient, subject to the following conditions:

    1) **In all cases** in which personal property is no longer needed by the subrecipient for CDBG activities, it must be transferred to the grantee for the CDBG program or can be retained by the subrecipient after compensation to the grantee (per 24 CFR 570.502(b)(3)(vi)(B)).

    2) The grantee may reserve **the right to transfer title of the equipment** to the Federal Government or a third party (84.34(g)(4)).

    3) In all cases in which personal property is sold, the proceeds will be considered **program income** (24 CFR 570.502(b)(3)(vi)(A)).

4.4 Personal Property — Supplies

For **governmental subrecipients** (24 CFR 85.33):

- Upon termination of the subrecipient's agreement with or award from the grantee, **if there is a residual inventory of unused supplies exceeding $5,000 in total aggregate fair market value, and if such supplies are not needed for any other Federally sponsored programs or project,** the subrecipient must compensate the grantee for the share of such supplies which were acquired with CDBG funds.

For **non-profit subrecipients,** the requirements of 24 CFR 84.35 apply; that is,

- The residual inventory of unused supplies exceeding $5,000 not needed by the subrecipient for CDBG activities must be transferred to the grantee for the CDBG program or can be retained after compensating the grantee.

- **In all cases** in which the residual inventory of supplies is sold, the proceeds are considered **program income.**

4.5 Personal Property — Copyrights

For **governmental subrecipients** (24 CFR 85.34) and for **non-profit subrecipients** (84.36):

- The Federal Government **reserves a royalty-free, nonexclusive, and irrevocable license** to reproduce, publish, or otherwise use and to authorize others to use, for Federal Government purposes:

    - The copyright to any work developed with CDBG funds.

    - Any rights of copyright which a subrecipient or a contractor purchases with CDBG support.

Exercise for Chapter 4.0 — Property Management and Disposition

Circle the Correct Answer

1. For **real property** controlled by a subrecipient and acquired or improved with CDBG funds in excess of $25,000, what is the *minimum* period of time following the expiration of the Subrecipient Agreement that such property must be used to continue to meet a National Objective?

   (a) 1 year.

   (b) 3 years.

   (c) 5 years.

   (d) 10 years.

   (e) As long a period as the grantee feels is appropriate.

2. When are the proceeds from a subrecipient's sale of equipment purchased with CDBG funds considered to be **program income?**

   (a) Never.

   (b) When the proceeds are returned to the grantee as compensation for the original CDBG funding.

   (c) When the net proceeds exceed the compensation due to the grantee.

   (d) When the depreciated value of the equipment exceeds the CDBG portion of the original acquisition cost.

   (e) Always.

3. A non-profit subrecipient has in its inventory a computer acquired with CDBG funds that is worth less than $500. The subrecipient may retain it without paying the grantee for its current value if the grantee does not need it for any other Federally sponsored program or project.

4. The Federal Government's copyright license for any written work developed by a subrecipient with CDBG funds does not preclude the subrecipient from reproducing or otherwise publishing such work.

TRUE **FALSE**

The answers are on next page.

Exercise for Chapter 4.0 — Property Management and Disposition (continued)

Answers to questions from preceding pages

1. The correct answer is "(c) 5 years." Although a grantee may stipulate a longer time period (in a closeout agreement, for example), 5 years is *the minimum* period during which such property must continue to be used to address a CDBG National Objective. If, on the other hand, during that time period a national objective is no longer being met or the subrecipient chooses to dispose of the real property, the subrecipient must reimburse the grantee for the fair market value of the property, less any portion attributable to non-CDBG funds.

2. The correct answer is "(e) always," with the qualification that if a portion of the equipment purchase was financed with non-CDBG funds, only the CDBG portion of the proceeds would be program income for the purposes of the CDBG program.

3. ***FALSE.*** The pertinent regulations for non-profit subrecipients (24 CFR 570.502(a)(8) and (b)(3)(vi)) require that, regardless of dollar value, equipment acquired with CDBG funds and no longer needed by the subrecipient for CDBG activities must be transferred to the grantee or retained by the subrecipient only after compensating the grantee.

4. ***TRUE.*** Although the Federal Government reserves a copyright license on such work, it is a *nonexclusive* license.

CHAPTER 5.0: RECORD-KEEPING AND REPORTING REQUIREMENTS

Accurate record keeping and reporting are crucial to the successful management of your CDBG-funded activities. The *failure to maintain* adequate documentation of CDBG-funded activities continues to be one of the most serious administrative issues undermining program performance and regulatory compliance of subrecipients in the CDBG Entitlement program.

Without adequate record keeping, you and your grantee cannot track performance against your contract goals and your grantee cannot provide adequate management support in its oversight of your activities. Insufficient documentation and reporting on your part leads to serious monitoring findings, and those findings are likely to be much more difficult to resolve in cases where records are missing, inaccurate, or otherwise deficient.

It is very important, therefore, that you adhere to the record-keeping and reporting requirements of the Entitlement program and other pertinent regulations. Adequate documentation means knowing:

- What information needs to be collected and why.
- When that information should be collected (and how often).
- How the information should be acquired, organized, and stored.
- How the information should be reported.
- The required retention period for records.

This chapter addresses the minimum standards for documentation with respect to general record-keeping requirements, file organization and maintenance, retention of records, access to records, and reporting requirements. The end of the chapter contains a comprehensive chart identifying key records for each of three record types: administrative records, financial records and project records.

AS YOU READ THIS CHAPTER, THINK ABOUT …

1. Whether your agency has a *clearly defined process* for acquiring, organizing, storing, retrieving, and reporting information, especially about your CDBG-funded activities.

2. How you can *strengthen your documentation and reporting systems* to meet the requirements outlined in this chapter.

3. *Who in your agency is responsible* for the majority of record-keeping and reporting tasks, and whether they are properly trained and supported.

4. How you can *streamline your record-keeping and reporting procedures* by standardizing the process and removing duplication of records from your system.

5. How your agency might begin to automate (computerize) some of the record-keeping and reporting tasks if it has not already done so.

5.1 General Record-Keeping Requirements

Every subrecipient is required to establish and maintain at least three major categories of records:

- **Administrative records:** These are files and records that apply to the overall administration of the subrecipient's CDBG activities. They include the following:
    - Personnel files.
    - Property management files.
    - General program files: files relating to the subrecipient's application to the grantee, the Subrecipient Agreement, program policies and guidelines, correspondence with grantee and reports, etc.
    - Legal files: articles of incorporation, bylaws of the organization, tax status, board minutes, contracts and other agreements.
- **Financial records:** These include the chart of accounts, a manual on accounting procedures, accounting journals and ledgers, source documentation (purchase orders, invoices, canceled checks, etc.), procurement files, bank account records, financial reports, audit files, etc.
- **Project/case files:** These files document the activities undertaken with respect to specific individual beneficiaries, property owners, and/or properties.

Since previous chapters of this handbook have provided information about the elements necessary for financial and general administrative records, this chapter focuses primarily on CDBG requirements as they relate to project files or case files. Exhibit 5-1 at the end of the chapter provides a checklist of the most important files that should be maintained by both subrecipients and grantees for monitoring purposes.

The **general CDBG standard for record keeping** is that records must be *accurate, complete and orderly*. A grantee must establish the specific requirements for record keeping in its Subrecipient Agreement (24 CFR 570.503(b)(2)). Grantees frequently specify record keeping requirements for their subrecipients that are very similar to those found in 24 CFR 570.506, so that for the activities undertaken by subrecipients, the grantee will be able to demonstrate compliance with all applicable program requirements. Therefore, a subrecipient should anticipate having to maintain records sufficient to:

Provide **a full description of each activity** assisted with CDBG funds, including the location where the activities occur, the amount of CDBG funds budgeted, obligated, and expended for the activity and the regulatory provision under which the activity is eligible.

- Demonstrate that each activity undertaken meets one of the **National Objectives** for the CDBG program (24 CFR 570.208 and particularly the record-keeping requirements at 570.506(b)(1) - (12)).

- Show that the subrecipient has made all necessary **determinations required for the eligibility of certain activities** under the CDBG program, including but not limited to 24 CFR 570.201(f) **for interim assistance**, 570.201(i)(2) for **relocation**, 570.201(p) **for technical assistance**, 570.202(b)(3) for **loans to refinance existing indebtedness secured by a property being rehabilitated**, 570.204 for **activities carried out by CBDOs,** and 570.206(f) for the **preparation of applications for other Federal programs, and** 570.209 for **special economic development activities.**

- Document compliance with the program rules regarding **any change of use of real property** acquired or improved with CDBG assistance (24 CFR 570.505 and 570.503(b)(7)(i) and (ii)).

- Demonstrate compliance with the program requirements regarding **acquisition, displacement, relocation, and replacement housing** (24 CFR 570.606).

- Detail the subrecipient's **fair housing** activities and **equal opportunity** compliance.

- Maintain all necessary information relative to the other program requirements specified in Subpart K of 24 CFR Part 570 (which includes **labor standards; national flood insurance; employment and contracting opportunities; lead-based paint; use of debarred, suspended, or ineligible contractors or subrecipients;** and **conflict of interest).**

It should be noted that subrecipients are not responsible for providing documentation for the initial environmental review of an activity, because they cannot assume the grantee's environmental responsibilities (24 CFR 570.503(b)(5)). However, actions that a subrecipient provides to the grantee in order for it to carry out these responsibilities and other actions the subrecipient takes to abate or address environmental findings must be documented.

5.2 File Organization and Maintenance

A subrecipient should structure its project/case files and other records to comply with the general requirements specified in the preceding section and to facilitate preparation of progress and other reports, including all submissions necessary for the grantee's input into the Integrated Disbursement and Information System (IDIS) and its Consolidated Annual Performance and Evaluation Report (CAPER).

In setting up (or reviewing the adequacy of) its record-keeping system, a subrecipient should use this handbook to develop a list of all the items for which it must maintain documentation on a case/project basis and/or an activity basis. For example, if a subrecipient is carrying out a housing rehabilitation program using private contractors, **each project case file** should contain appropriate records, including:

- The owner's application for assistance, including the address of the property.
- Household size and income documentation for the owner and other households in the structure (if a multi-unit building) and other information to determine program eligibility and the appropriate level of financial assistance (underwriting).
- Other demographic information on the anticipated and actual beneficiaries of the activity for this project/case.
- The work write-up on the property.
- Evidence of any required owner contribution or private loan match.
- The financial assistance agreement between the subrecipient and owner (specifying levels of assistance, intended uses for funds, matching requirements, general program requirements, repayment and recapture procedures, requirements for occupancy by low- and moderate-income households if rental property, etc.).
- Evidence of liens to secure loan.
- Documentation of contractor solicitation and selection.
- Documentation of rent affordability, where applicable.
- A copy of executed construction contract, with all necessary provisions.

- Documentation of compliance, as applicable, with historic preservation, flood insurance, lead-based paint, Davis-Bacon, relocation/anti-displacement, and other relevant program rules.

- Evidence of the subrecipient's periodic on-site inspection and sign-off on rehabilitation work, including final inspection.

- Copies of all change orders, with proper authorization.

- Records of disbursements made for completed and approved work. (In regard to this last item, a subrecipient must ensure that the data in its project files agree with its financial records.)

For each type of activity undertaken, a subrecipient in consultation with the grantee should determine the comparable data that must be maintained in the individual case files and establish a system for ensuring that every file contains the necessary information. Although the list will vary from activity to activity, each project or case file should include documentation of the **National Objective** being met, the **characteristics and location of beneficiaries,** the **eligibility of the activity,** the **compliance with special program requirements,** the **allowability of the costs,** and the **status of the case/project.**

A subrecipient must also devote attention to implementing an efficient method for compiling **cumulative data** on its activities **for inclusion in periodic reports** required by the grantee. The subrecipient should develop **logs for recording and totaling programmatic data** (by type of activity, for units of service, numbers of beneficiaries, etc.) as cases are initiated and as they progress to avoid searching through all of its individual case files to obtain aggregate statistics every time a progress report is due. The establishment of such logs at the commencement of a CDBG activity, based on the reporting requirements specified by the grantee (see S**ection 5.5** in the following section), can save a subrecipient considerable time and effort over the course of the activity.

With an automated reporting system, it is critical to structure the computer database to permit the collection and manipulation of all data elements (i.e., characteristics of projects and beneficiaries) necessary for the production of currently required reports and reports that may be desired in the future. This requires a careful appraisal of current and anticipated future operations and an assessment of the "interface" between the computer system and the individuals who will input the data and those who will use the generated reports.

5.3 Retention of Records

To avoid monitoring findings and facilitate audit reviews, subrecipients are required to retain their records for extended periods of time, even though an activity may be completed for some time:

- **For all subrecipients:** 24 CFR 85.42 as modified by 570.502(a)(16), or 24 CFR 84.53(b) as modified by 570.502(b)(3)(ix) (A) and (B), as appropriate:

  In general, **records are to be retained for 4 years** from the date of submission of the grantee's CAPER in which the specific activity is reported for the last time, unless there is litigation, claims, audit, negotiation, or other actions involving the records, which has started before expiration of the 4-year period. In such cases, the records must be retained until completion of the action and resolution of all issues which arise from it or the end of the regular 4-year period, whichever is longer.

