COUNCIL AGENDA
August 15, 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**

   1. Low Water Bridge Video By Rod Harsh

4. **Finalization Of Consent Agenda**

5. **Reports And Communications**

   1. Election Results
      Results of the August 2, 2016 Joplin City Election

   2. GOLF COURSE UPDATE

      Paul Bloomberg, Assistant Parks Director and Daryn Buholt, Golf Pro, to give update on Schifferdecker Golf Course.

6. **Citizen Requests And Petitions**

   1. Request To Address Council
      Request to address Council from Jabbar Wesley, 3025 SE Clover Dr., Lee's Summit Mo, as the Government affairs contact for Missouri Gas Energy and briefly discuss their legislative priorities.

   2. Request To Address Council

      Request to address Council from Rob Singh, 408 N. Cattleman's Drive, Joplin regarding the Safety on the Frisco Trail.

   3. Request To Address Council

      Request to address Council from Richard H. Russell, 2610 W. 23rd Street, Joplin, Mo, regarding miscellaneous.

7. **Public Hearings**

   1. PUBLIC HEARING PROCEDURES
      Public Hearing for the FY 2016-17 proposed budget

   2. FY 2016-2017 BUDGET PRESENTATION
      FY 2016-2017 Budget Presentation

      Documents:

      2017 BUDGET PRESENTATION-PDF.PDF

   3. COUNCIL BILL NO. 2016-271
      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 District C-3 and including in District C-3-PD property as described below and located at the northwest corner of 26th Street and Main Street in the City of Joplin, Jasper County, Missouri.

Documents:

SUMMARY SHEET CB 2016-271 .PDF
COUNCIL BILL 2016-271.PDF
SUPPLEMENTAL CB 2016-271.PDF

4. COUNCIL BILL NO. 2016-272
AN ORDINANCE providing for the vacation of a 20-foot wide public utility easement located at the northwest corner of 26th Street and Main Street in the City of Joplin, Jasper County, Missouri.

Documents:

SUMMARY SHEET CB 2016-272 .PDF
COUNCIL BILL 2016-272.PDF
SUPPLEMENTAL CB 2016-272.PDF

8. Consent Agenda

1. Minutes Of The August 1, 2016 Joplin City Council Meeting

Documents:

AUGUST 1 2016 CC MINUTES.PDF

2. COUNCIL BILL NO. 2016-011

An ordinance re-adopting Chapter 2, Administration, of the Joplin City Code, Section 2-107, "Financial interest disclosure", requiring certain officials and employees of the City of Joplin to file Financial Interest Disclosure Statements as described herein.

3. COUNCIL BILL NO. 2016-269

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 C-1 property as described below and located at 2201 North Main Street in the City of Joplin, Jasper County, Missouri.

4. COUNCIL BILL NO. 2016-369

AN ORDINANCE approving an Agreement between the City of Joplin, Missouri, and Missouri Highway and Transportation Commission which will provide FHWA Metropolitan Planning Assistance and FTA Section 5303 assistance, hereafter known as Consolidated Planning Funds, from November 1, 2015, through October 31, 2016, in accordance with the rules of the U.S. Department of Transportation, Federal Transit Administration (FTA) and Federal Highway Administration (FHWA) under 49 U.S.C. Section 5303 and 23 U.S. Code Sections 104(F) and 134 to conduct comprehensive and transportation planning programs, as the City of Joplin has been designated to conduct transportation planning programs for the Joplin Area Transportation Study Organization; authorizing the City Manager to execute said Agreement for the City.

5. COUNCIL BILL NO. 2016-370

AN ORDINANCE authorizing the City of Joplin to enter into an Agreement with Gould Evans Affiliates for Planning Services relating to the update of the City of Joplin Zoning Code; authorizing the City Manager to execute said Agreement for the City, and amending the Annual Budget of the City of Joplin for the Fiscal Year 2015-2016 as adopted by Ordinance 2015-168 on October 19, 2015.

9. Resolutions

10. Ordinances - Emergency

1. COUNCIL BILL NO. 2016-136
AN ORDINANCE approving an agreement with Olsson Associates in the not exceed amount of One Hundred Sixty Two Thousand and no/100 Dollars ($162,000.00) for Design Engineering Services Associated for the Main Street Sidewalk from 11th Street to 15th Street Project; and, amending the Annual Budget of the City of Joplin for the Fiscal Year 2015-2016 as adopted by Ordinance 2015-168 on October 19, 2015, and containing an emergency clause.

Documents:

SUMMARY SHEET OLSSON 2016-136.PDF
AGREEMENT.PDF
SIDEWALKS_MAIN_11TH_15TH.PDF
CB 2016-136 MAIN 11TH TO 15TH.PDF

2. COUNCIL BILL NO. 2016-137
AN ORDINANCE approving an agreement George Butler Associates Incorporated in the not to exceed amount of Fifty Two Thousand Seven Hundred Seventeen Dollars, ($52,717.00) for Engineering Services Associated with the 32nd and Main Street Intersection Improvement Project and amending the Annual Budget of the City of Joplin for the Fiscal Year 2015-2016 as adopted by Ordinance 2015-168 on October 19, 2015; and containing an emergency clause.

Documents:

CB 2016 -137 CONSULTANT AGREEMENT.PDF
CB 2016-137 SUMMARY SHEET.PDF
BUTLER ENG AGMT.PDF
32ND_MAIN_INTERSECTON.PDF

3. COUNCIL BILL NO. 2016-516
AN ORDINANCE amending the Policemen's and Firemen's Pension Plan of the City of Joplin, Missouri as adopted January 5, 2009, effective January 31, 2009, and amended September 24, 2012, May 1, 2013, January 21, 2014 and December 7, 2015, providing for certain language changes to Section 1.11, Compensation; and containing an emergency clause.

Documents:

CB 2016-516 SUMMARY SHEET PENSION PLAN AMENDMENT ORDINANCE.PDF
CB 2016-516 ORDINANCE PENSION PLAN AMENDMENT

COMPENSATION SECTION.PDF

11. Ordinances - First Reading

1. COUNCIL BILL NO. 2016-006

AN ORDINANCE approving, affirming and ratifying the vacation of an alley that was originally vacated by Ordinance No. 21202 on March 6, 1951, by the City Council.

Documents:

CB2016-006.PDF

2. COUNCIL BILL NO. 2016-408

AN ORDINANCE authorizing the City of Joplin to enter into a Sub-Recipient Agreement with the Joplin Area Chamber of Commerce Foundation in the amount of Two Million Four Hundred Seventy Thousand Dollars ($2,470,000.00) to purchase and install furniture, fixtures and equipment as required for the development and execution of the proposed training programs/classes.

Documents:

CB2016-408-SUMMARY SHEET.PDF
CB2016-408 - SUB-RECIPIENT AGREEMENT ATTC PHASE II_8_9_16.PDF
CB2016-408 - COUNCIL BILL.PDF

12. Ordinances - Second Reading And Third Reading

1. COUNCIL BILL NO. 2016-012

AN ORDINANCE approving a plan for an industrial development project (heartland pet food manufacturing project), consisting of the acquisition, construction, improvement and equipping of an expansion of a pet food manufacturing facility for Heartland Pet Foods Manufacturing, Inc., a Delaware corporation; authorizing the city of Joplin, Missouri to issue its taxable industrial development revenue bonds (Heartland Pet Foods Manufacturing Project), series 2016, in a principal amount not to exceed $83,250,000 to finance the costs of such project; authorizing and approving certain documents; and authorizing certain other actions in connection with the issuance of the bonds.

13. Unfinished Business

14. New Business

1. APPOINTMENTS/REAPPOINTMENTS TO BOARDS AND COMMISSIONS

2. NEWS FROM THE PIO

3. CLOSED SESSION

Vote to go into closed session, which shall pertain to leasing, purchasing or

sale of real estate by a public governmental body where public knowledge of the transaction might adversely affect the legal consideration therefore; and legal action, causes of action, or litigation including a public governmental body and any confidential or privileged communications between a governmental body or its representatives and its attorneys and which shall pertain to the hiring, firing, disciplining, or promotion of an employee or particular employees of a governmental body involving personal information; more specifically for the purpose of evaluating certain Council employees; as set forth in Section 610.021(1) (2) (3) RSMo, as amended, 2015. This meeting, record, and vote to be closed to the extent provided by law. The City Council shall adjourn at the end of the session.

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 ____ p.m. on this the __ day of ____, ____. (RSMo 610.020)

CITY OF JOPLIN



FY 2017
PROPOSED BUDGET

CITY OF JOPLIN
ESTIMATE OF NEEDS
PROJECTED FUND BALANCES
FOR FISCAL YEAR 2016-2017

	Audited Fund Balance at 10-31-15	Projected 2015-2016 Activity				Projected Fund Balance at 10-31-16	Projected 2016-2017 Activity				Projected Fund Balance at 10-31-17
		Sources	Operating Expenses	Capital Assets *	Total Expenses		Sources	Operating Expenses	Capital Assets *	Total Expenses	
General Fund	**21,613,783**	39,942,617	35,981,501	6,902,467	42,883,968	**18,672,432**	37,746,277	35,425,183	1,976,247	37,401,430	**19,017,279**
Convention & Tourism	**770,820**	1,358,200	1,206,718	45,175	1,251,893	**877,127**	1,356,500	1,237,266	40,000	1,277,266	**956,361**
Health & Welfare	**385,685**	3,744,026	3,555,820	37,250	3,593,070	**536,641**	2,586,267	2,433,526	530,700	2,964,226	**158,682**
Parks & Recreation	**(177,815)**	4,287,910	3,922,927	43,553	3,966,480	**143,615**	4,079,650	3,840,999	369,000	4,209,999	**13,266**
Solid Waste Management	**784,840**	2,985,961	2,892,311	28,464	2,920,775	**850,026**	2,977,350	2,867,743	-	2,867,743	**959,633**
Parks/Stormwater Sales Tax	**1,252,039**	3,700,538	1,061,132	2,447,597	3,508,729	**1,443,848**	3,491,165	1,077,287	3,076,000	4,153,287	**781,726**
Transportation Sales Tax	**4,923,242**	12,298,562	9,020,588	4,827,988	13,848,576	**3,373,228**	10,893,933	8,194,684	2,495,189	10,689,873	**3,577,288**
Capital Improvement Sales Tax	**15,509,990**	10,303,624	595,126	7,469,440	8,064,566	**17,749,048**	8,861,748	658,908	10,511,243	11,170,151	**15,440,645**
Community Development	**(1,727,464)**	16,133,495	14,193,651	-	14,193,651	**212,380**	19,873,085	19,807,491	88,000	19,895,491	**189,974**
Economic Development	**3,803,266**	42,000	-	-	-	**3,845,266**	42,000	-	-	-	**3,887,266**
Debt Service	**95,903**	583,096	581,507	-	581,507	**97,492**	585,996	587,307	-	587,307	**96,181**
Infrastructure Improvements	**960,909**	15,627,477	-	14,340,952	14,340,952	**2,247,434**	66,379,948	-	66,517,651	66,517,651	**2,109,731**
Revolving Public Improvements	**1,034,474**	19,000	70,750	-	70,750	**982,724**	59,000	70,750	100,000	170,750	**870,974**
EDA Grant	**(273,740)**	9,998,233	26,600	12,511,924	12,538,524	**(2,814,031)**	13,851,054	25,100	11,011,923	11,037,023	**-**
Regional Airport	**23,643,994**	5,101,704	2,907,629	3,129,102	6,036,731	**25,838,069**	8,629,800	3,110,686	7,605,000	10,715,686	**31,357,183**
Municipal Golf Course	**293,276**	914,100	733,291	26,700	759,991	**474,085**	763,100	763,475	338,850	1,102,325	**473,710**
Sanitary Sewer	**60,044,974**	22,399,534	10,704,962	19,267,356	29,972,318	**71,739,546**	18,239,300	12,821,713	12,715,670	25,537,383	**77,157,133**
Public Parking	**127,944**	4,508	132,452	-	132,452	**-**	-	-	-	-	**-**
Central Garage	**51,242**	1,615,500	1,430,163	29,869	1,460,032	**236,579**	1,385,500	1,404,281	11,304	1,415,585	**217,798**
Health Self-Insurance	**2,007,869**	5,830,388	5,334,100	-	5,334,100	**2,504,157**	5,944,758	5,339,100	25,000	5,364,100	**3,084,815**
Workers Compensation Self-Ins	**1,786,742**	1,040,684	740,000	-	740,000	**2,087,426**	1,030,608	796,320	2,350	798,670	**2,319,364**
Liability & Property Insurance	**758,314**	1,095,990	1,108,991	-	1,108,991	**745,313**	1,341,003	1,076,872	-	1,076,872	**1,009,444**
Emergency Communications	**890,420**	1,624,775	1,937,620	77,600	2,015,220	**577,575**	2,150,050	2,150,525	1,151,600	3,302,125	**577,100**
Joplin TIF Commission	**2,208,264**	3,046,000	16,000	1,900,000	1,916,000	**3,338,264**	3,046,000	16,000	1,900,000	1,916,000	**4,468,264**
Joplin Redevelopment Corporation	**2,765,859**	4,051,000	3,295,500	-	3,295,500	**3,521,359**	4,051,000	3,496,955	-	3,496,955	**4,075,404**

Budget Summary

	Governmental Funds	Proprietary Funds	Component Units	Total All Funds
REVENUES				
Taxes	$ 47,789,633	$ -	$ 7,095,000	$ 54,884,633
Licenses & Permits	1,647,850	-	-	1,647,850
Fines & Forfeitures	1,453,800	-	-	1,453,800
Service Charges & User Fees	3,693,200	15,867,150	-	19,560,350
Charges & Assessments	1,797,146	8,522,869	-	10,320,015
Other Income & Donations	466,650	389,600	2,000	858,250
Intergovernmental	104,972,556	13,754,500	-	118,727,056
TOTAL REVENUES	**$ 161,820,835**	**$ 38,534,119**	**$ 7,097,000**	**$ 207,451,954**
EXPENDITURES				
General Government	$ 5,736,655	$ 9,352,346	$ 3,211,500	$ 18,300,501
Public Safety	19,785,887	2,056,312	-	21,842,199
Public Works	3,523,598	2,933,650	-	6,457,248
Highways & Streets	23,722,354	-	-	23,722,354
Environmental	2,810,889	9,511,701	-	12,322,590
Health Services	2,900,917	-	-	2,900,917
Culture & Recreation	13,473,164	743,415	-	14,216,579
Social Services	19,883,259	-	-	19,883,259
Debt Service	587,307	855,872	-	1,443,179
Infrastructure/Economic Development	68,517,651	-	-	68,517,651
TOTAL EXPENDITURES	**$ 160,941,681**	**$ 25,453,296**	**$ 3,211,500**	**$ 189,606,477**
EXCESS REVENUES OVER (UNDER) EXPEN.	**$ 879,154**	**$ 13,080,823**	**$ 3,885,500**	**$ 17,845,477**
OTHER FINANCING SOURCES (USES)				
Transfers In	$ 10,963,138	$ 950,000	$ -	11,913,138
Transfers Out	(12,000,516)	(2,037,026)	(2,201,455)	(16,238,997)
TOTAL OTHER FINANCING SOURCES (USES)	**$ (1,037,378)**	**$ (1,087,026)**	**$ (2,201,455)**	**$ (4,325,859)**
NET CHANGE IN FUND BALANCE	**$ (158,224)**	**$ 11,993,797**	**$ 1,684,045**	**$ 13,519,618**
FUND BALANCE, BEGINNING OF YEAR	**$ 48,217,230**	**$ 104,202,750**	**$ 6,859,623**	**$ 159,279,603**
FUND BALANCE, END OF YEAR	**$ 48,059,006**	**$ 116,196,547**	**$ 8,543,668**	**$ 172,799,221**
FUND BALANCE SUMMARY:				
Invested in Capital Assets (Proprietary Funds)	$ -	$ 102,900,726	$ -	$ 102,900,726
Restricted for Debt Service	-	3,703,761	-	3,703,761
Reserved for Equipment Replacement	-	-	-	-
Other Reserves/Designations	15,373,813	-	-	15,373,813
Unrestricted Fund Balance/Net Assets	32,685,193	9,592,060	8,543,668	50,820,921
TOTAL FUND BALANCE SUMMARY	**$ 48,059,006**	**$ 116,196,547**	**$ 8,543,668**	**$ 172,799,221**

REVENUES

FY 2017 Proposed Budget

General Sales Tax	$	13,964,660
Public Safety General Sales Tax		6,982,330
Utility Franchise Tax		6,275,000
Interest Earnings		381,500
Fines & Forfeitures		1,453,800
Other Income		476,750
Parks & Stormwater Sales Tax		3,491,165
Transportation Sales Tax		6,982,330
Capital Improvement Sales Tax		5,236,748
Wastewater Fees		11,383,700
Intergovernmental (Grants)		118,727,056
Charges for Services		20,144,515
Other Taxes		10,675,000
Property Taxes		1,277,400
TOTAL REVENUE	**$**	**207,451,954**

REVENUE HIGHLIGHTS

- **Sales Tax**
  - Projected Sales Tax increase in the FY 2017 Budget is 1.5%.
  - Revenue generated from the 1.0% General Sales Tax, 0.5% Public Safety General Sales Tax, 0.5% Transportation Sales Tax, .25% Parks & Stormwater Sales Tax and .375% Capital Improvements Sales Tax is expected to be approximately $36.6 million in FY 2017.