5.4 Access to Records

- Representatives of the grantee, HUD, the Comptroller General of the United States, or of other authorized governmental agencies have the right of access to any pertinent records of a subrecipient to make audits, examinations, excerpts, and transcripts. (24 CFR 85.10 (e) and 84.53 (e))

- Consistent with applicable state and local laws regarding privacy and obligations of confidentiality, the subrecipient also must provide citizens with reasonable access to records on the past use of CDBG funds (24 CFR 570.508).

5.5 Reporting Requirements

A subrecipient's reporting requirements must be specified by the grantee in the Subrecipient Agreement (24 CFR 570.503(b)(2)). These reporting requirements must be consistent with the provisions of 24 CFR 85.40(a) and (e) and 85.41 (c) and (d) for governmental subrecipients or 24 CFR 84.51(a) for non-profit subrecipients.

Although it has broad discretion over the type and frequency of reports, **a typical grantee is likely to request three kinds of reports** from its subrecipients: information on drawdown requests, regular progress reports, and CAPER data.

- As part of a subrecipient's periodic **drawdown requests,** all grantees should require the subrecipient to provide information on the financial status of the latter's operations, which should include (for each activity) the amount of:

    - Funds budgeted.
    - Funds received in drawdowns to date.
    - Funds obligated in most recent period and to date.
    - Funds expended in most recent period and to date.
    - Cash on hand (including program income identified as such).
    - Previous drawdowns requested but not yet received.

- Most grantees will also require regular **progress reports** from subrecipients. These reports generally will be required monthly or quarterly and will usually be designed to **track actual project accomplishments, obligations, and spending patterns against planned operations and accomplishments** as specified in the project schedule and budget portions of the Subrecipient Agreement.

- In addition, grantees will need information from their subrecipients **in connection with the grantee's input to IDIS and for preparation of its CAPER,** which it must submit to HUD. Although for some grantees the information contained in the subrecipient progress reports may be sufficient to satisfy their CAPER needs, others may need to supplement these regular reports with requests to their subrecipients for special reports. In IDIS and in its CAPER, the grantee must provide the following information on each CDBG activity funded:

    - The activity's name, matrix code, description, and location.
    - The National Objective being met.
    - The amount expended during the program year.
    - The total cost of each multi-unit housing and 570.203(b) economic development activity.

- The amount of unliquidated obligations for each public service and planning and administration activity if CDBG funds are not disbursed during the 90 days after the end of the grantee's program year.

- Activity status and specific units of accomplishments, including compliance with the applicable National Objective, during each program year.

- For rehabilitation activities, the CAPER also requires information (organized separately for single-units and each multi-unit property) on:

  - Activity delivery costs expended in carrying out rehabilitation may be included as part of the cost of the rehab activity or may be reported as a separate activity.

  - Number of units proposed and completed.

  - Number of units in each multi-unit structure initially occupied by low- and moderate-income households following rehab.

  - For multi-unit properties, the amount proposed and expended from CDBG, other public, and private sources.

- The CAPER also requires data on:

  - The characteristics of beneficiaries of direct benefit activities (expressed in total households/persons assisted, number of extremely low-income, low-income, and moderate-income households/persons, and ethnic characteristics of beneficiaries).

  - The source and amount of program income received during the program year.

  - Number and total dollar amount of loans outstanding.

  - CDBG-acquired parcels of property to be sold.

  - Households displaced in connection with CDBG activities.

As mentioned in S**ection 5.2 in the preceding section**, a subrecipient should **carefully identify its complete CDBG reporting responsibilities as part of the process of designing its record-keeping system** for CDBG-funded activities.

A final area of reporting not discussed in this chapter concerns **annual audits.** This subject is addressed in detail in **Chapter 7.0.**

Exhibit 5–1: Record-Keeping Checklist for Tracking Activities

- This form should be initiated when grantee awards a subgrant to a subrecipient.
- The date at the top should indicate the last time the checklist was updated.
- This form should be updated after internal project review, after monitoring visits by the grantee, or when key documents are modified or received from/sent to the grantee.

Date Checklist Last Updated: _____

Documents to be Maintained	Document Source		Status		
	Source	Date	Complete?		Location
Project Application			Y	N	
☐ Original Application	☐Subrecipient	_____	☐	☐	_____
☐ Amendments to Application	☐Subrecipient/Grantee	_____	☐	☐	_____
☐ Approval of Amendments	☐Grantee	_____	☐	☐	_____
☐ Notice of Award	☐Grantee	_____	☐	☐	_____
☐ Correspondence	☐Subrecipient/Grantee	_____	☐	☐	_____
Pre-Award Documentation			Y	N	
☐ Articles of Incorporation/Bylaws	☐Subrecipient	_____	☐	☐	_____
☐ Non-profit Determination	☐Subrecipient	_____	☐	☐	_____
☐ List of Board of Directors	☐Subrecipient	_____	☐	☐	_____
☐ Authorization to Request Funds	☐Subrecipient	_____	☐	☐	_____
☐ Authorized Official	☐Subrecipient	_____	☐	☐	_____
☐ Organizational Chart	☐Subrecipient	_____	☐	☐	_____
☐ Résumés of Chief Admin. and Chief Fiscal Officers	☐Subrecipient	_____	☐	☐	_____
☐ Financial Statement and Audit	☐Subrecipient	_____	☐	☐	_____
☐ Conflict of Interest Statement	☐Subrecipient	_____	☐	☐	_____
☐ Plan for Compliance with National Objectives	☐Subrecipient	_____	☐	☐	_____
☐ Lobbying Statement	☐Subrecipient	_____	☐	☐	_____
Subrecipient Agreement			Y	N	
☐ Subgrant/Subaward Amount	☐Grantee	_____	☐	☐	_____
☐ Date of Subgrant/Subaward	☐Grantee	_____	☐	☐	_____
☐ Statement of Work	☐Subrecipient	_____	☐	☐	_____
☐ Budget by Task/Activity	☐Subrecipient	_____	☐	☐	_____
☐ Schedule by Task/Activity	☐Subrecipient	_____	☐	☐	_____
☐ Standard Provisions Included?	☐Grantee	_____	☐	☐	_____
☐ Amendments (Dates)	☐Grantee	_____	☐	☐	_____

Documents to be Maintained	Document Source		Status		
	Source	Date	Complete?		Location
Financial Records			Y	N	
☐ Current Approved Budget	☐Subrecipient/Grantee	_____	☐	☐	_____
☐ Authorization Letter/Signatures	☐Subrecipient	_____	☐	☐	_____
☐ Financial Management Systems (accounting books, software, reporting systems)	☐Subrecipient	_____	☐	☐	_____
☐ Chart of Accounts	☐Subrecipient	_____	☐	☐	_____
☐ List of Source Documents to be Maintained	☐Subrecipient	_____	☐	☐	_____
☐ Financial Status Report (total budget, amount expended, unliquidated obligations, unobligated balance)	☐Subrecipient	_____	☐	☐	_____
☐ Drawdown Request Forms	☐Subrecipient	_____	☐	☐	_____
☐ Drawdown Request Reports	☐Subrecipient	_____	☐	☐	_____
☐ Executed Contracts/Bid Docs	☐Subrecipient	_____	☐	☐	_____
☐ Board Minutes for Approval of Contracts or Bids	☐Subrecipient	_____	☐	☐	_____
☐ Copy of Most Recent Audit Report	☐Subrecipient	_____	☐	☐	_____
☐ Certification of Insurance Coverage/Bonding	☐Subrecipient	_____	☐	☐	_____
☐ CDBG Payroll Records	☐Subrecipient	_____	☐	☐	_____
☐ Certified Construction Payroll Records (Davis-Bacon applicable)	☐Subrecipient	_____	☐	☐	_____
☐ Approved Cost Allocation Plan	☐Subrecipient/Grantee	_____	☐	☐	_____
☐ Relevant Financial Correspondence	☐Subrecipient/Grantee	_____	☐	☐	_____
Project Monitoring and Control			Y	N	
☐ Completed Monitoring Reports	☐Grantee	_____	☐	☐	_____
☐ National Objectives Documentation	☐Subrecipient	_____	☐	☐	_____
☐ Eligible Activities Documentation	☐Subrecipient	_____	☐	☐	_____
☐ Activity Status Report (scope, cost, schedule/actual vs. agreement)	☐Subrecipient	_____	☐	☐	_____
☐ Drawdown Requests/Reports	☐Subrecipient	_____	☐	☐	_____
☐ Subrecipient Staffing	☐Subrecipient	_____	☐	☐	_____
☐ Meeting Minutes	☐Subrecipient	_____	☐	☐	_____
☐ Telephone Log/Notes	☐Subrecipient	_____	☐	☐	_____
☐ Correspondence	☐Subrecipient	_____	☐	☐	_____

Documents to be Maintained		Document Source		Status		
		Source	Date	Complete?		Location
Regulatory Compliance File				**Y**	**N**	
☐	HUD Monitoring Results	☐HUD/Grantee	_____	☐	☐	_____
☐	Real Property Inventory, Management and Change of Use	☐Subrecipient	_____	☐	☐	_____
☐	Anti-discrimination, Fair Housing, EEO, ADA/504 Certifications	☐Subrecipient	_____	☐	☐	_____
☐	Procurement, Bonding, Insurance	☐Subrecipient	_____	☐	☐	_____
☐	Labor Standards	☐Subrecipient	_____	☐	☐	_____
☐	Acquisition, Displacement, Relocation, Replacement Housing	☐Subrecipient	_____	☐	☐	_____
☐	Environmental Review	☐Grantee	_____	☐	☐	_____
☐	Loan Status Reports (Economic Development, Rehabilitation)	☐Subrecipient/Grantee	_____	☐	☐	_____
☐	Administrative Activities	☐Subrecipient	_____	☐	☐	_____
☐	Flood Insurance Purchase	☐Subrecipient	_____	☐	☐	_____
Other Project/Activity Files				**Y**	**N**	
☐	Plans and Specs (rehabilitation, historic preservation)	☐Subrecipient	_____	☐	☐	_____
☐	Orientation and Training	☐Subrecipient	_____	☐	☐	_____
☐	Special Case Records	☐Subrecipient	_____	☐	☐	_____

Exercise for Chapter 5.0 — Record-Keeping and Reporting Requirements

Review the following examples and indicate whether the approach being taken is adequate or inadequate. Where you feel the approach is "inadequate," explain why and what might be done differently.

1. John Smith, the program director for the CDBG-funded housing rehabilitation activities of Housing Alliance, Inc., worked diligently with his staff to ensure that every case file contained the information specified in the Subrecipient Agreement for necessary records. As a result, in preparing periodic progress reports, Mr. Smith was able to review each case file and be confident of finding all the data necessary to be included in the reports.

   ☐ Adequate?
   ☐ Inadequate? Comment: _____
   _____
   _____

2. Four years had passed since the submission of the grantee's final Consolidated Annual Performance and Evaluation Report detailing Family Support, Inc.'s counseling services. The independent public accountant (IPA) audit performed for Family Support for the time period in question had not included any findings or questioned costs relating to this project. Joanne White, the executive director of Family Support, Inc., consequently directed her staff to discard the records of this CDBG-funded activity.

   ☐ Adequate?
   ☐ Inadequate? Comment: _____
   _____
   _____

3. Delroy Blaise wanted his subrecipient agency to take advantage of the efficiencies of automated data processing for its record-keeping and reporting functions but did not have anybody on his staff with computer expertise. Therefore, he hired a computer consultant who assisted the agency in purchasing a microcomputer, wrote specific software for entering data and generating reports for all the information currently required by the grantee, and trained the staff in its use.

   ☐ Adequate?
   ☐ Inadequate? Comment: _____
   _____
   _____

The answers are on next page.

Exercise for Chapter 5.0 — Record-Keeping and Reporting Requirements (continued)

Answers to questions from preceding page

Each of the three cases on the previous page is an example of a situation where the subrecipient in all probability is in *technical compliance with the requirements* for record keeping and reporting but may not be taking sufficient action to maximize the efficiency of its operations or to avoid future problems.

1. Although John Smith has taken pains to ensure that his agency could provide the grantee with the required report data, the necessity of having to search through each case file each time a report is due might be not an efficient use of his agency's personnel resources. Mr. Smith's organization should also have developed summary sheets of the case files and chronological program logs with key characteristics, from which periodic aggregate tallies could be derived much more efficiently.

2. The 4-year retention rule for records might best be viewed as a *minimum.* It is always theoretically possible that an entity like the HUD Office of the Inspector General (OIG) or the General Accounting Office (GAO) may show up to perform an audit after the 4 years have elapsed and request access to such records in support of some questionable costs. Therefore, even after the 4 years, for your own protection, it is probably best to place the records in storage for a year or so rather than to discard or destroy them.

3. When automating record-keeping and reporting functions, a key consideration is **ongoing flexibility.** In this case, because the software was designed specifically for the *current* records/reporting requirements, if the data desired by either the subrecipient or the grantee changed, it is not clear whether the agency had the technical capacity to modify its computer system accordingly. The agency may have been better served if it had purchased a more "user friendly" generic software package that its own staff could learn to modify.

These examples have been included to remind the reader that the requirements contained in this handbook represent **minimum standards** for administrative, financial, and management systems. These minimums should not automatically become your maximums. Although HUD cannot *require* grantees and subrecipients to go beyond these regulatory standards, it is often in your agency's interest to strive for the "best management practice" possible, or to build an extra margin into your systems, in recognition of the fact that there will always be some unexpected demand on these systems or other problems that will arise over time.