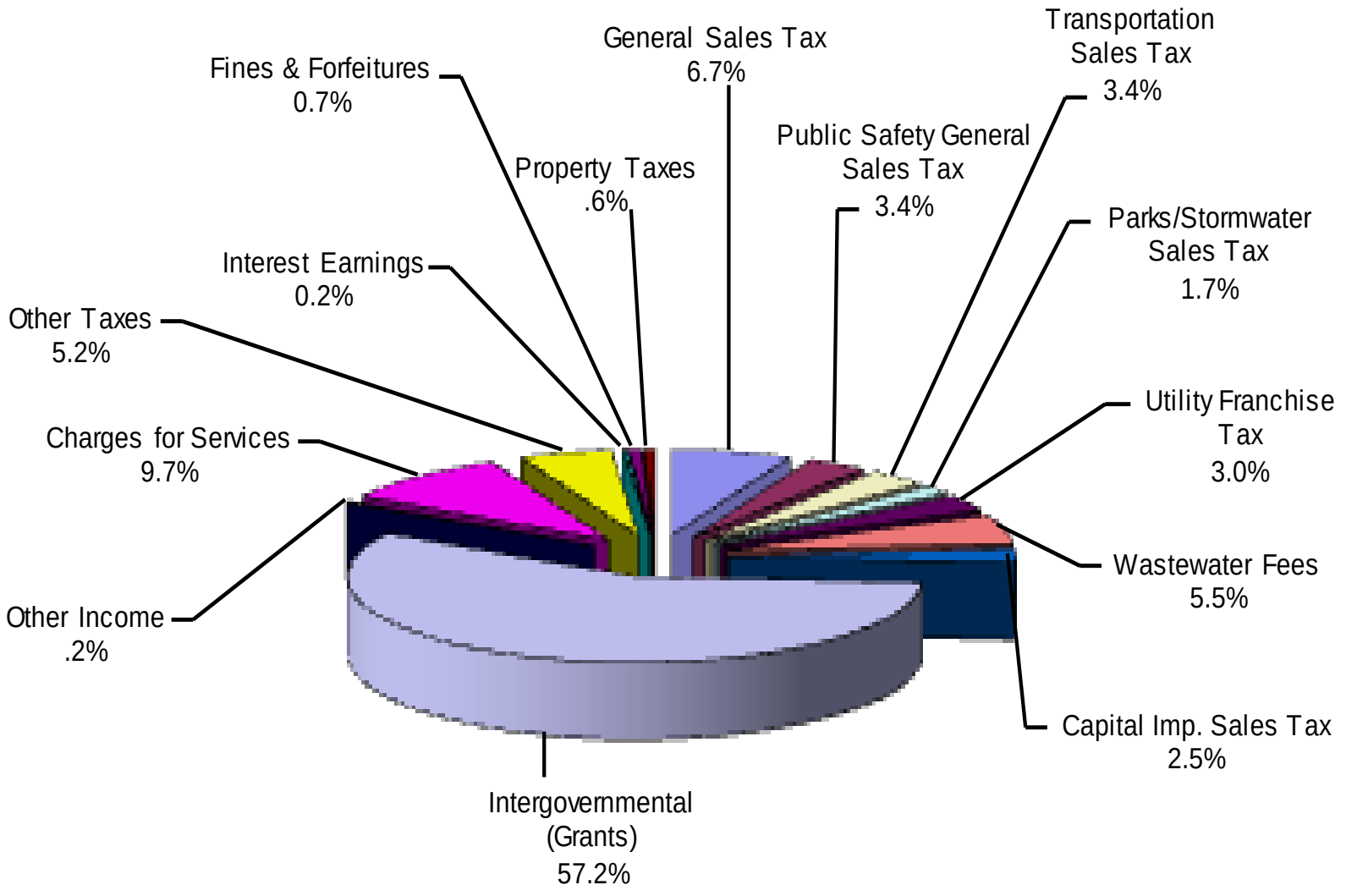
1% GENERAL SALES TAX



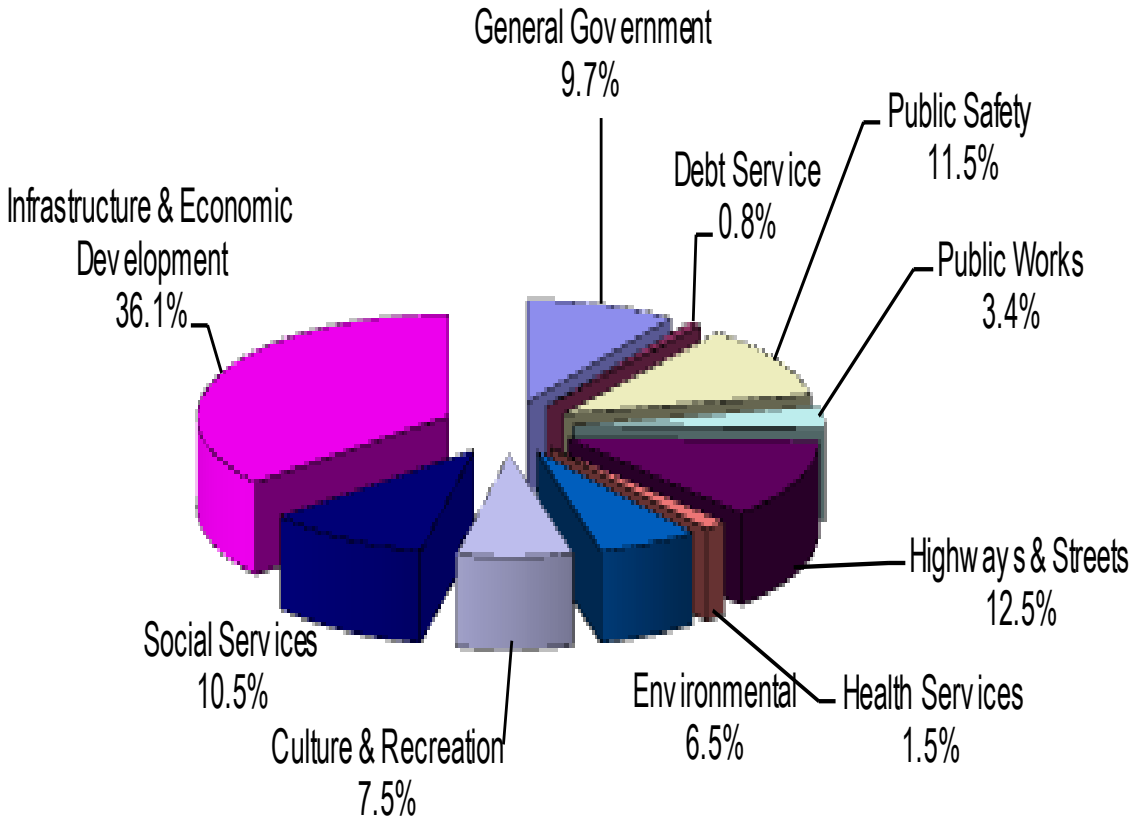
FISCAL YEAR

TOTAL REVENUE BY TYPE – ALL FUNDS

FY 2017 Budget

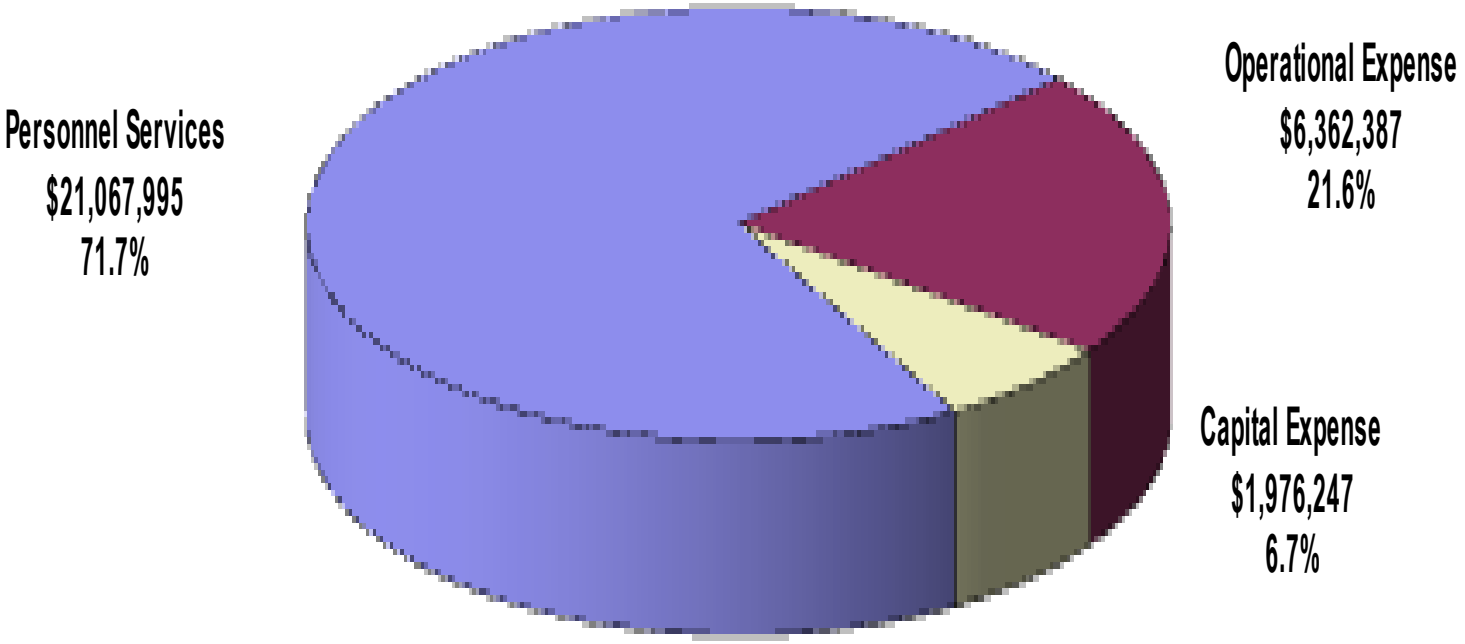


EXPENDITURES BY FUNCTION – ALL FUNDS
FY 2017 Budget



TOTAL EXPENDITURES GENERAL FUND

FY 2017 Budget



POSITIONS BY FUND
Full-Time Equivalents (FTE)

	FY 2015 Actual	FYE 2016 Actual	FY 2017 Proposed Budget
GENERAL FUND			
City Manager	5.00	4.00	4.00
City Clerk	2.00	2.00	2.00
Legal Services	6.65	6.65	6.65
Human Resources	4.50	4.50	4.25
Finance	11.00	11.00	11.00
Information Technology	5.00	5.00	5.00
Municipal Court	10.00	10.00	10.00
Public Works	26.30	26.30	27.30
Police	141.80	142.80	142.80
Fire	95.00	95.00	96.00
Cemeteries	7.20	8.20	8.20
Emergency Management	2.00	2.00	2.00
Neighborhood Improvement	6.20	6.20	6.20
Total General Fund	**322.65**	**323.65**	**325.40**
SPECIAL REVENUE FUNDS			
Convention & Tourism	4.25	4.25	4.25
Health & Welfare	34.20	34.30	34.30
Parks & Recreation	44.25	44.25	44.25
Solid Waste Management	4.20	4.20	4.20
Parks & Stormwater Sales Tax	11.90	11.90	11.90
Transportation Sales Tax	58.20	58.20	58.20
Capital Improvements Sales Tax	1.90	1.90	1.90
Community Planning	12.80	12.80	12.80
Total Special Revenue Funds	**171.70**	**171.80**	**171.80**
ENTERPRISE FUNDS			
Regional Airport	8.55	8.55	8.55
Municipal Golf Course	10.50	10.50	10.50
Sanitary Sewer	44.70	50.70	52.70
Public Parking	1.00	1.00	1.00
Total Enterprise Funds	**64.75**	**70.75**	**72.75**
INTERNAL SERVICE FUNDS			
Central Garage	6.20	6.20	5.20
Workers Compensation Self-Insurance	-	-	1.00
Liability & Property Self-Insurance	0.50	0.50	0.25
Emergency Communications	22.00	22.00	22.00
Total Internal Service Funds	**28.70**	**28.70**	**28.45**
TOTAL FTE - ALL FUNDS	**587.80**	**594.90**	**598.40**
Not included in FTE Count:			
One Public Defender in Municipal Court (contract).			
Nine City Councilors (stipend).			

FY 2017 PROPOSED PERSONNEL CHANGES

- General Fund:
  - Add Part-Time Human Resources Specialist
  - Add Building Maintenance Technician
  - Reclassify Jail Detention Officer to Jail Shift Supervisor
- Sanitary Sewer Fund:
  - Add Assistant Wastewater Supervisor
  - Add Equipment Operator
  - Reclassify Chief Wastewater Plant Operator II position to a Chief Wastewater Plant Operator I

FY 2017 PROPOSED PERSONNEL CHANGES

- Worker's Compensation Fund:
  - Reclassify Human Resources Specialist to Safety Manager
- Emergency Communications Fund:
  - Reclassify (2) Public Safety Communications Operators to Public Safety Communications Supervisors

EXPENDITURE HIGHLIGHTS

- General Fund: $ 1,976,247
  - Time & Attendance System (New) - $100,000
  - Replacement (5) Squad Car with SUV & Equipment - $185,750
  - Design & Construction Management – Station #7 - $400,000
  - Firefighter Self-Rescue System (Grant Funded) - $83,918
  - Completion of Public Safety Training Facility - $500,000
  - Replacement Backhoe - $98,000

- Health & Welfare Fund: $ 530,700
  - Animal Control Garage (Construction) - $479,000

EXPENDITURE HIGHLIGHTS

- Parks & Stormwater Sales Tax Fund: $ 3,076,000
  - TS0423 – 8th Street & Patterson Avenue - $240,000
  - TS0605 – Regional Detention, W. of Arizona & N. of 32nd - $75,000
  - TS0607 – Regional Detention, 15th & Massachusetts - $770,000
  - TS0612 – Ditch & Culvert Improvements, 4th & School - $1,020,000
  - TS0613 – Ditch Improvements, Euclid & Odessa/Rolla - $471,000
  - TS0614 – Ditch & Culvert Improvements, 10th & Peters - $500,000

EXPENDITURE HIGHLIGHTS

- Transportation Sales Tax Fund: $ 2,495,189
  - Replacement Dump Truck with Spreader Box/Plow - $168,000
  - Brine Snow Removal Equipment (New) - $113,900
  - Replacement Tar Pot - $53,000
  - Replacement Brush Hog Tractor - $54,000
  - Street Maintenance (Residential Paving) - $150,000
  - Street Projects (Overlay) - $1,500,000
  - Replacement Street Sweeper - $245,000
  - Replacement 22’ MAPS Vehicle (Grant Funded) - $65,000
  - DVR Vehicle Surveillance System (13) (Grant Funded) - $58,000
  - Tablet/Mounting Equipment/Software Upgrade (11) (Grant Funded) - $70,289

EXPENDITURE HIGHLIGHTS

- Capital Improvement Sales Tax Fund: $ 10,511,243
  - TC0512 – Zora from Rangeline to Main - $600,000
  - TC0515 – St. Louis from Broadway to Zora - $2,897,243
  - TC0601 – 32nd Street – Schifferdecker to Country Club Rd (ROW) - $750,000
  - TC0602 – 32nd Street – County Club to Central City Road (ROW) - $791,000
  - TC0603 – Neighborhood Transportation Improvements - $50,000
  - TC0604 – Street Surface Repair - $250,000
  - TC0605 – Intersection Improvements - $250,000
  - TC0608 – Zora – Rangeline to MO 249 - $150,000
  - TC0613 – Jackson – Bridge Replacement at Shoal Creek - $2,873,000
  - TC0614 – Schifferdecker – New Bridge at Turkey Creek - $1,900,000

EXPENDITURE HIGHLIGHTS

- Community Planning Fund: $ 88,000
  - GPS Survey Equipment (Grant Funded) - $62,000
- Infrastructure Fund: $ 66,517,651
  - Senior Center Facility – CDBG-DR - $4,500,000
  - Main Street – 11th to 15th – Design (Grant Funded) - $224,000
  - Mercy Park – CDBG-DR - $100,000
  - MSSU Trail (Grant Funded) - $325,528
  - Trail Projects – CDBG-DR - $943,123
  - CDBG Entitlement Infrastructure - $300,000
  - Crossroads Industrial Park – CDBG-DR - $4,000,000
  - Infrastructure #1 – CDBG-DR - $36,000,000
  - Infrastructure #2 – CDBG-DR - $7,000,000
  - 32nd & Main Right-Turn Lane – Design (Grant Funded) - $100,000
  - Main Street Streetscape Project – CDBG-DR - $7,000,000
  - 20th Street Streetscape Project – CDBG-DR - $6,000,000

EXPENDITURE HIGHLIGHTS

- Revolving Public Improvements Fund: $ 100,000
  - Residential Streets, Sewers & Sidewalks - $100,000

- EDA Grant Fund: $10,971,632
  - Library - $7,471,632
  - Wildwood Sewer Extension - $2,000,000
  - Outdoor Warning Siren at Wildwood Ranch - $35,000
  - Wildwood Street Improvement – 32nd Street - $1,465,000

EXPENDITURE HIGHLIGHTS

- Regional Airport Fund: $ 7,605,000
  - Replacement Roof – North Quad GA Terminal - $55,000
  - Relocate Dennis Weaver Road (Grant Funded) - $2,300,000
  - Taxiway B, Taxiway N, 18-36 (Grant Funded) - $5,000,000
  - Runway 13-31 (Grant Funded) - $130,000

- Municipal Golf Course Fund: $ 338,850
  - Remediate Mold & Foundation Repairs - Clubhouse - $100,000
  - Replacement Golf Cart (30) - $97,500

EXPENDITURE HIGHLIGHTS

- Sanitary Sewer Fund: $12,715,670
  - Refurbish South Digester – Turkey Creek - $250,000
  - Replacement North Digester Waste Gas Burner – Turkey Creek - - $65,000
  - Lift Station Upgrade – Flying J - $80,000
  - Refurbish Lift Station – Hope Haven - $75,000
  - Replacement Roof – Tertiary Building - $90,000
  - Replacement Slope Mower w/Remote Controlled Mower - $55,000
  - Replacement Grit Augers/Troughs - $125,000
  - Wireless Lift Station Alarm System (12) - $150,000
  - Replacement Lateral Launch CCTV Truck - $300,000
  - 7th Street East Annexation Sanitary Sewer Extension - $400,000
  - I & I Rehabilitation - $1,300,000

EXPENDITURE HIGHLIGHTS

- Sanitary Sewer Fund Continued:
  - Infrastructure #1 & #2 Sewer Improvements – CDBG-DR - $6,425,000
  - Sewer Improvement I-44/Highway 43 - $250,000
  - Parallel Lines from Filmore Bridge to Tincup Lift Station - $2,200,000
  - Parallel Lines from Filmore Bridge to Shoal Creek - $900,000

- Emergency Communications Fund: $ 1,151,600
  - Motorola Communication System Upgrade - $1,010,000

City of **JOPLIN** City Council Agenda Item

Requested Council Meeting Date: August 15, 2016

Item: COUNCIL BILL NO. 2016-271
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: 8/1/2016

Recommended Action: Planning and Zoning Commission recommended approval by a vote of "5 in favor, 2 absent"

SUMMARY/REQUEST:
Case 025-16: Northwest corner of 26th Street and Main Street – A request to rezone from R-1 (Single-Family Residential) and C-3 (Commercial) to C-3-PD (Planned Commercial Development) – Joplin Redevelopment Corporation.

STAFF SUMMARY:
The Joplin Redevelopment Corporation submitted this rezoning request along with a request for a utility easement vacation on this site. Pending rezoning and easement vacation, this site will be developed by Braum's for a second restaurant location in Joplin. The easement vacation will allow Braum's to construct their building without encroaching on the utility easement. Once this easement is vacated, the utilities will be relocated along Joplin Avenue. This site is being rezoned to C-3-PD to reflect the site plan review process and its position in a Planned Development Corridor.

This site sits at the intersection of two Planned Development Corridors: 26th Street and Main Street. In order to rezone this site for a higher use intensity, the site plan must be approved with the rezoning application.

Staff recommends approval of Case 025-16.

PLANNING & ZONING COMMISSION TESTIMONY:
Ms. Taylor Cunningham appeared representing the City of Joplin and the Joplin Redevelopment Corporation (JRC) to rezone property located at the northwest corner of 26th and Main Streets. A portion of the land is zoned C-3, with the remainder being zoned R-1. The R-1 parcel must be rezoned for future commercial development. The JRC is requesting this property be rezoned to District C-3-PD in accordance with the Comprehensive Plan since it sits on both 26th Street and Main Street, which are two of the planned development corridors.

Pending rezoning and the subsequent easement vacation in Case 026-16, the site will be developed by Braum's for a second restaurant location in Joplin. The easement vacation will allow Braum's to construct their building without encroaching on the utility easement. Once this easement is vacated, the utilities will then be relocated along Joplin Avenue. The rezoning is contingent upon a site plan approval process, with development plans being included in the agenda packet.

PUBLIC COMMENT:
None.

P & Z Case 025-16
Joplin Redevelopment Corporation
(P & Z Recommended Approval)

COUNCIL BILL NO. 2016-271 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 District C-3 and including in District C-3-PD property as described below and located at the northwest corner of 26th Street and Main 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 District C-3 and including same in District C-3-PD:

ALL OF LOTS NUMBERED ONE-HUNDRED AND SIXTY-TWO (162) THROUGH ONE-HUNDRED AND SIXTY-SEVEN (167) AND THE EAST HALF OF THE VACATED ALLEY OF O'KEEFE'S FIRST ADDITION AND ALL OF LOTS EIGHTEEN (18) THROUGH TWENTY-THREE (21) IN O'KEEFE'S SECOND ADDITION AND THE WEST HALF OF THE VACATED ALLEY ALL IN THE CITY OF JOPLIN, JASPER COUNTY, MISSOURI ACCORDING TO THE RECORDED PLAT THEREOF.