CHAPTER 6.0: OTHER ADMINISTRATIVE AND PROGRAM REQUIREMENTS

Federal regulations mandate that all CDBG-funded activities conducted by grantees and subrecipients must be ***eligible*** and must meet ***one of three National Objectives.*** These requirements form the regulatory backbone of the CDBG Entitlement program while leaving flexibility to localities to adapt the funding to their needs. There are, however, numerous other administrative and program requirements that govern your use of CDBG funds. Some of these fall into the area of prohibitions (for example, not using CDBG funds to conduct political activities). Others outline actions that ***must be taken*** (for example, taking positive steps to assure civil rights, equal opportunity, and fair housing protections).

You may find that, at any given time, some of these requirements do not directly affect your program or your activities. However, in the interest of ***preventing future problems,*** it is always a good idea to familiarize yourself with these sections of the CDBG regulations before you encounter situations where they apply. The consequence of ignorance is rarely bliss. For example, not observing the restrictions regarding lead-based paint, Davis-Bacon labor standards, or relocation requirements can result in very expensive outcomes for your program. By knowing the rules ahead of time, you will be prepared to avoid the problems and the costs of noncompliance and achieve your objectives with minimal difficulties.

This chapter provides an overview of 14 additional administrative and program requirements specified in Subparts J and K of 24 CFR Part 570 that apply to subrecipients as well as grantees. They are:

- Program Income (24 CFR 570.503 and 570.504).
- Programmatic and Budget Changes.
- Civil Rights and Fair Housing; Employment and Contracting Opportunities (24 CFR 570.601, 570.607 and 570.614).
- Labor Standards (24 CFR 570.603).
- Environmental Requirements (with respect to the use of funds, 24 CFR 570.604).
- Historic Preservation.
- National Flood Insurance Program (24 CFR 570.605).
- Floodplain Management (24 CFR Part 55).
- Relocation, Real Property Acquisition, and One-for-One Housing Replacement (24 CFR 570.606).
- Lead-based Paint (24 CFR 570.608).

- Political Activity (24 CFR 570.207(a)(3)).
- Conflict of Interest (24 CFR 570.611).
- Program Monitoring (24 CFR 570.501(b), 24 CFR 85.40(a) and (e), and 24 CFR 84.51(a)).
- Suspension and Termination (24 CFR 570.503 (b) (6), 24 CFR 85.43 and 44, and 24 CFR 84.62).

The purpose of this chapter is to outline the specific requirements and areas of responsibility contained in these sections of the CDBG program regulations. For a more complete explanation of the standards and procedures relevant to any particular requirement, you should refer to the regulations themselves, to the Executive Orders or laws cited, and to your written Agreement with the grantee.

AS YOU READ THIS CHAPTER, THINK ABOUT …

1. Which of your agency's activities may involve or be affected by the 14 requirements summarized in this chapter.

2. Whether any of these requirements might require a change in the way you currently conduct your CDBG-assisted activities, and if so, how.

3. Ways you should adapt your procedures (e.g., through staff training or changes in systems) to comply with the regulations and ensure that none of these requirements will provide a barrier to fulfilling the objectives of your Subrecipient Agreement.

4. What sort of technical assistance might be helpful to you in understanding and implementing the requirements of Subparts J and K of the CDBG regulations.

5. Whether your current Subrecipient Agreement adequately addresses the requirements summarized here.

6.1 Program Income (24 CFR 570.503(a), (b)(3) and (7), and 570.504)

- The term **"program income"** means any gross income received by the subrecipient that was directly generated from the use of CDBG funds (24 CFR 570.500(a)). This includes, but is not limited to:

    - Proceeds from the sale or long-term lease of **real property purchased or improved** with CDBG funds.

    - Proceeds from the disposition of **equipment purchased** with CDBG funds.

    - Gross income from the **use or rental of property acquired** by the grantee or subrecipient with CDBG funds, less the costs incidental to the generation of such income.

    - Gross income from the **use or rental of property owned by the grantee or subrecipient that was constructed or improved** with CDBG funds, less any costs incidental to the generation of such income.

    - Payments of **principal and interest on loans made** using CDBG funds.

    - Proceeds from the **sale of loans made** with CDBG funds.

    - Proceeds from the **sale of obligations secured by loans made** with CDBG funds.

    - **Interest earned on program income,** pending the disposition of such program income.

    - **Funds collected through special assessments made against properties owned and occupied by households not of low- and moderate-income,** where such assessments are used to recover part or all of the CDBG portion of a public improvement.

  Program income does **not** include (except for funds in lump-sum drawdown accounts), the interest earned on cash advances from the grantee or funds held in a revolving loan fund account. Such interest must be returned to the grantee for remittance to HUD.

When income is generated by an activity that is only **partially** assisted with CDBG funds, the income must be prorated to reflect the percentage of CDBG funds used to determine the portion that is program income.

- The **written agreement** between the subrecipient and the grantee will specify whether any program income received by the subrecipient is to be **returned to the grantee or retained by the subrecipient for use in carrying out CDBG activities.**

- If the program income is to be retained by the subrecipient, the **written agreement will also specify what CDBG-eligible activities** the subrecipient may undertake with the program income.

- The receipt and expenditure of program income **must be recorded** by the subrecipient as part of its records of financial transactions.

- When a subrecipient retains program income, such income must be used for any authorized activity **before drawing down additional grant funds** from the grantee, except in the case of a revolving fund. In the case of **program income in a revolving fund**, the subrecipient must use the program income for the activity for which the revolving fund was established, **before** drawing down additional grant funds for that activity.

- **At the expiration of the Subrecipient Agreement,** any program income on hand or subsequently received by the subrecipient must **be returned to the grantee**.

6.2 Programmatic and Budget Changes

The Subrecipient Agreement and/or the grantee's written policies must specify when prior approval of the grantee is necessary for a programmatic or budget change relative to the subrecipient's CDBG-funded activities. For example, prior approval and/or a written amendment to the Agreement usually will be necessary when any of the following are anticipated:

- A revision to the scope or objectives of the CDBG activities, including purpose, location, or beneficiaries.

- The need to extend the period of availability of funds.

- Changes in key personnel when specified in the application package or grant award.

- In non-construction projects, when contracting out a portion of the activity to a third party, unless specified in the application.

- A revision that would result in the need for additional funding.

- Cumulative transfers among direct cost categories or, if applicable, among separately budgeted activities or projects which exceed 10 percent (unless this requirement is waived by the grantee).

- Expenditures on items for which the applicable cost principles (OMB Circulars A-87 and A-122) require prior approval, see 570.200(h) for pre-award/pre-agreement costs.

6.3 Civil Rights and Fair Housing; Employment and Contracting Opportunities
(24 CFR 570.601-602, 570.607)

The Subrecipient Agreement must require the subrecipient to administer its CDBG funds in compliance with the following Federal laws and Executive Orders, and implementing regulations:

- **Title VI of the Civil Rights Act of 1964 (Public Law 88-352 implemented in 24 CFR Part 1):** This law states that no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

- **Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (Public Law 90-234):** The Fair Housing Act prohibits discrimination in housing practices on the basis of race, color, religion, sex, and national origin. The Fair Housing Act was amended in 1988 to provide protections from discrimination in any aspect of the sale or rental of housing for families with children and persons with disabilities. The Fair Housing Act also establishes requirements for the design and construction of new rental or for-sale multi-family housing to ensure a minimum level of accessibility for persons with disabilities.

- **Executive Order 11063, as amended by Executive Order 12259 (implemented in 24 CFR Part 107):** This order and its implementing regulations require HUD to take all actions necessary to prevent discrimination because of race, color, religion, sex, or national origin in the use, occupancy, sale, leasing, rental, or other disposition of residential property assisted with Federal loans, advances, grants, or contributions.

Section 104(b) of Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301 *et. seq*.): This law provides that any grant under Section 106 shall be made only if the grantee certifies to the satisfaction of the Secretary of HUD that the grantee will, among other things, affirmatively further fair housing.

- **Section 109 of Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301 *et. seq.*, particularly 42 U.S.C. 6101 *et. seq*., and 29 U.S.C. 794):** This law mandates that no person on the grounds of race, color, national origin, sex, or religion shall be excluded from participation, denied the benefits of, or otherwise be subject to discrimination under any activity funded in whole or part with CDBG funds.

- **Section 3 of the Housing and Community Development Act of 1968** (12 U.S.C. 1701u): This section implemented at 24 CFR Part 135 requires that, to the greatest extent feasible, a subrecipient must:

    - Ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to low- and very low-income residents within the service area of the project or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs.

    - Award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to business concerns that provide economic opportunities for low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to business concerns which provide economic opportunities to low- and very low-income residents within the service area or the neighborhood in which the project is located and to low- and very low-income participants in other HUD programs.

- **Section 504 of the Rehabilitation Act of 1973, as amended (implemented at 24 CFR Part 135):** This section specifies that no otherwise qualified individual shall solely by reason of his or her handicap be excluded from participation (including employment), denied program benefits, or subjected to discrimination under any program or activity receiving Federal assistance. Part 8 requires that recipients ensure that their programs are accessible to and usable by persons with disabilities. Part 8 also prohibits recipients from employment discrimination based upon disability.

- **The Americans with Disabilities Act (ADA) of 1990:** This law prohibits discrimination on the basis of disability in employment by state and local governments and in places of public accommodation and commercial facilities. The ADA also requires that facilities that are newly constructed or altered, by, on behalf of, or for use of a public entity, be designed and constructed in a manner that makes the facility readily accessible to and usable by persons with disabilities. The Act defines the range of conditions that qualify as disabilities and the reasonable accommodations that must be made to assure equality of opportunity, full participation, independent living, and economic self-sufficiency for persons with disabilities.

- **The Age Discrimination Act of 1975, as amended:** This law provides that no person shall be excluded from participation, denied program benefits, or subjected to discrimination on the basis of age under any program or activity receiving Federal assistance.

- **Executive Order 11246 (as amended by Executive Orders 11375 and 12086) — Equal Opportunity Under HUD Contracts and HUD-assisted Construction Contracts:** This order requires that grantees and subrecipients and their contractors and subcontractors agree not to discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.

- **The Architectural Barriers Act of 1968:** The Architectural Barriers Act (ABA) of 1968 (ABA) (42 U.S.C. 4151-4157) requires that certain buildings financed with Federal funds must be designed, constructed, or altered in accordance with standards that ensure accessibility for persons with physical disabilities. The ABA covers any building or facility financed in whole or in part with Federal funds, except privately owned residential structures. Covered buildings and facilities designed, constructed, or altered with CDBG funds are subject to the ABA and must comply with the Uniform Federal Accessibility Standards.

6.4 **Labor Standards** (24 CFR 570.603)

- **All laborers and mechanics** employed by contractors or subcontractors on **construction work** in excess of $2,000 and financed in whole or in part with CDBG funds must be paid **"prevailing wages"** that have been determined in accordance with the **Davis-Bacon Act** as amended (40 U.S.C. 276a–276a-5). The Contract Work Hours and Safety Standards Act (40 U.S.C. 327–333) also applies to such activities.

- **These labor standards shall apply only to the rehabilitation of residential property if the property contains not less than eight (8) units.**

  Subrecipients are strongly encouraged to consult closely with their grantee during the planning of any construction or rehabilitation projects to assure that all the requisite labor standards will be properly observed. Grantees and subrecipients should pay particular attention to the technical complexities entailed in:

  - Determining whether a project might be subject to Davis-Bacon requirements.
  - Obtaining the appropriate prevailing wage rates and inserting the wage determination and the appropriate labor standards provisions in the contract.
  - Requesting additional wage rate classifications that may not appear on a wage decision.
  - Conducting an adequate pre-construction conference.
  - Monitoring the work-site and contractor/subcontractor payrolls to document compliance with these requirements, including on-site employee wage interviews.

6.5 **Environment Requirements** (24 CFR 570.604)

In their use of CDBG funds, grantees are required to assume responsibility for **environmental review, decision making, and other action** that would otherwise apply to HUD under the National Environmental Policy Act of 1969 and other related provisions of law. The CDBG regulations explicitly **prohibit subrecipients from assuming the grantee's environmental responsibilities** (see 24 CFR 570.503(b)(5)(i)).

However, under the applicable regulations for any project receiving CDBG assistance, **no party involved with the project, including subrecipients, may commit funds to the project, including incurring project costs, until the grantee completes the appropriate**

environmental review and public notification process, and HUD approves a certification of compliance with environmental laws and request for release of funds from environmental conditions. Activities not subject to this restriction are those the regulations define as exempt from environmental review. However, before any party involved with the project can incur costs, even for activities that are exempt, **the grantee must first make a formal determination that the activity(ies) is exempt. (**The list of activities that are exempt from environmental review are found in 24 CFR part 58.34 and 58.35(b).)

6.6 Historic Preservation

Subrecipients must be careful not to violate provisions of the Historic Preservation Act and related laws and Executive Orders. Before commitments are made to make any physical improvements or alterations or to demolish any building, a subrecipient should receive assurances from the grantee that the grantee is in compliance with the Act.

Part of the grantee responsibility requires it to consult with the State Historic Preservation Officer as to whether the property: (1) is or could be declared a historic property; (2) is located in a historic district or an area which could be declared a historic district; and (3) involves proposed changes that could adversely affect historic properties or neighborhoods or properties or neighborhoods which could be declared historic.

If historic properties could be adversely affected, an agreement must be reached on appropriate mitigating measures with all parties identified in 36 CFR Part 800.