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 _____.

_____
ATTEST: Michael L. Seibert, Mayor

_____
Barbara L. Hogelin, City Clerk

APPROVED AS TO FORM:

_____
Peter C. Edwards, City Attorney

Z&P Meeting: August 1, 2016
City Council Meeting: August 15, 2016

STAFF PLANNING REPORT
Rezoning

CASE 025-16 A request to rezone from R-1 (Single-Family Residential) and C-3 (Commercial) to C-3-PD (Planned Commercial Development)

LOCATION Northwest corner of 26th Street and Main Street

APPLICANT Joplin Redevelopment Corporation

EXISTING CONDITIONS

Zoning	Land Use	Property Size
R-1	Undeveloped	26,000 sq ft
C-3	Undeveloped	49,650 sq ft

SITE CONTEXT

	North	East	South	West
Existing Zoning	R-1 Single-Family Residential and C-3 Commercial	C-3 Commercial	C-3 Commercial and C-1 Neighborhood Commercial	R-1 Single-Family Residential
Land Use	Commercial	Undeveloped	Commercial	Residential

FUTURE LAND USE

The City of Joplin's future land use map classifies this area as future retail/commercial development from Main Street to Joplin Avenue.

TRANSPORTATION

Streets with access	Classification	Right-of-way width
26th Street	Arterial	100'
Main Street	Arterial	80'
Joplin Avenue	Secondary	60'
25th Street	Collector	50'

UTILITIES Will be relocated.

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
Currently, a portion of the site is zoned R-1 which does not allow for commercial development.

THE EXTENT THAT THE ZONING CHANGE WILL DETRIMENTALLY AFFECT NEARBY PROPERTY
This zoning change would not detrimentally affect nearby property.

DISCUSSION
The Joplin Redevelopment Corporation submitted this rezoning request along with a request for a utility easement vacation on this site. Pending rezoning and easement vacation, this site will be developed by Braum's for a second restaurant location in Joplin. The easement vacation will allow Braum's to construct their building without encroaching on the utility easement. Once this easement is vacated, the utilities will be relocated along Joplin Avenue. This site is being rezoned to C-3-PD to reflect the site plan review process and its position in a Planned Development Corridor.

This site sits at the intersection of two Planned Development Corridors: 26th Street and Main Street. In order to rezone this site for a higher use intensity, the site plan must be approved with the rezoning application.

Staff recommends approval of Case 025-16.

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.: 025-16
Filing Fee: $ 450.00
Date Advertised: 7-24-16
Date Notices Sent
Public Hearing Date: 8-1-16

APPLICANT: Joplin Redevelopment Corporation PHONE: 417-624-0820
ADDRESS: 602 S Main Street, Joplin, MO ZIP: 64801
OWNER: Joplin Redevelopment Corporation PHONE: 417-624-0820
ADDRESS: 602 S Main Street, Joplin, MO ZIP: 64801
LOCATION OF PROPERTY: Southeast corner of 25th Street and Joplin Ave
LEGAL DESCRIPTION: ALL OF LOTS EIGHTEEN (18) THROUGH TWENTY-ONE (21) IN O'KEEFE'S SECOND ADDITION TO THE CITY OF JOPLIN, JASPER COUNTY, MISSOURI ACCORDING TO THE RECORDED PLAT THEREOF.
Present Zoning: R-1 Requested Zoning: C-3 Acreage: 0.6 acres
Present Use of Property: Vacant

SURROUNDING LAND USE AND ZONING:

	Land Use	Zoning
North	Residential	R-1
South	Vacant	C-3
East	Vacant	C-3
West	Residential	R-1

CHARACTER OF THE NEIGHBORHOOD: This property sits at the intersection of the South Main Street and 26th Street Commercial Corridors. There is residential development to the west.

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?
   If yes, explain: Single-Family Residential (R-1) zoning does not allow any commercial uses. The proposed development is for a restaurant which is not permitted in this zoning district.

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

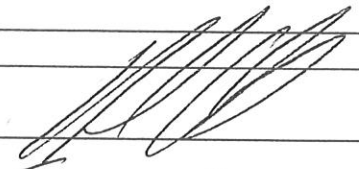
TRAFFIC CONDITIONS:

1. Street(s) with Access to Property: 25th Street (Secondary) and Joplin Avenue (Collector).
2. Classification of Street(s):
   Arterial_____ Collector: Joplin Ave Local: 25th Street
3. Right-of-Way Width: 25th Street – 50 ft. Joplin Avenue – 60 feet.
4. Will turning movements caused by the proposed use create an undue traffic hazard?
   No.

IS PLATTING OR REPLATTING REQUIRED TO PROVIDE FOR:

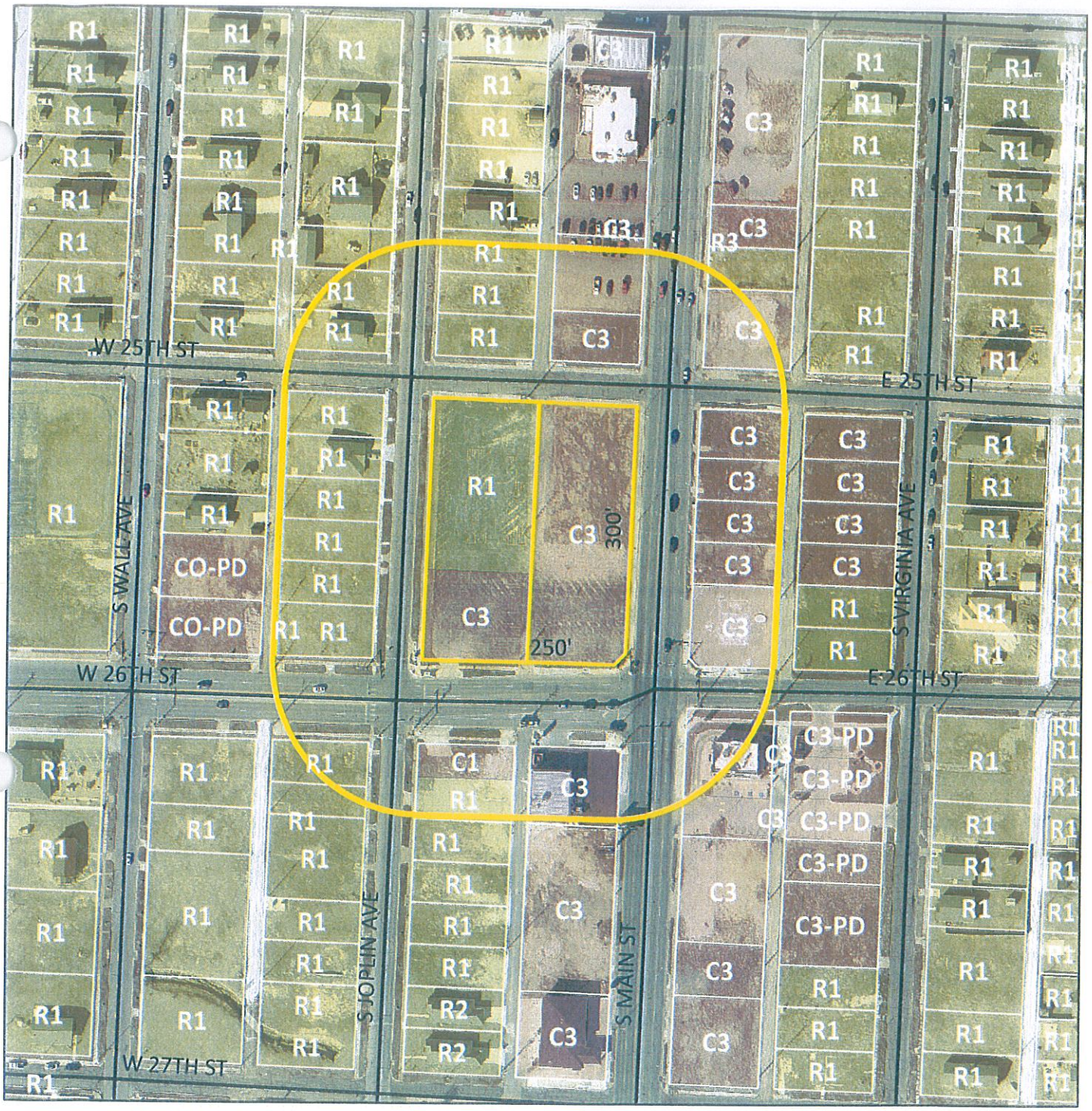
1. Appropriately Sized Lots? No.
2. Properly Sized Street Right-of-Way? No.
3. Drainage Easements? No.
4. Utility Easements:
   - Electricity? No.
   - Gas? No.
   - Sewers? No.
   - Water? No.
5. Additional Comments: The utilities on this site will be relocated with a new utility easement.