6.7 National Flood Insurance Program (24 CFR 570.605)

If a community has had notice for more than a year that an area has been identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, CDBG funds cannot be spent for acquisition or construction purposes in the area unless the community is participating in the National Flood Insurance Program and such insurance has been purchased for the properties in question. *Note that there is a statutory prohibition against providing Federal assistance to a person who had previously received Federal flood disaster assistance conditioned on obtaining and maintaining flood insurance and the person failed to obtain and maintain such insurance. (24 CFR 58.6(b)).*

6.8 Floodplain Management

Subrecipients should select sites that are located outside of special flood hazard areas for projects proposing new construction or substantial improvement of existing buildings. Executive Order

11988, Floodplain Management, directs agencies "to avoid direct or indirect support of floodplain development wherever there is a practicable alternative" (24 CFR Part 55).

Note that the guidance relating to environmental requirements is available on the HUD Web site at: http://www.hud.gov/offices/cpd/environment/index.cfm.

6.9 Relocation, Real Property Acquisition, and One-for-One Housing Replacement (24 CFR 570.606 (b) and (c))

A subrecipient must comply with (1) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), 24 CFR 570.606(b), and 49 CFR Part 24; and (2) the requirements of 24 CFR 570.606(c) and 24 CFR Part 42 governing the Residential Antidisplacement and Relocation Assistance Plan (Plan) under Section 104(d) of the HCD Act.

Under the URA and the Plan, the subrecipient must provide relocation assistance to persons (families, individuals, businesses, non-profit organizations, and farms) that are displaced as a direct result of acquisition, rehabilitation, demolition, or conversion for a CDBG-assisted project. All property occupants must be issued certain notices on a timely basis. (Failure to issue timely notices may result in unnecessary expenses.)

The Plan also requires the one-for-one replacement of any occupied or vacant occupiable low/moderate-income housing that is demolished or converted to another use in connection with a CDBG-assisted project. Finally, the Plan requires the identification of the steps that will be taken to minimize displacement.

Real property acquisition requirements are described in 49 CFR 24, Subpart B.

6.10 Lead-Based Paint (24 CFR 570.608 and Part 35)

CDBG-funded activities, such as the acquisition, construction, or rehabilitation of residential structures, may not use lead-based paint.

Certain requirements apply to the use of CDBG funds for the rehabilitation of a residential property that was constructed before 1978. At a minimum, grantees are required to: (a) notify a purchaser or lessee of the presence of any known lead-based paint and/or lead-based paint hazards; (b) paint test surfaces to be disturbed or removed during rehabilitation for the presence of lead-based paint, or presume lead-based paint and notify the occupants of the results within 15 days of when the evaluation report is received or the presumption is made; (c) provide each occupied dwelling unit discussed in (a) and (b) in the preceding section with the EPA-approved lead hazard information pamphlet Protect Your Family From Lead in Your Home or EPA-

approved equivalent; (d) reduce lead hazards as required by the applicable subparts of Part 35; and (e) perform clearance testing, including dust testing, before reoccupancy after all but minimal ("de minimis") amounts of paint disturbances. (See in the following section for details.)

The CDBG regulation at 24 CFR 570.608 states that the following subparts of Part 35 apply to the use of CDBG funds in pre-1978 housing:

- A - (Disclosure of Known Lead-Based Paint and/or Lead-Based Paint Hazards Upon Sale or Lease of Residential Property),
- B - (General Lead-Based Paint Requirements and Definitions for All Programs),
- J - (Rehabilitation),
- K - (Acquisition, Leasing, Support Services, or Operation), and
- R - (Methods and Standards for Lead-Based Paint Hazard Evaluation and Hazard Reduction Activities).

Part 35, Subpart A, is called the Lead Disclosure Rule; and Part 35, Subparts B through R, are called the Lead Safe Housing Rule.

Certain properties are exempt from the requirements of the Lead Safe Housing Rule. They include:

- Housing built on or after January 1, 1978;
- Zero-bedroom dwellings, including efficiency apartments, single-room occupancy housing, dormitories, or military barracks;
- Housing exclusively for the elderly or people with disabilities, unless a child under age 6 resides or is expected to reside there;
- Units that have been found to be free of lead-based paint by a certified lead-based paint inspector;
- Units where all lead-based paint has been removed;
- Unoccupied housing that will remain vacant until it is demolished;
- Non-residential portions of mixed-use buildings, except that spaces serving both residential and non-residential uses are covered by the rule;
- Units that are to be rehabilitated without disturbing a painted surface; and
- Units that are subject to emergency repair action needed to safeguard against imminent danger to human life, health or safety, or to protect the property from further structural damage;

For properties that are covered by the Lead Safe Housing Rule, the lead-based paint requirements for rehabilitation depend on the amount of Federal rehabilitation assistance provided. The amount of Federal rehabilitation assistance is the average per unit amount of Federal funds for the hard costs of rehabilitation, excluding lead-based paint hazard evaluation and hazard reduction activities. In calculating this assistance amount, you must consider both the total amount of Federal assistance to be used (including CDBG and other funds) and the hard costs of rehabilitation (including Federal and non-Federal funds). Whenever these two amounts

are not the same, the smaller of the two determines the type and level of lead-based paint requirement. For a structure with more than one dwelling unit, the thresholds are applied against the average amount of Federal assistance per unit or the average hard cost of rehabilitation per unit, whichever is lower.

The following is a general overview of the requirements based on dollar thresholds per year per assisted housing unit:

- **Up to and including $5,000**—notice, provision of pamphlet, paint testing of surfaces to be disturbed or presumption of lead-based paint, safe work practices as part of rehabilitation (except for minimal amounts of paint disturbances), repair any paint that is disturbed, and clearance after the work and before reoccupancy.

- **$5,001–$25,000**—notice, provision of pamphlet, paint testing or presumption, risk assessment to identify lead-based paint hazards, interim control or standard treatment of lead-based paint hazards, and clearance.

- **Over $25,000**—notice, provision of pamphlet, paint testing or presumption, risk assessment, abatement of lead-based paint hazards, ongoing lead-based paint maintenance, and clearance.

- **Minimal ("de minimis") amounts**—Safe work practices and clearance are not required when maintenance or hazard reduction activities do not disturb painted surfaces that total more than: 20 square feet on exterior surfaces; 2 square feet in any one interior room or space, or 10 percent of the total surface area on an interior or exterior type of component type with a small surface area (e.g., window sills, baseboards, and trim).

- **Pamphlet**—The Protect Your Family From Lead in Your Home pamphlet can be downloaded in English and Spanish from www.hud.gov/offices/lead or www.epa.gov/lead, and single paper copies can be obtained from the National Lead Information Clearinghouse at 1-800-424-LEAD. Persons with hearing or speech impediments may access this telephone number via TTY by calling the toll-free Federal Information Relay Service at 1-800-877-8339.

The in the preceding section description is intended to provide basic information on lead-based paint requirements. Consult the applicable portions of 24 CFR Part 35 (see www.hud.gov/offices/lead) and/or contact the HUD field office for greater detail if you are carrying out an activity subject to these requirements.

6.11 Political Activity (24 CFR 570.207(a)(3))

A subrecipient is prohibited from using CDBG funds to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as sponsoring candidate forums, distributing brochures, voter transportation, or voter registration. However, a facility originally assisted with CDBG funds may be used on an incidental basis to hold meetings, candidate forums, or voter registration, provided that all parties and organizations have access to the facility on an equal basis and are assessed equal rent or use charges, if any.

6.12 Conflict of Interest (24 CFR 570.611; 24 CFR 85.36; and 24 CFR 84.42)

There are two sets of conflict of interest provisions applicable to activities carried out with CDBG funding. The first set, applicable to the procurement of goods and services by subrecipients, is the procurement regulations located at 24 CFR 84.42 and 85.36. (See 24 CFR 570.611(a)(1).) The second set of provisions is located at 24 CFR 570.611(a)(2). These provisions cover situations not covered by parts 84 and 85.

With respect to procurement activities, the subrecipient must maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts. At a minimum, these standards must:

- Require that no employee, officer, or agent may participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict would be involved. Such a conflict would arise when any of the following parties has a financial or other interest in the firm selected for an award:
    - an employee, officer, or agent of the subrecipient;
    - any member of an employee's, officer's, or agent's immediate family;
    - an employee's, agent's, or officer's partner; or
    - an organization which employs or is about to employ any of the in the preceding section.
- Require that employees, agents, and officers of the subrecipient neither solicit nor accept gratuities, favors, or anything of value from contractors, or parties to subagreements. However, subrecipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value.
- Provide for disciplinary actions to be applied for any violations of such standards by employees, agents, or officers of the subrecipient.

With respect to all other CDBG-assisted activities, the general standard is that no employee, agent, or officer of the subrecipient, who exercises decision-making responsibility with respect to CDBG funds and activities, is allowed to obtain a financial interest in or benefit from CDBG activities, or have a financial interest in any contract, subcontract, or agreement regarding those activities or in the proceeds of the activities. Specific provisions include that:

- This requirement applies to any person who is an employee, agent, consultant, officer, or elected or appointed official of the grantee, a designated public agency, or a subrecipient, and to their immediate family members, and business partner(s).

- The requirement applies for such persons during their tenure and for a period of 1 year after leaving the grantee or subrecipient organization.

- Upon written request, exceptions may be granted by HUD on a case-by-case basis, after consideration of the cumulative effect of various factors listed at 24 CFR 570.611(d), and only with: (a) full disclosure of the potential conflict, and (b) a legal opinion of the grantee's attorney that there would be no violation of state or local laws in granting the exception.

6.13 Program Monitoring (24 CFR 570.501(b), 24 CFR 85.40(a) and (e), and 24 CFR 84.51(a))

A grantee is responsible for ensuring that all CDBG funds under its oversight are used in accordance with all program requirements, and for determining the adequacy of its subrecipients' performance. Accordingly, **the grantee is empowered to make site visits and review program files as necessary to fulfill these responsibilities.**

6.14 Suspension and Termination (24 CFR 570.503(b)(6))

When problems arise in the performance of a subrecipient, the grantee is responsible for taking appropriate actions **for correcting these deficiencies,** including suspending or terminating **the CDBG activities being carried out by the subrecipient (24 CFR 570.501(b)).**

Consistent with 24 CFR 570.503(b)(6), the **written agreement** between the grantee and the subrecipient must specify that suspension or termination may occur if the subrecipient materially fails to comply with any term of the CDBG award, and that the agreement may also be terminated for convenience (also see 24 CFR 85.43–85.44 and 84.62).

Exercise for Chapter 6.0 — Other Administrative and Program Requirements

Circle the Correct Answer

1. Available program income must be used by the subrecipient before requesting additional grant funds from the grantee.

   TRUE **FALSE**

2. Program income must be used by the subrecipient for the same CDBG-funded activity that generated it.

   TRUE **FALSE**

3. Amendments to the Subrecipient Agreement are only necessary if the amount of the CDBG funding or the period in which it will be available is to be changed.

   TRUE **FALSE**

4. Regardless of the National Objective being addressed by a CDBG-funded public construction activity, in carrying out that activity, a subrecipient must ensure that to the greatest extent feasible, jobs are made available to local low- and moderate-income persons.

   TRUE **FALSE**

5. Davis-Bacon “prevailing wage” standards apply to all CDBG-funded construction or rehabilitation projects.

   TRUE **FALSE**

6. Subrecipients are required to perform an environmental review before incurring any program expenses in connection with a CDBG-funded activity.

   TRUE **FALSE**

7. In areas identified by FEMA as having special flood hazards, the National Flood Insurance requirements apply only to CDBG-funded new construction projects.

   TRUE **FALSE**

8. The "one-for-one replacement" rule for low/moderate-income dwelling units that are demolished as a result of a CDBG-funded project only applies if the unit was occupied at the time that the CDBG project was initiated.

TRUE **FALSE**

9. In a structure to be rehabilitated that has historic significance and is found to contain lead paint, the lead-based paint abatement requirements take precedence over the historic preservation requirements.

TRUE **FALSE**

10. If a contractor, who sits on the board of directors of a non-profit subrecipient, offers to donate his time to perform rehabilitation on the subrecipient's homeless shelter, there is no conflict of interest if the contractor is only reimbursed for the cost of materials.

TRUE **FALSE**

11. A grantee may only perform an on-site monitoring at a time convenient to the subrecipient, and during that monitoring the grantee does not have a right to inspect individual client files.

TRUE **FALSE**

The answers are on next page.

Exercise for Chapter 6.0 — Other Administrative and Program Requirements (continued)

Answers to questions from preceding pages

1. ***TRUE***. According to 24 CPR 570.504(b)(2), program income on hand must be used before drawing down additional grant funds, **except** in the instance of program income in a revolving fund, in which case the subrecipient must use the program income for the activity for which the revolving fund was established before drawing down additional funds for that same activity.

2. ***FALSE.*** The Subrecipient Agreement must specify whether the subrecipient will be allowed to retain program income (24 CFR 570.504(c)). The Agreement should also specify the CDBG activities for which this program income may be used, which do not have to be the same activities that generated it. For example, the Agreement could specify that program income generated from repayment of economic development loans to for-profit businesses is to be used subsequently for housing rehabilitation loans. On the other hand, the grantee could authorize the subrecipient to keep the income in a revolving fund, in which case it would have to be used for making other economic development loans.

3. ***FALSE***. In addition to changes to the total funding and period of performance, there are a variety of other circumstances under which a formal amendment to the Agreement should be executed. For example, a formal amendment should be made if additional activities are added to the scope of work, funds are substantially re-budgeted among activities, or the performance objectives for a particular activity are modified. Although sometimes incorrectly dismissed as a mere formality, written amendments serve to protect both the grantee and the subrecipient by making explicitly clear what the current expectations and legal responsibilities are for each party to the agreement.

4. ***TRUE.*** A requirement of Section 3 of the Housing and Community Development Act of 1974, as amended, states that it is the responsibility of grantees and subrecipients to make every reasonable effort to ensure that such employment opportunities are created for low- and moderate-income persons within the area.

5. ***FALSE.*** In general, Davis-Bacon "prevailing wage" standards apply only to construction contracts in excess of $2,000 for construction work financed in whole or in part with CDBG assistance. For rehabilitation or new construction of residential properties, a CDBG-financed project is only subject to Davis-Bacon requirements if the property includes eight (8) or more units.

6. ***FALSE.*** Although a subrecipient is not allowed to incur program expenses for a CDBG project before the receipt of environmental clearance, it is the *grantee* that has the responsibility of completing the environmental review, *not* the subrecipient.

7. ***FALSE.*** The National Flood Insurance Program requirements apply to *any CDBG-funded acquisition or construction project (including rehabilitation)* in a community that has had notice from FEMA for more than a year that the project area has special flood hazards.

8. ***FALSE.*** The "one-for-one replacement" requirement applies if the low/moderate-income unit had been *occupiable* and not just if it was actually occupied.

9. ***FALSE.*** Both the lead-based paint abatement and the historic preservation requirements must be satisfied. If the subrecipient cannot comply with both sets of requirements with the available funding, then it cannot assist the unit.

10. ***FALSE.*** Even if the contractor only receives reimbursement for materials "at cost," the contractor will be considered to have a "financial interest" and therefore a conflict would exist. However, the grantee could request that HUD provide an exception in accordance with § 570.611(d) in this type of instance, where the contractor's interest does not include payment for his or her services.

11. ***FALSE.*** In its efforts to fulfill its oversight responsibilities, a grantee is given broad discretion in the establishment of schedules for on-site visits and for examining any program records that it deems necessary for monitoring compliance with CDBG requirements. However, it is good practice to consider the subrecipient's situation when scheduling such a visit, so as not to create too much of an inconvenience.

CHAPTER 7.0: AUDITS

Even if your agency had its own internal sources of funds, you would still want to have some independent review of your financial and program results to let you know whether you were making adequate progress toward your goals and objectives, and that you were not wasting funds. GAO has stated that you, as a subrecipient of the CDBG Entitlement program, share a joint responsibility with your grantee to ensure that Federal program resources are applied "efficiently, economically and effectively to achieve the purposes for which the resources were furnished."[1] The financial and performance audits discussed in this chapter are designed to assure that grantees and subrecipient agencies meet this mutual responsibility and are accountable to the public. In particular:

1. ***Financial audits*** are designed to provide an independent opinion on whether your agency's financial statements present in a fair manner actual operating results in accordance with accepted standards, and whether your agency has complied with specific financial requirements in terms of systems and procedures.

2. ***Performance audits*** provide an independent point of view on the extent to which your agency has faithfully, efficiently and effectively carried out its operations, and achieved the intended results or benefits of its programs.

In general, a formal IPA audit sits at the third rung of a four-rung examination ladder. The first rung corresponds to your own internal bookkeeping systems and procedures that enable you to compile operating results for a given period of time and give you a chance to compare your agency's financial and program results for that period, as a whole, to your goals and objectives. The second rung corresponds to an outside accountant's compilation and review of your operating data for a given period. However, at this level, the review is still informal and may not result in the accountant's formal opinion as to the reliability and accuracy of the results.

The third level of examination, discussed in this chapter, corresponds to the formal IPA audit that must be performed anytime your agency expends $500,000 or more in Federal funds in a year. Its primary goal is to determine whether your agency has adequate systems in place to assure that:

- Goals and objectives are met.

- Resources are safeguarded.

[1] U.S. General Accounting Office, Government Accounting Standards (U.S. Government Printing Office: Washington, D.C., 1988) pp. 1-4.

- Laws and regulations are followed.

- Reliable data are obtained, maintained, and accurately disclosed.

This level of review should always result in a formal opinion of the accuracy and reliability of the data presented as expressed in a management letter.

The fourth level of audit corresponds to detailed evaluations by the GAO or HUD's OIG that are designed to improve the productivity of Federal agencies and programs by identifying and correcting poor management practices among these agencies and their grantees and subrecipients. These types of audits are not discussed in detail here, but, if you are interested, your grantee or local HUD office should be able to provide you with information on GAO and OIG procedures and standards.

This chapter summarizes Federal requirements for IPA audits of subrecipients subject to the provisions of the Single Audit Act. It discusses general audit requirements, internal control and compliance reviews, audit reports, auditor selection and procurement, audit costs, and audit review and resolution procedures. The intent is not only to summarize the procedures necessary to comply with Federal requirements, but also to show that an IPA audit gives you an excellent opportunity to measure the strengths and weaknesses of your program so you can improve your performance.

AS YOU READ THIS CHAPTER, THINK ABOUT …

1. *What kind of audit* your agency is required to perform, and whether multiple funding sources are involved (Federal, non-Federal).

2. Based on prior financial reviews or audits, whether you feel your agency has *sufficient control* over its financial situation and its CDBG-related activities.

3. Whether there are any particular *financial or program concerns* you feel should be addressed as part of your next audit.

4. What *files, records, or procedures should be organized and updated* before your next audit, so that the auditor might be more efficient in collecting and organizing the data and giving you important feedback on financial and program results.

7.1 General Audit Requirements

Subrecipients that expend $500,000 or more in total Federal financial assistance[4] in a year are responsible for obtaining **an independent audit** in accordance with the Single Audit Act of 1984 and OMB Circular A-133 as referenced at 24 CFR 84.26 and 85.26. The computation of the total of such assistance includes all Federal funds received by the entire entity, and not just the department or division receiving the CDBG funding. For purposes of determining the amount of Federal assistance expended, all Federal assistance shall be considered, including that which is received directly from a Federal agency, or passed through a state or local government, or through non-profit organizations, or any combination thereof.

If a subrecipient expends **less than $500,000 per year** in Federal financial assistance, it is exempt from Federal audit requirements. However, the subrecipient must still have records available for review by HUD, the grantee, or GAO, and there also may be separate state or local laws prescribing additional audit requirements.

If a subrecipient has expended more than $500,000 in a year under *only one Federal program*, the auditee may elect to have a program-specific audit conducted in lieu of a single audit. ***(A single audit is an audit that includes both the entity's financial statements and the Federal funds it has expended.)*** If the subrecipient elects this option, the auditor(s) will perform the compliance testing for the individual grant program in accordance with OMB Circular 133, Subpart B—Audits §___.235 Program-specific audits.

If a subrecipient in turn provides $500,000 or more of its Federal financial assistance in a year **to another subrecipient**, the providing subrecipient must ensure that this second subrecipient has complied with the relevant audit requirements and applicable laws and regulations. It must also issue a management decision on audit findings within 6 months after receipt of the audit report and ensure that the subrecipient takes appropriate and timely corrective action (see OMB Circular A-133, Subpart D, §___.400 Responsibilities, paragraph [d]).

[4] "Federal financial assistance" means assistance provided directly by a Federal agency to a recipient or a subrecipient or through a recipient to a subrecipient to carry out a program or activity. Such assistance may be in the form of:

- Grants.
- Loans.
- Contracts.
- Cooperative agreements.
- Loan guarantees.
- Property.
- Interest subsidies.
- Insurance.
- Direct appropriations.
- Other non-cash assistance.

Subrecipients will be responsible for providing the auditor with a summary schedule of any prior audit findings, whether corrective action was taken, and the status of corrective actions not yet completed.

7.2 Internal Control and Compliance Review

The Single Audit Act requires, among other things, that the independent auditor determine and report on whether the organization or governmental entity has **internal control systems** to provide reasonable assurance that it is managing its Federal assistance programs in compliance with applicable laws and regulations. (See also OMB Circular 133, Subpart E—Auditors, §__.500 Scope of audit, paragraph (c).) The auditor will perform tests of these controls to evaluate the effectiveness of the design and operation of the policies and procedures in preventing or detecting material noncompliance.

The auditor will also conduct **compliance testing.** (OMB Circular 133, Subpart E—Auditors, §__.500 Scope of audit, paragraph (d).) For the CDBG program, the auditor will examine a sample of transactions to determine whether:

- The amounts reported by the subrecipient as expenditures were for allowable services, and the records show that those who received benefits or services were eligible to receive them.

- Applicable limitations (such as ceilings on administrative costs, or funding for public services, as well as allocations for activities to principally benefit low- and moderate-income individuals) were met.

- The subrecipient's financial reports and claims for advances and reimbursements contain information that is supported by the books and records from which the basic financial statements have been prepared.

- Program income received was properly recorded and used before drawing additional grant funds.

- The expenses claimed by the subrecipient are in accordance with the applicable cost principles and uniform administrative requirements.

7.3 Audit Reports

Following the completion of the audit, an audit report must be prepared. (See OMB Circular 133, Subpart E--Auditors, §__.505 Audit reporting.) The audit report must contain at least the following (assuming that it is a single audit as opposed to a program-specific audit):

- **An opinion as to whether the subrecipient's financial statements** are presented fairly in all material respects, and **an opinion as to whether the schedule of expenditures of Federal awards** is presented fairly in relation to the financial statements taken as a whole.

- **A report on the subrecipient's internal control related to the financial statements and major programs.** The report would be expected to identify the significant internal accounting controls and those controls designed to provide reasonable assurance that Federal programs are being managed in compliance with applicable laws and regulations.

- **A report on compliance containing:** an opinion as to whether each major Federal program was being administered in compliance with applicable laws and regulations; a statement of positive assurance for those items tested; negative assurance for those items not tested; a summary of all instances of noncompliance; and, identification of total amounts questioned.

- **A schedule of findings and questioned costs,** where applicable.

The audit must generally be completed within 9 months after the end of the audit period and the report submitted within 30 days of receipt of the auditor's report(s). The subrecipient shall submit to the Federal clearinghouse designated by OMB the data collection form used in the audit along with a copy of the reporting package. It shall also submit a copy of the reporting package to HUD and the grantee.

A subrecipient should maintain copies of audit reports on file for a minimum of 4 years from the date of their issuance. Similarly, the subrecipient should ensure that its auditor maintains copies of the audit work papers for a minimum of 4 years from the date of the report issuance. If there remain unresolved audit issues at the end of this 4-year period, the subrecipient should notify the auditor in writing to extend the retention period.

7.4 Auditor Selection/Procurement

In arranging for audit services, subrecipients must follow the procurement requirements found in 24 CFR 85.36 or 24 CFR 84.41-48, as applicable. Small audit firms and audit firms owned and controlled by minorities or women must have the maximum practicable opportunity to participate in audit contracts.[5]

[5] See OMB Circular A-133, §__.305.

In requesting proposals for audit services, the objectives and scope of the audit should be made clear. Factors to be considered in evaluating each proposal for audit services include the responsiveness to the request for proposal, relevant experience, availability of staff with professional qualifications and technical abilities, the results of external quality control review, and price.

7.5 Audit Costs

The costs of audits made in accordance with the applicable regulations are allowable charges to Federal assistance programs. These charges can be treated as either a direct cost or an allocated indirect cost. In regard to the latter, the percentage of costs generally charged to Federal assistance programs for a single organization wide audit should not exceed the percentage that the subrecipient's Federal funds represent of total funds expended by the entity during the applicable year. The percentage may be exceeded, however, if appropriate documentation demonstrates higher actual costs.

7.6 Audit Review and Resolution

As noted in the preceding section, the reports from any independent audits must be forwarded by the subrecipient to the grantee (in its role as the entity providing the funds), who will review all such reports to determine whether they meet all relevant standards and are acceptable.

A subrecipient must establish a system to ensure a ***timely and appropriate resolution*** to audit findings and recommendations. This system must address both independent audits performed relative to the Single Audit Act and audits completed on the subrecipient's operations by the HUD OIG, GAO , or other governmental bodies.

A subrecipient's first step in the resolution of an audit is the preparation of its "Management's Response" to the findings and recommendations contained in the audit report. In its response, the subrecipient should provide:

For findings/recommendations with which the subrecipient agrees:

- Information on the actions it has taken (or plans to take) to correct the specified noncompliance or financial system deficiencies.

For findings/recommendations with which the subrecipient does not agree:

- The basis (including relevant documentation) for the subrecipient's belief that an audit finding or recommendation is inaccurate or inappropriate.

Typically, the Management Response is due within 30 days from the subrecipient's receipt of an audit report. If, in its Management Response, the subrecipient disagreed with any of the audit findings or recommendations, the grantee will re-examine the points in question to determine whether any revisions to the report's findings/recommendations are warranted. It will then issue a Management Decision concerning the finding or recommendation.

For those audit findings and recommendations with which the subrecipient agrees, and for any disputed findings or recommendations in which the subrecipient's challenge is not upheld (in the grantee's management decision), the next step in the resolution process is the implementation of procedures to prevent the deficient conditions from re-occurring. In general, action to correct findings or to implement recommendations must be completed within 1 year of the issuance of the audit report. The grantee may perform a site visit or require documentation that the corrective action procedures have been implemented, or may require the subrecipient's independent auditor to report whether the subrecipient has implemented the prior year's corrective action and/or recommendations.