UNIQUE CHARACTERISTIC OF PROPERTY AND ADDITIONAL COMMENT:

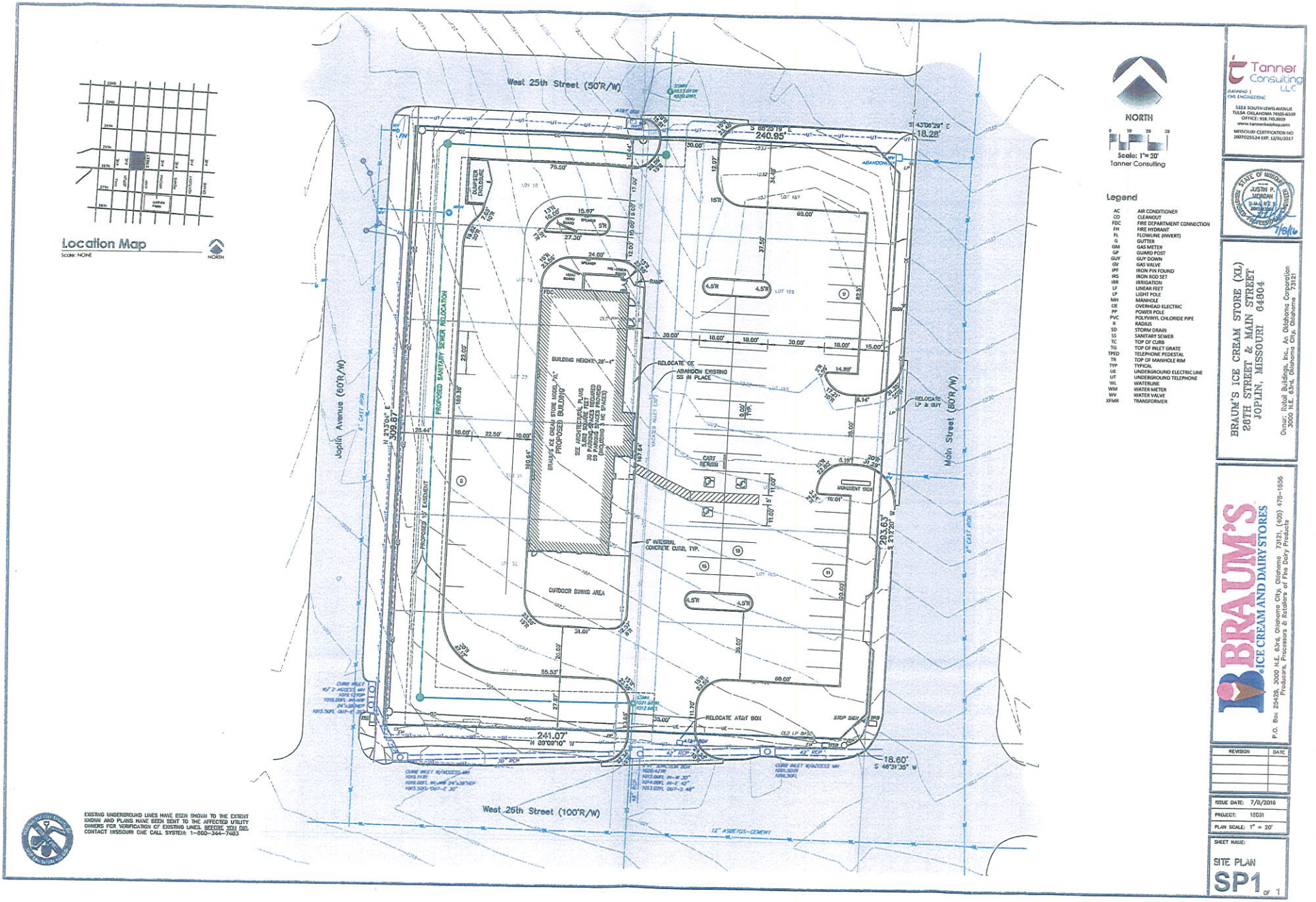
SIGNATURE:  DATE: 7-28-16

BY: FRED OSBORN

TITLE: CHAIRMAN - JRC



Case 025-16: Northwest Corner of 26th Street and Main Street - A request to rezone from R-1 (Single-Family Residential) and C-3 (Commercial) to C-3-PD (Planned Commercial Development) - Joplin Redevelopment Corporation.



NORTH

Scale: 1"= 20'
Tanner Consulting

Legend

AC	AIR CONDITIONER
CO	CLEANOUT
FDC	FIRE DEPARTMENT CONNECTION
FH	FIRE HYDRANT
FL	FLOWLINE (INVERT)
G	GUTTER
GM	GAS METER
GP	GUARD POST
GUY	GUY DOWN
GV	GAS VALVE
IPF	IRON PIN FOUND
IRS	IRON ROD SET
IRR	IRRIGATION
LF	LINEAR FEET
LP	LIGHT POLE
MH	MANHOLE
OE	OVERHEAD ELECTRIC
PP	POWER POLE
PVC	POLYVINYL CHLORIDE PIPE
R	RADIUS
SD	STORM DRAIN
SS	SANITARY SEWER
TC	TOP OF CURB
TG	TOP OF INLET GRATE
TPED	TELEPHONE PEDESTAL
TR	TOP OF MANHOLE RIM
TYP	TYPICAL
UE	UNDERGROUND ELECTRIC LINE
UT	UNDERGROUND TELEPHONE
WL	WATERLINE
WM	WATER METER
WV	WATER VALVE
XFMR	TRANSFORMER

EXISTING UNDERGROUND LINES HAVE BEEN SHOWN TO THE EXTENT KNOWN AND PLANS HAVE BEEN SENT TO THE AFFECTED UTILITY OWNERS FOR VERIFICATION OF EXISTING LINES. BEFORE YOU DIG, CONTACT MISSOURI ONE CALL SYSTEM: 1-800-344-7483

Tanner Consulting LLC
PLANNING | CIVIL ENGINEERING
5323 SOUTH LEWIS AVENUE
TULSA OKLAHOMA 74105-6539
OFFICE: 918.745.9929
www.tannerbishop.com
MISSOURI CERTIFICATION NO 2007025524 EXP. 12/31/2017

STATE OF MISSOURI
JUSTIN P. MORGAN
NUMBER 2007025524
ENGINEER
7/8/16

BRAUM'S ICE CREAM STORE (XL)
26TH STREET & MAIN STREET
JOPLIN, MISSOURI 64804

Owner: Retail Buildings, Inc., An Oklahoma Corporation
3000 N.E. 63rd, Oklahoma City, Oklahoma 73121

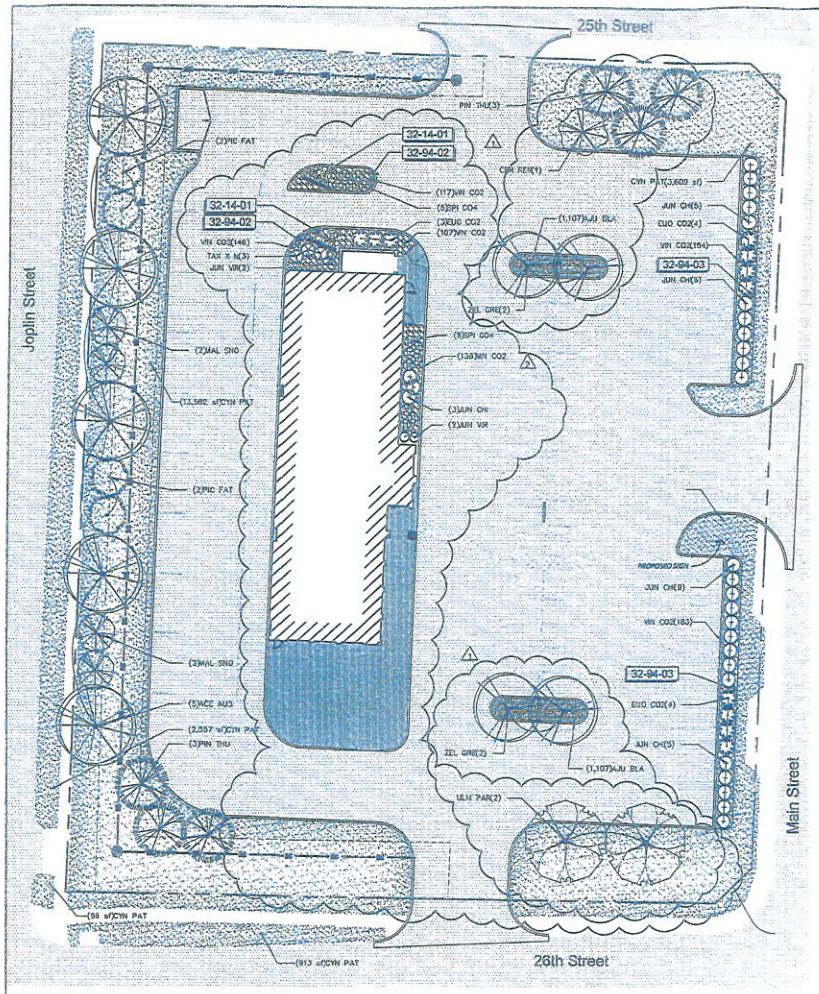
BRAUM'S
ICE CREAM AND DAIRY STORES
P.O. Box 25428, 3000 N.E. 63rd, Oklahoma City, Oklahoma 73121, (405) 478-1656
Producers, Processors & Retailers of Fine Dairy Products

REVISION	DATE

ISSUE DATE: 7/8/2016
PROJECT: 16031
PLAN SCALE: 1" = 20'

SHEET NAME:
SITE PLAN
SP1 OF 1

P:\20__\061\CIVIL SHEETS\1506IDSP.DWG, LAYOUT1, 7/8/2016 3:07:03 PM, TBL... 1:2.175, TANNER CONSULTING, LLC, OK CA 2661 EXP 6/30/2017



LANDSCAPE CALCULATIONS

Site Information:	
Frontage	1,117 LF
Frontage Trees (1/20LF)	23 Trees
Parking Stalls Provided	67 Stalls
Parking Trees	3 Trees
Total Trees Required	26 Trees
Provided:	
Frontage Trees	
Parking Trees	
Total Trees Provided	32 Trees
Parking Lot Screen	Provided

NORTH

0 20 40 60 feet

SCALE: 1" = 20'

LANDSCAPE NOTES

General Notes

1. Contractor shall be responsible for any damage caused to the utilities (both overhead and buried) which may occur due to his action or lack of action on the project site during landscape or irrigation installation. Contractor shall seek the assistance of local utilities and the owner in locating the utilities prior to performing trenching operations in any area.
2. Plant trees three (3) inches above finished grade. Cut and remove twine from around the trunk and ball. Cut and remove burlap from the top ⅓ to ½ of the root ball. Plant shrubs two (2) inches above finished grade. Crown islands 6" above top of curb or as directed on drawing. All planting beds shall have positive drainage out of the bed and away from building.
3. All landscape work to be done in accordance to industry standards.
4. Landscape contractor shall locate all utilities prior to starting work. Landscape contractor will be responsible for the repair of any damage caused to utilities.