A **"repeat finding"** (a deficiency or area of noncompliance which appears in more than one successive audit for a subrecipient) will be viewed very seriously by a grantee and can often result in special conditions being attached to the subrecipient's CDBG funding or other sanctions.

Occasionally, the findings from an audit will result in **"questioned costs."** A subrecipient's costs associated with its CDBG funding may be questioned for the following reasons:

- There is inadequate documentation to support the expenditure or the amount of cost charged to the grant.

- The expenditure does not appear to be related to the grant project.

- The cost was incurred outside the effective period of the Subrecipient Agreement or was a program expense incurred by the subrecipient before environmental review clearance was achieved.

- The expense is unallowable under the program regulations and applicable cost principles.

- The cost required the prior approval of the grantee, and no prior approval was obtained.

To resolve a questioned cost, the subrecipient must:

- Provide the missing documentation to support the expenditure and amount.

- Offer detailed explanation of how the cost relates to the grant program.

- Seek retroactive approval for an expense that required prior approval (which the grantee may or may not give).

If a subrecipient is not able to resolve a questioned cost to the satisfaction of the auditor and/or grantee, the expense will be **disallowed.** A disallowed expense for which Federal funds were originally used must be reimbursed from non-CDBG/non-Federal funds. On occasion, such reimbursements can be repaid on a payment schedule negotiated with the grantee or the other relevant officials (e.g., HUD/OIG representatives).

Exercise for Chapter 7.0 — Audits

Circle the Correct Answer

1. A non-profit subrecipient that has expended $35,000 in Federal financial assistance in a year from multiple Federal programs must have:

   (a) An audit of its entire operations.

   (b) A program-specific financial audit for each Federal award.

   (c) Either (a) or (b).

   (d) No audit is required.

2. A non-profit subrecipient that has expended a total of $550,000 in Federal financial assistance in a single year, but only from one Federal program, must have:

   (a) An audit of its entire operations.

   (b) A program-specific financial audit for the Federal award.

   (c) Either (a) or (b).

3. Which of the following are necessary components of a financial audit report under the Single Audit Act?

   (a) An organizational chart or description of the entity's organizational structure.

   (b) Financial statements and schedule of Federal assistance.

   (c) An inventory of non-disposable property.

   (d) An itemization of personnel positions and salaries.

   (e) An evaluation of internal control systems.

   (f) A report on compliance.

   (g) An assessment of the entity's efficiency and effectiveness in its operation of the Federal program(s).

4. A subrecipient may procure independent audit services from any source of its choosing.

TRUE **FALSE**

5. Cost considerations must be the dominant factor in the selection of auditors.

TRUE **FALSE**

6. Since the Single Audit Act mandates a single audit for non-profit subrecipients that expend a total of $500,000 or more in a single year from multiple Federal programs, the non-profit can charge the full cost of the audit to those Federal programs.

TRUE **FALSE**

The answers are on next page.

Exercise for Chapter 7.0 — Audits (continued)

Answers to questions from preceding pages

1. "(d)." No audit is required because the subrecipient expended less than the $500,000 in total Federal assistance that triggers the requirement for an audit.

2. The subrecipient may have either type of audit.

3. "(b)," "(e)," and "(f)."

4. ***FALSE.*** Subrecipients must follow procurement rules in either the Federal Acquisition Regulation or in 24 CFR Parts 84 and 85, as applicable.

5. ***FALSE.*** Cost should only be a selection factor when the other selection criteria such as the qualifications and independence of the firms being considered have been met.

6. ***TRUE.*** Since the audit is a mandated Federal requirement, the Federal programs can pay the full cost of the audit.

CHAPTER 8.0: CLOSEOUT

It would be nice if the closeout process for completing your activities under a Subrecipient Agreement were as simple as closing out a bank account or making a final payment on a mortgage. Unfortunately, closeout procedures can be somewhat drawn out, depending on the complexity of the activities undertaken and the nature of any contingent assets or liabilities which may survive the completion of your CDBG-funded activities.

What this means is that your agency may remain "on the hook" (i.e., responsible) despite having completed all requirements under its Agreement and despite having paid/received all accounts due. ***The key to closing out your activities effectively is "clarity."*** Clarity can only be achieved if you have carefully and fully documented all of your financial and program activities up to the point of closeout. The weaker your documentation, or the more complicated your program, or the longer time that has elapsed over the life of the Agreement, the more difficult it may be to achieve a resolution of closeout issues to the satisfaction of both your agency and the grantee.

This chapter is designed to help you understand the closeout process with respect to:

- General issues that must be addressed.
- Specific closeout procedures typically undertaken by subrecipients.
- Adjustments made to account for final costs, cash, and other asset balances.
- Continuing subrecipient responsibilities mandated by Federal regulations.

By knowing these ahead of time, you can *take appropriate steps now* to assure that you and the grantee are fully aware of the likely issues to be addressed during the settlement process. You can also clear up any documentation problems that may hinder your ability to finalize activities and deliverables under your Subrecipient Agreement.

AS YOU READ THIS CHAPTER, THINK ABOUT …

1. Whether any of your CDBG-funded activities may be ready to closeout, and what their status is.

2. Whether your financial and progress reports are up-to-date and accurately reflect the completion of your work under the Agreement.

3. Whether there are any outstanding monitoring issues (findings or concerns) that have not been resolved to the satisfaction of the grantee.

4. Whether there are any commitments (e.g., affordable housing) that may survive the closeout of your activities with the grantee, and how you plan to handle them.

8.1 Overview

The closeout of a Subrecipient Agreement is the process by which the grantee determines that all required work under the Agreement has been completed. This means that all financial, administrative, and performance issues related to the activities undertaken by the subrecipient have been resolved to the satisfaction of both the grantee and the subrecipient.

The Federal regulations applicable to the CDBG program include few specific requirements relative to the closeout of subrecipient projects. The lack of specific Federal requirements means that there will be some variation in closeout procedures among communities. Nonetheless, many grantees, through the incorporation of appropriate language in their Subrecipient Agreements, require their subrecipients to follow closeout procedures that are similar to the ones that the grantees themselves must follow pursuant to 24 CFR 570.509. The following section describes the general process detailed in 24 CFR 570.509 that is often used by grantees as a standard for the closeout of subrecipients.

8.2 Closeout Procedures

A grantee will usually initiate closeout procedures relative to a subrecipient when:

- All costs to be paid with CDBG funds have been incurred, with the exception of closeout costs (e.g., audit) or contingent liability costs.
- The work to be financed with CDBG has been completed, including activities financed through escrow accounts, loan guarantees, or similar mechanisms.
- The other responsibilities of the subrecipient under its agreement with the grantee have been met, or the grantee feels that there is no further benefit in keeping the Agreement open for the purpose of securing performance.

When the grantee has determined that these criteria have been met, or upon the expiration or termination of the Subrecipient Agreement, the grantee usually will require the subrecipient to provide final versions of all financial, performance, and other reports that were a condition of the award. These reports may include but are not limited to:

- A final performance or progress report.
- A financial status report (including all program income).
- A final request for payment.

- A final inventory of property in the subrecipient's possession that was acquired or improved with CDBG funds.

Although an alternate deadline may be established by the grantee, frequently these reports are due within 90 days of the expiration/termination of the Subrecipient Agreement or notification by the grantee. The grantee generally will also require the subrecipient to liquidate all obligations incurred under the CDBG award before the submission of the final financial status report.

Based on the information provided by the subrecipient in these final reports and other relevant information, the grantee may execute a closeout agreement with the subrecipient that specifies:

- Any closeout costs or contingent liabilities subject to payment with CDBG funds after the closeout agreement is signed.

- The amount of any unused CDBG funds (see Section 8.3 regarding the disposition of these funds).

- The subrecipient's responsibilities after closeout (see Section 8.4).

- Other provisions appropriate to any special circumstances.

8.3 Cost and Cash Adjustments (24 CFR 570.503(b)(7))

Upon receipt by the grantee of the reports referred to in Section 8.2 in the preceding section, the grantee will make upward or downward adjustments to the subrecipient's allowable costs. The grantee should make prompt payment to the subrecipient for any outstanding allowable reimbursable costs.

Pursuant to 24 CFR 570.503(b)(7), the Subrecipient Agreement must specify that any grant funds that are remaining in the subrecipient's possession at the expiration or termination of the agreement must be refunded immediately to the grantee. Similarly, any accounts receivable must be transferred to the grantee.

According to 24 CFR 85.52 (which specifically applies to subrecipients that are governmental entities), any funds paid to the subrecipient in excess of the amount to which the subrecipient is finally determined to be entitled under the CDBG program constitutes a debt to the Federal Government. If not paid by the subrecipient within a reasonable period of time, a grantee may reduce this debt by making an offset against other requests for reimbursement from the subrecipient by withholding advance payments or by other action permitted by law.

8.4 Continuing Subrecipient Responsibilities

As specified in 24 CFR 84.72 and 85.51, the closeout of a CDBG award to a subrecipient does not affect:

- The grantee's right to disallow costs and/or recover funds on the basis of a later audit or other review.
- The subrecipient's obligation to return funds due to the grantee from subsequent refunds, corrections, or other transactions.
- The subrecipient's responsibilities for records retention.
- The CDBG property management and disposition requirements.
- Audit requirements.

Exercise for Chapter 8.0 — Closeout

Circle the Correct Answer

1. On the date that its Subrecipient Agreement with the Midtown Community Development Agency expired, the non-profit Family Services Organization submitted final performance, financial status, and inventory reports, and a final request for payment. Once the final payment is received from the grantee, can this subrecipient consider itself "closed-out"?

   YES **NO**

2. Although its CDBG-funded $500,000 housing rehabilitation effort over the last year had not yet been audited, when the funds were fully expended and assisted units completed, the Mica City Housing Authority submitted its final reports to the Mica City CD Office and received certification that the grantee considered its program to be closed-out. Must the Mica City Housing Authority still arrange for an audit of its CDBG funds?

   YES **NO**

3. As a subrecipient under Central County's CDBG program, the city of Lobos had implemented a public facilities effort aimed at removing architectural barriers, with the municipality agreeing in the Subrecipient Agreement to match the CDBG funds in the project on a dollar-for-dollar basis with city funds. The project had been formally closed out by the time that the city contracted for an IPA audit of this activity. The completed audit, however, revealed that the final costs of the public facilities effort and the amount contributed as the city's match against the CDBG assistance were less than the figures previously submitted by Lobos in its final reports for closeout. Can the grantee still disallow some of the expenses covered with CDBG funds?

   YES **NO**

4. The subrecipient, Housing Resources, Inc., had been operating a CDBG-funded rehabilitation grant program for low- and moderate-income households. *After closeout*, one of the property owners that had been assisted by the program decided *not* to make the rehabilitated unit, which had been recently vacated, available to a low- or moderate-income tenant, and under the recapture provisions of the program, returned the amount of the assistance (plus an interest penalty) to Housing Resources, Inc. Can Housing Resources keep these funds for its own use?

YES **NO**

The answers are on next page.

Exercise for 8.0 — Closeout (continued)

Answers to questions from preceding pages

1. ***NO.*** It is up to the grantee to determine when the conditions for "closeout" have been satisfied, consistent with its standard procedures (which should be spelled out in writing for subrecipients). Once these conditions have been met, the grantee should either enter into a closeout agreement with the subrecipient or send written notification to the subrecipient regarding the latter's closeout status along with any special conditions or continuing responsibilities which the subrecipient must satisfy. Until a subrecipient receives such formal notification, it should ***not*** assume that any CDBG activity has been closed out.

2. ***YES.*** The applicable regulations are clear that the closeout of a CDBG award does *not* affect the subrecipient's audit requirements. And, according to OMB Circular A-133, any entity that expends $500,000 or more a year in Federal financial assistance must have an audit completed in accordance with the standards found in that circular.

3. ***YES.*** 24 CFR 84.72 and 85.51 specify that even after closeout of the CDBG project, the grantee has the right to disallow costs and recover funds based on a later audit. In this case, the grantee could choose to reduce the allowable CDBG costs to a level equal to the actual amount of cash match contributed by the city of Lobos.

4. ***NO.*** According to 24 CFR 570.503(b)(7), at the expiration of the Subrecipient Agreement, the subrecipient must transfer to the grantee any CDBG funds on hand and *any accounts receivable attributable to the use of CDBG funds.* The obligations of assisted property owners to reimburse the subrecipient under recapture provisions of a funding agreement would constitute accounts receivable. Therefore, the subrecipient would need to return these funds to the grantee.

COUNCIL BILL NO. 2016-400 ORDINANCE NO.

AN ORDINANCE authorizing the City of Joplin to enter into a Sub-Recipient Agreement with Ozark Center in the amount of One Hundred Ten Thousand dollars ($110,000.00) to pay for salaries and benefits for staff to provide in-patient and out-patient mental health services to children and adults in the City of Joplin who suffer from conditions related to the May 2011 tornado; authorizing the Director of Planning, Development and Neighborhood Services of the City of Joplin, Missouri, to execute said Agreement; and containing an emergency clause.

WHEREAS, on May 22nd, 2011, an EF-5 tornado caused catastrophic damage to a significant portion of the City of Joplin; and

WHEREAS, there was a negative public health impact, including mental health, due to the effects of the Tornado; and

WHEREAS**,** the U. S. Department of Housing and Urban Development (HUD) provides assistance to communities that experience extreme disaster recovery circumstances; and

WHEREAS, the City of Joplin has been allocated CDBG-DR grant assistance in response to the losses caused by the tornado on May 22nd, 2011; therefore,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF JOPLIN, MISSOURI, as follows:

Section 1. That the City enter into an Agreement no sooner than the Approval of the Release of Funds from the U.S. Department of Housing and Urban Development has been received, or Agreement in substantially similar in form, between the City of Joplin and Ozark Center in the amount of One Hundred Ten Thousand dollars ($110,000.00) to pay for salaries and benefits for staff to provide in-patient and out-patient mental health services to children and adults in the City of Joplin who suffer from conditions related to the May 2011 tornado.

Section 2. That the Director of Planning, Development and Neighborhood Services of the City of Joplin, Missouri, is hereby authorized to execute said Agreement, or Agreement in substantially similar in form, for and on behalf of the City of Joplin.

Section 3. That this Ordinance is an emergency within the meaning of Section 2.12(1) of the Home Rule Charter of the City of Joplin, Missouri, in that said ordinance deals the immediate preservation of public health, and as such, is considered an emergency and shall take effect immediately upon passage.

Passed by the Council of the City of Joplin, Missouri, this _____day of _____, 2016, by a vote of _____.

_____
Michael L. Seibert, Mayor

ATTEST:

_____
Barbara L. Hogelin, City Clerk

APPROVED AS TO FORM:

_____
Peter C. Edwards, City Attorney

City of **JOPLIN** City Council Agenda Item

Requested Council Meeting Date: January 4, 2016

Item: COUNCIL BILL NO. 2016-250
Originating Department: PLANNING & COMMUNITY DEVELOPMENT

Attachments: 1) Copy of Council Bill
2) Planning Report
3) Commission Minutes

Planning/Community Development Manager: Troy Bolander
City Attorney: Peter C. Edwards
City Manager: Samuel L. Anselm
Board or Commission: Planning and Zoning Commission Date: 12/14/2015

Recommended Action: Planning and Zoning Commission recommended approval by a vote of "7 in favor, 0 absent"

SUMMARY/REQUEST:
Case 044-15: Northeast Corner of Broadway Street and Buchanan Road – A request to rezone from R-1 (Single-Family Residential) and R-3-PD (Planned Apartment House District to R-2 (Two-Family Residential) for construction of Duplexes – Rick Benson.

STAFF SUMMARY:
This parcel of land has been wooded and undeveloped for many years. This area of Joplin is an older and established residential neighborhood. The current zoning of this site would not allow for the construction of residential duplexes as proposed by the developer, so rezoning is necessary. This parcel is adjacent to an existing duplex along Buchanan Road.

The proposed development will include a sewer extension along the east portion of the property to service the duplexes, as well as a water quality basin on the north side to capture storm water runoff from Broadway Street. This site would also require re-platting and vacating an existing easement in order to construct the duplexes, which would be contingent upon successful rezoning. These duplexes would be two stories with three (3) bedrooms, two (2) baths, and a one car garage.

Staff recommends approval of Case 044-15.

PLANNING & ZONING COMMISSION TESTIMONY:
Mr. John Bolte, Small Arrow Engineering, appeared representing Mr. Benson to request the rezoning of property in Case 044-15. This property is currently a vacant wooded parcel, with a duplex existing to the north.

When Broadway was extended to Florida Avenue, with Buchanan Road being disconnected, this property was opened up for duplex development since the traffic no longer runs along the Buchanan Road corridor. A seven-lot plan has been devised for seven duplexes. A water quality basin will be installed at the north end to alleviate drainage problems. The water will be captured and transferred across the road to the west side of Buchanan Road and into the ditch.

The sewer service will come from the west side of Buchanan Road, with a water main extension crossing the new section of Broadway between Patterson and Florida Avenues. Two of the duplexes will face Broadway, with the remaining duplexes facing Buchanan Road.

Once the rezoning request is approved, there is a small pie-shaped piece at the old intersection of Buchanan Road and Broadway for which a street vacation will be requested.

Mr. Eastman asked Mr. Bolte if the duplexes will be rental properties, and he replied yes.

Mr. Benson has a two-story floor plan, with each unit containing 1,200 to 1,300 square feet and a single car garage. The property will be graded to provide some stem wall that will be exposed in the rear to provide for a drainage corridor running through the rear yards of the duplexes.

Mr. Duncan asked Mr. Bolte what will exist on the street right-of-way for which vacation will be requested. He replied it is currently green space, because when Buchanan Road was tied into Patterson Avenue and disconnected from Broadway, that part of the road was removed. The trolley stop will remain. Some space will be created so the duplex on Lot Number 5 can slide around the corner.

PUBLIC COMMENT:
Ms. Catherine Griffith, 1819 Broadway, Joplin, asked about the plans for the property.
Ms. Cunningham will show her a plat for the proposed development.

Z&P Meeting: December 14, 2015
City Council Meeting: January 4, 2016

STAFF PLANNING REPORT
Rezoning

CASE 044-15: A request to rezone from R-1 (Single-Family Residential) and R-3-PD (Planned Multi-Family Residential District) to R-2 (Two-Family Residential).

LOCATION: Northeast Corner of Broadway Street and Buchanan Road

APPLICANT: Rick Benson

EXISTING CONDITIONS:

Zoning	Land Use	Property Size
R-1 Single-Family Residential	Undeveloped	1.3 acres
R-3-PD Planned Multi-Family Residential District	Undeveloped	1.1 acres

SITE CONTEXT:

	North	East	South	West
Existing Zoning	R-1	R-1	R-1	R-2
Land Use	Residential	Residential	Residential	Residential

FUTURE LAND USE:

The City of Joplin's future land use map classifies this area as low-density residential development.

TRANSPORTATION:

Streets with access	Classification	Right-of-way width
Broadway Street	Arterial	70'
Buchanan Road	Arterial	70'

UTILITIES: A new gravity sewer extension will be placed along the back of the property to service the new development.

FLOOD PLAIN: N/A

STAFF ANALYSIS:

CONSISTENT WITH DEVELOPMENT POLICIES OF THE COMPREHENSIVE PLAN?

Yes.

THE SUITABILITY OF THE SUBJECT PROPERTY FOR THE USES TO WHICH IT HAS BEEN RESTRICTED

This site currently has a mixed zoning of R-1 (Single-Family Residential) and R-3-PD (Planned Multi-Family Residential). The property owner is permitted by right to build duplexes on the parcel zoned R-3-PD but could not on the north and south parcels, which are zoned R-1. In order to build duplexes at this site, the property must be rezoned.

THE EXTENT THAT THE ZONING CHANGE WILL DETRIMENTALLY AFFECT NEARBY PROPERTY

This zoning change would not detrimentally affect nearby property.

DISCUSSION

This parcel of land has been wooded and undeveloped for many years. This area of Joplin is an older and established residential neighborhood. The current zoning of this site would not allow for the construction of residential duplexes as proposed by the developer, so rezoning is necessary. This parcel is adjacent to an existing duplex along Buchanan Road.

The proposed development will include a sewer extension along the east portion of the property to service the duplexes, as well as a water quality basin on the north side to capture storm water runoff from Broadway Street. This site would also require re-platting and vacating an existing easement in order to construct the duplexes, which would be contingent upon successful rezoning. These duplexes would be two stories with three (3) bedrooms, two (2) baths, and a one car garage.

Staff recommends approval of Case 044-15.

ENCLOSURES:

Map

Conceptual site plan

Duplex sketches

REZONING APPLICATION FORM

Return Form to:

For Office Use Only

Planning / Community Development Specialist.
Joplin City Hall
602 South Main Street
Joplin, Missouri 64801
417-624-0820 Ext. 511
FAX 417-625-4738

Case No.: 044-15
Filing Fee: $ 350.00
Date Advertised:
Date Notices Sent
Public Hearing Date: 12-14-15

APPLICANT: Rick Benson c/o RBC Enterprises, Ltd., Inc. PHONE: 417.850.1781
ADDRESS: P.O. Box 2283 Joplin, MO ZIP: 64803
OWNER: Rick Benson PHONE: 417.850.1781
ADDRESS: P.O. Box 2283 Joplin, MO ZIP: 64803
LOCATION OF PROPERTY: North of Broadway Street and East of Buchanan Road
LEGAL DESCRIPTION: Lots Three (3) through Seven (7) and Lot Eight (8) and Lots Sixteen (16) to Twenty-Two (22) in Block Twenty-Five (25) Lying East of the East Right of Way line of Buchanan Road in College Hill Addition to the City of Joplin, Jasper County, Missouri. Also, all of Lot Eight (8) in O.F. Nichols Subdivision in the City of Joplin, Jasper County, Missouri, according to the Recorded Plat thereof.

Present Zoning: R-1 and R3-PD Requested Zoning: R-2 Acreage: 2.4 acres
Present Use of Property: Undeveloped Wooded Parcel

SURROUNDING LAND USE AND ZONING:

	Land Use	Zoning
North	Residential	R-1
South	Residential	R-1
East	Residential	R-1
West	Residential	R-2

CHARACTER OF THE NEIGHBORHOOD: This is an older established residential neighborhood. We have an existing duplex immediately to the north of the parcel. Missouri American Water Company has an existing water well and ground storage tank to the west of the parcel.

RELATIONSHIP TO EXISTING ZONING PATTERN:

1. Would proposed change create a small, isolated district unrelated to surrounding districts?
   No, this zoning change would be more consistent with surrounding conditions.
2. Are there substantial reasons why the property cannot be used in accord with existing zoning? Yes
   If yes, explain: The undeveloped parcel has a portion zoned R3-PD which is not consistent with a duplex development project. We do not desire to have any zoning for apartments.

CONFORMANCE WITH COMPREHENSIVE PLAN:

1. Consistent with Development Policies? Yes
2. Consistent with Future Land Use Map? Yes

THE FOLLOWING MUST ACCOMPANY YOUR APPLICATION:

1. One copy of a legal description of the property proposed to be rezoned.
2. One copy of a statement describing the reasoning for the rezoning, the impact of the proposed change, including any traffic conditions that may result; any danger from fire hazards; how the proposed change may affect the character of the surrounding properties; and how the proposed change will benefit the City of Joplin.
3. Owner Affidavit, if applicant applying for the rezoning is not the owner of the property be rezoned

TRAFFIC CONDITIONS:

1. Street(s) with Access to Property: Broadway Street and Buchanan Road _____
2. Classification of Street(s):
   Arterial_____Collector: Broadway Street _____ Local: Buchanan Road ___
3. Right-of-Way Width: 70' (Buchanan Road and Broadway Street)_____
4. Will turning movements caused by the proposed use create an undue traffic hazard?
   Two new Duplex entrances will access Broadway Street. This portion of Broadway already contains a two-way center turn lane, so no traffic impacts will result.

IS PLATTING OR REPLATTING REQUIRED TO PROVIDE FOR:

1. Appropriately Sized Lots? Yes, the present lots are only 50' wide and do not meet minimum standards. _____
2. Properly Sized Street Right-of-Way? Right of Way width is already sufficient. _____
3. Drainage Easements? Yes, this wooded parcel has drainage from Broadway Street that will require conveyance to a Water Quality basin at the bottom of the new development. ____
4. Utility Easements:
   Electricity?_____
   Gas?_____
   Sewers? Yes, a new gravity sewer extension in the rear of the new duplexes will be needed to provide sewer service. _____
   Water? Yes, a water main extension will be required to serve the two new duplexes proposed along Broadway Street. _____
5. Additional Comments: This wooded parcel has been undeveloped in the east central portion of Joplin for many years. The new plat will provide seven (7) building lots for the new duplex units and water quality basin.