Soil Preparation

5. All areas, groundcover, and seasonal plantings shall receive soil preparation/amendments per specification 02900.
6. Mix 17-4-12 fertilizer into the top two (2) inches of soil in the planting beds at a rate of five (5) pounds per 100 square feet.
7. Each tree shall backfilled with amended native soil (¾ native bar mulch soil conditioner and ¼ excavated soil from tree pit. For trees smaller than two (2) inch caliper, apply four (4) slow release fertilizer tablets (20-10-5, 21 gram tablets). For trees larger than two (2) inch caliper, apply six (6) slow release fertilizer tablets (20-10-5, 21 gram tablets).
8. All areas of the site (and adjacent street Right-of Way that are disturbed by construction shall be sodded with Patriot Bermuda. Sod shall only be installed from April 15 - September 15.
9. May 1 - August 31 - Apply a 16-0-8 fertilizer at a rate of six (6) pounds per 1,000 square feet to all lawn areas.
10. September 1 - April 30 - Apply 6-2-0 fertilizer at a rate of ten (10) pounds per 1,000 square feet of lawn area. This fertilizer shall be applied prior to seeding.

Planting Notes

11. Quantities of materials shown in plant material list is for contractor's convenience and information only. Contractor to verify quantities and provide all plants as specified on landscape plan to provide a complete project.
12. Prior to beginning any work on the site, the landscape contractor shall contact the general contractor/project manager for specific instructions relevant to the sequencing of work.
13. Landscape Architect and/or owner representative reserves the right to revise proposed plant list and/or location of plants as deemed necessary.
14. Landscape contractor shall provide all labor, materials and service necessary to furnish and install plantings as specified her in and as shown on these plans. All plant materials shall be protected from the drying action of the sun and wind after being dug, while being transported, and while awaiting planting. Balls of plants which cannot be planted immediately shall be protected from drying action by covering them with moist mulch. Periodically, apply water to mulch-covered root balls in areas not in use. If planting should occur during growing season, apply anti-dessicant to leaves before transport to reduce likelihood of windburn. Reapply anti-dessicant after planting to reduce transpiration.
15. All plant material shall be well-formed and developed in good condition, healthy and disease-free, and be typical of the species. Plants shall comply in all applicable respects with acceptable standards as set forth in the American Association of Nurserymen's "American Standard of Nursery Stock." Owner and landscape architect reserve the right to reject at any time or place prior to final acceptance of work, any and all plants which, in their opinion, fail to meet these specification requirements.
16. Plants designated container grown shall have been grown in pots, cans or boxes for a minimum of six months and a maximum of two years. These plants shall be removed from containers before planting. Plants that appear root-bound shall be root pruned through the use of a vertical slicing method prior to planting.
17. Landscape contractor shall locate all utilities prior to starting work. Landscape contractor will be responsible for the repair of any damage caused to utilities.
18. Protect and save the existing plant materials shown on plans unless noted to be removed. Plant ground cover within one (1) foot of trunk of trees or shrubs planted within areas. Planting arrangement shall be triangular, with proper on-center spacing between plants.
19. Seasonal annual beds are to be planted with local materials that will offer the longest lasting and boldest color display at the time of installation.
20. All planting bed and lawn areas will be received by the landscape contractor, from the general contractor, within 0.1 of a foot of finish grade. The landscape contractor shall grade all planting and lawn areas to smooth and uniform levels or slope without any abrupt changes. All soil areas, planting beds or lawns adjacent to buildings shall be graded in such a manner as to away from buildings to either the parking areas or area drains. The finish grade, in all planting areas, after adding soil amendment and settlement, shall be one inch below curbs, sidewalks, and other paving. Rough grading for berms or other lawn features shall be performed by the general contractor.
21. When clay soil is encountered in the establishment of the lawn or the installation of the plant material it shall be improved in accordance with standard trade practices.
22. Backfill for plant excavations to be clean natural soil, excavated from planting pits mixed with compost at a rate of 3:1 soil to compost.
23. Culminate ground cover planting beds to a depth of 8". Till compost into soil at a ratio of 3:1 soil to compost.
24. All plant materials shall have backfill carefully placed around base and sides of ball in two-thirds (⅔) depth of ball, then thoroughly soaked with water to allow settlement. All wire, burlap fastenings and loose burlap around base of trunk shall be removed at this time. Remainder of pit shall then be backfilled, allowing for depth of mulch, saucer and settlement of backfill. Backfill shall then be thoroughly watered once again.
25. Plant ground cover within one (1) foot of trunk of trees or shrubs planted within area. Planting arrangement shall be triangular, with proper on-center spacing between plants.
26. Seasonal annual beds are to be planted with local materials that will offer the longest lasting and boldest color display at the time of installation.
27. Fertilize all plants with with 6-10-4 commercial fertilizer as directed by instructions on fertilizer. Except for annual and perennial beds.
28. Use shredded cedar mulch in all planting beds. Landscape contractor shall supply landscape architect or owner representative with samples of mulch for approval prior to starting construction. Mulch shall be installed at a minimum of 2" thick and shall provide temporary stabilization until groundcover is established.
29. Planting beds receiving mulch are to be free of weeds and grass. Treat beds with a pre-emergent herbicide after planting and mulch placement. Apply in accordance with standard trade practice. Do not apply herbicide in perennial beds.
30. 4"x8x" painted steel edging shall be used to separate all turf areas from planting beds. Place edging flush with grade.
31. After planting is completed, repair injuries to all plants as required. Limit amount of pruning to a minimum necessary to remove dead or injured twigs and branches. Prune in such a manner as not to change natural habit or shape of plant. Make cuts flush, leaving no stubs. Central leaders shall not be removed.
32. Guarantee trees, shrubs, ground cover plants for one calendar year following provisional acceptance of the overall project. During the guarantee period, plants that die due to natural causes or that are unhealthy or unsightly in condition, shall be replaced by the contractor. Plant used for the replacement shall be planted at the appropriate planting times.
33. At the completion of planting operations all plants shall be inspected by the owner. Contractor shall replace immediately any plants as in healthy and vigorous condition at that time at no expense to the owner. Any plant not in healthy condition after one full year from the date of final acceptance shall be replaced as per the original specifications, free of charge to the owner.
34. Landscape contractor to remove tree stakes, and all dead wood on trees and shrubs one year after provisional acceptance.