_____

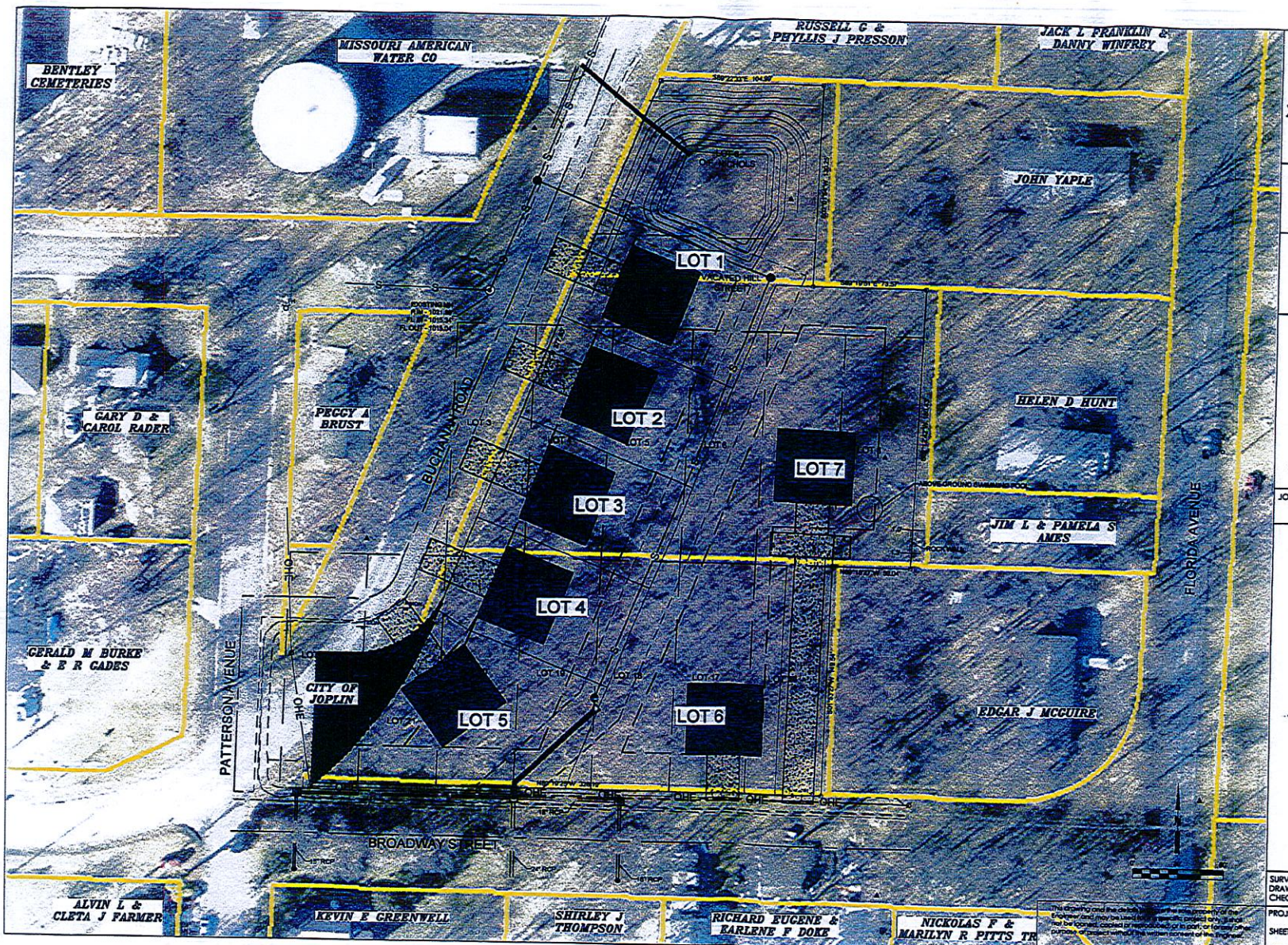
UNIQUE CHARACTERISTIC OF PROPERTY AND ADDITIONAL COMMENT:

This undeveloped parcel is adjacent to an existing duplex along Buchanan Road. The stormwater runoff from Broadway Street presently runs directly across this duplex property. The proposed duplex development by RBC Enterprises will install a water quality basin which will capture this runoff and route it across Buchanan Road to the west ditch and around the neighboring duplex.

SIGNATURE: _____ DATE: 11/5/2015

BY: Rick Benson

TITLE: President, RBC Enterprises, Ltd., Inc.



SMALL ARROW ENGINEERING, LLC

216 S. MAIN STREET
P.O. BOX 1538
JOPLIN, MISSOURI 64802
TEL: 417.624.2333
FAX: 417.624.2441
EMAIL: jbolte@small-arrow.com

SMALL ARROW ENGINEERING, LLC.

CERTIFICATES OF AUTHORIZATION:
MISSOURI: E-2010013647
KANSAS: E-1930
ARKANSAS: 2097
OKLAHOMA: 5937

NOT FOR CONSTRUCTION

JOHN H. BOLTE - PROFESSIONAL ENGINEER
MO LIC E22511 OK LIC 18035
KS LIC 14094 AR LIC 14310

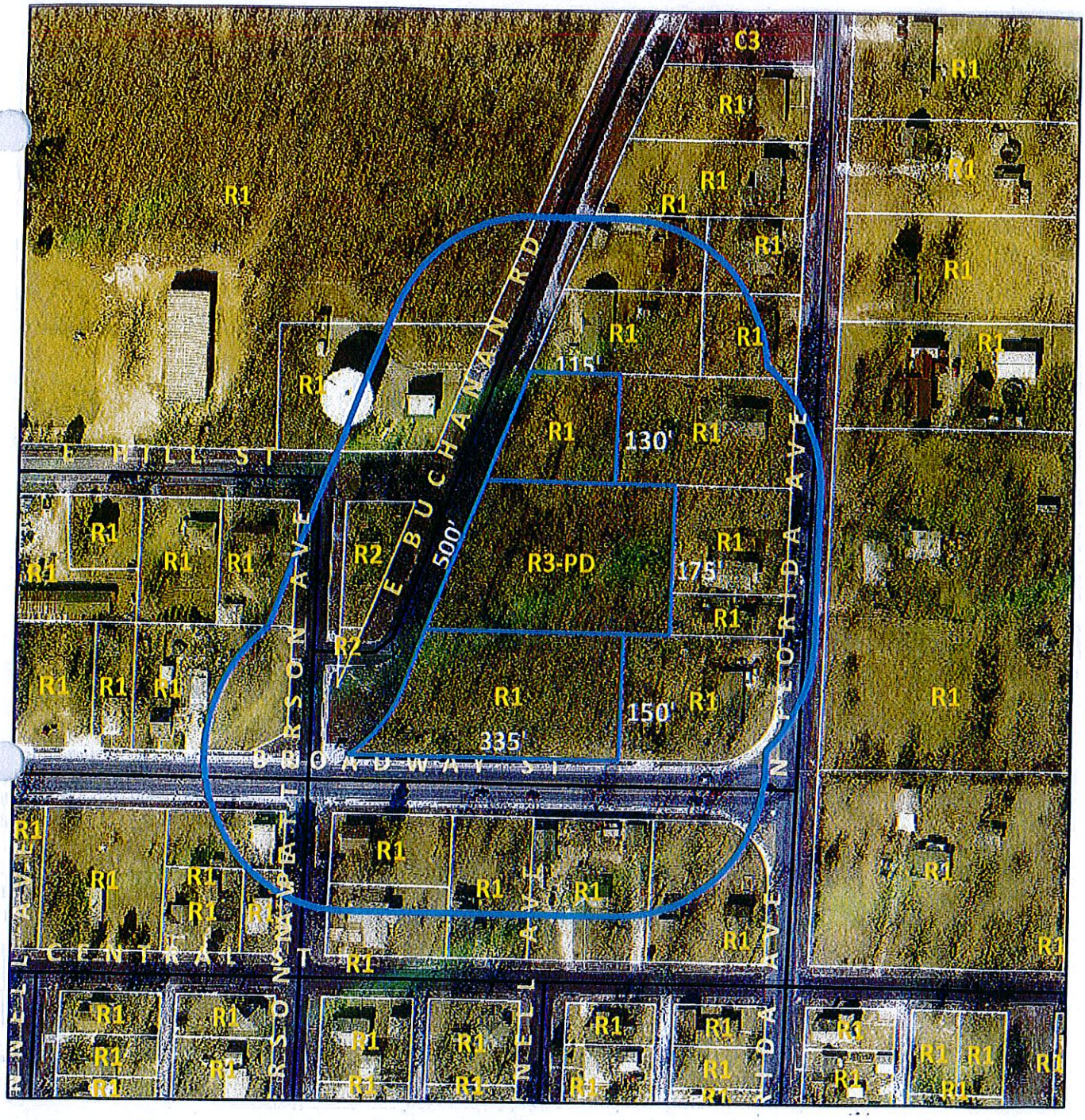
BUCHANAN DUPLEXES
RICK BENSON
BUCHANAN AND BROADWAY
JOPLIN, JASPER COUNTY, MO
REZONING EXHIBIT

SURVEY BY: MJ SURVEY
DRAWN BY: TED
CHECKED BY: JHB
PROJECT #: 15532
DATE: 11-04-15
SCALE: 1"=60'

PROJECT: BUCHANAN DUPLEXES
SHEET DESC: REZONING EXHIBIT
SHEET: 1 OF: 1

Copyright © 2015 by Small Arrow Engineering, LLC

Case 2015-044



Case 044-15: Northeast Corner of Broadway St. and Buchanan Rd. - a request to rezone from R-1 (Single Family Residential) and R-3-PD (Multi-Family Residential, Planned Development) to R-2 (Two-Family Residential) for the construction of duplexes – Rick Benson.



Case 044-15: Northeast Corner of Broadway Street and Buchanan Road – A request to rezone from R-1 (Single-Family Residential) and R-3-PD (Planned Apartment House District to R-2 (Two-Family Residential) for construction of Duplexes – Rick Benson.

Mr. Eastman opened the public hearing for Case 044-15.

Mr. John Bolte, Small Arrow Engineering, 216 South Main Street, Joplin, appeared representing Mr. Benson to request the rezoning of property in Case 044-15. This property is currently a vacant wooded parcel, with a duplex existing to the north.

When Broadway was extended to Florida Avenue, with Buchanan Road being disconnected, this property was opened up for duplex development since the traffic no longer runs along the Buchanan Road corridor. A seven-lot plan has been devised for seven duplexes. A water quality basin will be installed at the north end to alleviate drainage problems. The water will be captured and transferred across the road to the west side of Buchanan Road and into the ditch.

The sewer service will come from the west side of Buchanan Road, with a water main extension crossing the new section of Broadway between Patterson and Florida Avenues. Two of the duplexes will face Broadway, with the remaining duplexes facing Buchanan Road.

Once the rezoning request is approved, there is a small pie-shaped piece at the old intersection of Buchanan Road and Broadway for which a street vacation will be requested.

Mr. Eastman asked Mr. Bolte if the duplexes will be rental properties, and he replied yes. Mr. Benson has a two-story floor plan, with each unit containing 1,200 to 1,300 square feet and a single car garage. The property will be graded to provide some stem wall that will be exposed in the rear to provide for a drainage corridor running through the rear yards of the duplexes.

Mr. Duncan asked Mr. Bolte what will exist on the street right-of-way for which vacation will be requested. He replied it is currently green space, because when Buchanan Road was tied into Patterson Avenue and disconnected from Broadway, that part of the road was removed. The trolley stop will remain. Some space will be created so the duplex on Lot Number 5 can slide around the corner.

Mr. Duncan asked Mr. Bolte about potentially creating another lot, and he replied the street vacation would allow that to work.

Mr. Eastman asked for comments from the commissioners and the audience, and none were received. He then closed the public hearing for Case 044-15.

MR. SMITH MOVED, SECONDED BY MR. CORTEZ, THAT CASE 044-15 BE FORWARDED TO THE CITY COUNCIL WITH RECOMMENDATION FOR APPROVAL, BASED ON THE COMMENTS RECEIVED IN THE PLANNING REPORT AND DURING THE PUBLIC HEARING. THE MOTION CARRIED, WITH MR. BROWN, MR. CORTEZ, MR. DERMOTT, MR. DUNCAN, MR. EASTMAN, MR. RAMSOUR, AND MR. SMITH VOTING "AYE" (7 IN FAVOR, 0 ABSENT).

P & Z Case 044-15
Rick Benson
(P & Z Recommended Approval)

COUNCIL BILL NO. 2016-250 ORDINANCE NO.

AN ORDINANCE amending Ordinance No. 2004-256, passed by the Council of the City of Joplin, Missouri, November 15, 2004, by removing from District R-1 and including in District R-3-PD property as described below and located at the northeast corner of Broadway Street and Buchanan Road in the City of Joplin, Jasper County, Missouri.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF JOPLIN, MISSOURI, as follows:

Section 1. Having referred the subject matter of this ordinance to the City Planning and Zoning Commission and having given at least fifteen days' notice of time and place of hearing on same by publication in the Joplin Globe, Ordinance No. 2004-256 is hereby amended by removing the following described property from District R-1 and including same in District R-3-PD:

ALL OF LOTS NUMBERED THREE (3) THROUGH SEVEN (7), BOTH INCLUSIVE IN BLOCK TWENTY-FIVE (25), COLLEGE HILL ADDITION TO THE CITY OF JOPLIN, JASPER COUNTY, MISSOURI, ACCORDING TO THE RECORDED PLAT THEREOF, AND ALL OF LOTS NUMBERED SIXTEEN (16) TO TWENTY-TWO (22), BOTH INCLUSIVE, IN BLOCK TWENTY-FIVE (25), LYING EAST OF THE EAST RIGHT-OF-WAY LINE OF BUCHANAN ROAD IN COLLEGE HILL ADDITION TO THE CITY OF JOPLIN, JASPER COUNTY, MISSOURI, ACCORDING TO THE RECORDED PLAT THEREOF, AND ALL OF LOT NUMBERED EIGHT (8) IN O.F. NICHOLS SUBDIVISION IN THE CITY OF JOPLIN, JASPER COUNTY, MISSOURI, ACCORDING TO THE RECORDED PLAT THEREOF, AND ALL OF LOT NUMBERED EIGHT (8) IN BLOCK 25 IN COLLEGE HILL ADDITION TO THE CITY OF JOPLIN, JASPER COUNTY, MISSOURI.

Section 2. That the City Clerk is hereby ordered to file this ordinance with the Zoning District Map maintained in her office and to note the changes herein provided for thereon.

PASSED BY THE COUNCIL OF THE CITY OF JOPLIN, MISSOURI, this the _____ day of _____, 2016, by a vote of _____.

_____
Michael L. Seibert, Mayor

ATTEST:

_____
Barbara L. Hogelin, City Clerk

APPROVED AS TO FORM:

_____

Peter C. Edwards, City Attorney