Irrigation Notes

35. General
   - 35.1. Description - Work included: Provide irrigation system where shown on the drawings and as specified here in complete in place, tested and approved, including but no necessarily limited to
     - 35.1.1. Irrigation system
     - 35.1.2. Automatic controller and remote control valves
     - 35.1.3. Backflow preventer
   - 35.2. Quality Assurance - Use adequate numbers of skilled workmen who are thoroughly trained and experienced in the necessary crafts and who are completely familiar with the specified requirements and the methods needed for proper performance of the work of this section.
   - 35.3. Regulatory requirements - All work specified or called for on the contract drawings or in the specifications shall be executed in accordance with all governing ordinances, laws and regulations and shall met all location conditions; and any changes and/or additions.
   - 35.4. Submittals
     - 35.4.1. Product Data: after the contractor has received teh owner's notice to proceed, submit:
       - 35.4.1.1. Materials list of items proposed to be provided under this section.
       - 35.4.1.2. Manufacturer's specifications and other data needed to prove compliance with the specified requirements.
       - 35.4.1.3. Manufacturer's recommended installations procedures which, when approved by the owner's representative will become the basis for accepting or rejecting actual installation procedures used on the work.
       - 35.4.1.4. One (1) maslo up head, nozzle and swing line to lateral of each type required on project. Label each component.
       - 35.4.1.5. Record drawings of complete system.
   - 36. Execution
     - 36.1. Review conditions - Examine the areas and conditions under which work of this section will be performed. Correct conditions detrimental to timely and proper completion of the work. Do not proceed until satisfactory conditions are corrected.
     - 36.2. Fie d measurements - Make necessary measurements in the field to ensure practice fit of items in accordance with the approved design.
     - 36.3. Trenching and backfilling -
       - 36.3.1. Perform all excavations as required for installation of work included under this section, including shoring of earth banks, if any hazard of cave-in exists, or if required by federal, state or local codes or ordinances, if necessary.
       - 36.3.2. Restore all surfaces, existing underground installations, etc. damaged or cut as a result of the excavations, to their original condition.
       - 36.3.3. Dig trenches wide enough to allow a minimum of six inches (6") between parallel pipe lines. Trenches shall be of sufficient depth to provide minimum cover from finish grade as follows:
         - 36.3.3.1. Mainline pipes shall have a minimum of 18" of cover.
         - 36.3.3.2. Lateral line pipes shall have a minimum of 12" of cover.
         - 36.3.3.3. All PVC pipe under pavement shall have minimum of 4" of bedding sand with 24" of cover.
       - 36.3.4. Only with owner's permission shall pavement cuts be allowed
     - 38.4. Installation of Piping
       - 36.4.1. Layout the piping system in accordance with arrangement shown on the drawings.
       - 38.4.2. Conduits and Sleeves
         - 38.4.2.1. Furnish and install conduit where control wires pas under or through walls. Conduits shall be of adequate size to accommodate rainout for repair of wiring and shall extend one foot (1') beyond edge of walls
         - 38.4.2.2. Install sleeves for all pipes passing through or under walls, walks and paving as shown on drawings. Inside diameter of sleeving to be at least six times the outside diameter of pipe and adequate to accommodate removal of valving or piping for repair and shall extend one foot (1') beyond edge of paving or other construction.
       - 36.4.3. Inspection of materials - carefully inspect pipe and fittings before installation, removing all dirt, scale and burrs and reaming as required. Install pipe with markings facing up for visual inspection
       - 38.4.4. Plastic pipe
         - 38.4.4.1. Exercise care in handling, loading, unloading and storing plastic pipe and fittings
           - 38.4.4.1.1. Store under cover until ready to install
           - 38.4.4.1.2. Transport only on a vehicle with a bed long enough to allow the pipe to lay flat to avoid undue bending and concentrated external load.
         - 38.4.4.2. Damaged pipe may only be used by cutting out and discarding the damaged or damaged section and for necessary short sections only.
         - 38.4.4.3. Use only the cement rated for the specific class and size of pipe being connected and make joints in accordance with the manufacturer's recommendations as approved by the owner's representative.
           - 38.4.4.3.1. Give solvent welds at least one (1) hour set-up time before moving or handling and 24 hours cure time before filling with water.
         - 38.4.4.4. Center load plastic pipe with a small amount of backfill to prevent arching and whipping under pressure
         - 38.4.4.5. Threaded joints for plastic pipes
           - 38.4.4.5.1. Use Teflon tape on the threaded PVC fittings
           - 38.4.4.5.2. Use strap-type friction wrench only. Do not use metal jawed wrench
         - 38.4.5. Laying Pipe
           - 38.4.5.1. Bed pipes in sand as selected by owner's representative on all sides of piping with no rocks or clods over 1" diameter to provide a uniform density
           - 38.4.5.2. Pipe shall be snaked from side to side of trench bottom to allow for expansion and contraction. One (1) additional foot per one hundred (100) feet of pipe is the minimum allowance for snaking.
           - 38.4.5.3. Do not lay PVC pipe when there is water in the trench.
     - 38.5. Installation of Equipment
       - 38.5.1. Sprinkler heads - Place all full circle sprinkler heads in lawn areas flush with finish grade. Place part-circle sprinkler heads two inches from edge of and flush with top of adjacent walks, header boards, curbs and mow strips.
       - 38.5.2. Automatic Controller
         - 38.5.2.1. Connect valves per local code and manufacturer's latest printed instructions
         - 38.5.2.2. Connect remote control valves to controller in sequence specified on drawings or by owner's representative to correspond with station settings.
         - 38.5.2.3. Hard wire 120 volt on 20 amp breaker panel to controller
         - 38.5.2.4. Install weather proof tag as to name of installer and dates of warranty.
       - 38.5.3. Control wiring
         - 38.5.3.1. Install control wires with sprinkler mains and laterals in common trenches wherever possible. Lay to the side of pipe line. Provide ten feet (10') looped slack at valves and snake wires in trench to allow for contraction of wires. Tie wires in bundles of ten feet (10') intervals.
         - 38.5.3.2. Control wire splices at remote control valves to be crimped and sealed with water proof splicing materials. Line splices will be allowed only on runs of more than five hundred feet (500'). Splices to be made in valve boxes only with 10" of slack.
       - 38.5.4. Backflow Preventer - Install where indicated on the drawings and in accordance with all pertinent codes, regulations and the manufacturer's recommendations as approved by the owner's representative.
   - 36.6. Testing and Inspecting
     - 36.6.1. Do not allow or cause any of the work of this section to be covered up or enclosed until it has been inspected, tested and approved by the owner's representative.
     - 36.6.2. Before backfilling the main lin, and with control valves in place, but before lateral pipes are connected, completely flush and test the main line.
       - 38.6.2.1. Repair leaks
       - 38.6.2.2. Flush out each section of lateral pipe before sprinkler heads are attached
     - 36.6.3 Testing
       - 36.6.3.1. Make necessary provisions for thoroughly bleeding the line of air and debris
       - 38.6.3.2. Before testing, fill the line with water for a period of at least 24 hours.
       - 38.6.3.3. After valves have been installed, test live water lines for leaks at required static pressure or more (not to exceed 120 PSI) as shown on plans for a period of two hours, with couplings exposed and with pipe adequate ly anchor loaded. Water test only, No. Air.
       - 38.6.3.4. Provide required testing equipment and personnel.
       - 38.6.3.5. Repair leaks and retest until acceptance by the owner's representative.
     - 38.6.4. Final Inspection
       - 38.6.4.1. Clean, adjust and balance all systems, verify that
         - 38.6.4.1.1. Remote control valves are properly adjusted for radius and are of coverage
         - 38.6.4.1.2. The installed system is workable, clear and efficient
         - 38.6.4.1.3. Adjust valve pressure regulators to designed operating pressure.
   - 38.7. Backfill and Compacting
     - 38.7.1. After system is operating and required tests and inspections have been made, backfill excavations and trenches with excavated material as accepted by owner's representative.
     - 38.7.2. Backfill for all trenches, regardless of life type of pipe covered, shall be compacted to minimum 85% density under pavements, 95% under planted areas.
     - 38.7.3. Compact trenches in areas to be planted by thoroughly flooding the backfill. Jetting process may be used in these areas.
   - 38.8. Instructions
     - 38.8.1. Submit maintenance instructions on all items requiring manufacturer's standard detail submitted.
     - 38.8.2. Record drawings - submit reproducible mylar plan of completed facilities as installed. It shall show any changes from the original layout, location of all heads and pipe sizing, valve location or controller heads. It shall dimension the location of all valves from permanently fixed objects and indicate the path of control tubing and wiring to all remote valves.
   - 38.9. Cleanup
     - 38.9.1. Keep all areas of work clean, neat and orderly at all times. Keep paved areas clean during installation. Clean up and remove all, barricades and debris from the entire work area prior to final acceptance of the owners representative.
   - 38.10. Flushing and field testing
     - 38.10.1. The contractor is responsible for flushing a completed system ready to operate. The contractor shall notify owner's representative at least 24 hours in advance of plans to test each portion of the irrigation system. After all new sprinkler piping is installed, all control valves shall be opened and a full head of water shall be flushed through the system. All areas associated with the flushing of the new lines and any leaks that shall be repaired are the sole responsibility of the contractor.
   - 38.11. Warranty
     - 36.11.1. Contractor shall guarantee 100% coverage of the areas to be irrigated.
     - 38.11.2. Contractor shall guarantee trenches from future settlement and shall be responsible for repair of any grading and sod damage in repairing a trench for one year.
     - 38.11.3. All materials, equipment and installation shall be fully guaranteed for a period of one year from the date of final acceptance adjustments for proper operation shall be accomplished by the contractor at no cost throughout the guaranteed period. Need for adjustments will be at the discretion of the owner.

PLANT SCHEDULE SITE

DECIDUOUS TREES	QTY	BOTANICAL NAME	COMMON NAME	CONT	CAL	SIZE	DETAIL
ACE AUS	5	ACER RUBRUM 'AUTUMN BLAZE'	AUTUMN BLAZE MAPLE	B & B	2"CAL		
CER REN	1	CERCIS RENIFORMIS 'OKLAHOMA'	OKLAHOMA RED BUD	B & B	2"CAL		
MAL SNO	4	MALUS X 'SNOWDRIFT'	SNOWDRIFT CRAB APPLE	B & B	2"CAL		
ULM PAR	2	ULMUS PARVIFOLIA 'DYNASTY'	DYNASTY ELM	B & B	2"CAL		
ZEL GRE	4	ZELKOVA SERRATA 'GREEN VASE'	SAWLEAF ZELKOVA	B & B	2"CAL		

EVERGREEN TREES	QTY	BOTANICAL NAME	COMMON NAME	CONT	CAL	SIZE	DETAIL
JUN VIR	4	JUNIPERUS VIRGINIANA 'SKYROCKET'	SKYROCKET JUNIPER	B & B		6'-8" H	
PIC PAT	4	PICEA PUNGENS GLAUCA 'FAT ALBERT'	FAT ALBERT COLORADO BLUE SPRUCE	B & B		6'-8" H	
PIN THU	6	PINUS THUNBERGII	JAPANESE BLACK PINE	B & B		8'-10' H	

SHRUBS	QTY	BOTANICAL NAME	COMMON NAME	CONT	POINTS	DETAIL
EUO CO2	11	EUONYMUS ALATUS 'COLES COMPACT'	BURNING BUSH	5 GAL		
JUN CHI	28	JUNIPERUS CHINENSIS 'ARMSTRONGII'	ARMSTRONG JUNIPER	2 GAL		
SPI GO4	13	SPIRAEA X BUMALDA 'GOLDFLAME'	GOLDFLAME SPIREA	2 GAL		
TAX X M	3	TAXUS X MEDIA 'DENSIFORMIS'	DENSE YEW	5 GAL		

GROUND COVERS	QTY	BOTANICAL NAME	COMMON NAME	CONT	POINTS	SPACING
AJU BLA	2,214	AJUGA REPTANS 'BLACK SCALLOP'	BUGLEWEED	4" POT		6" o.c.
CYN PAT	24,717 S*	CYNODON DACTYLON 'PATRIOT'	PATRIOT BERMUDA GRASS	SOD		
VIN CO2	843	VINCA MINOR	COMMON PERIWINKLE	4" POT		12" o.c.

REFERENCE NOTES SCHEDULE

SYMBOL	UNIT PAVING DESCRIPTION	QTY
32-14-01	INSTALL FLAGSTONE ON FIRMED SOIL. FILL SPACES SPACES BETWEEN FLAGSTONE WITH DECOMPOSED GRANITEL.	127 SF

SYMBOL	PLANTING ACCESSORIES DESCRIPTION	QTY
32-94-02	MEDIUM BOULDER (2'-3.5" WIDE) TO BE PLACED SO THAT IT DOES NOT OBSTRUCT MEW OF VENUE BOARDS	4
32-94-03	INSTALL BED EDGING PER INDUSTRY STANDARDS	206 LF

STATE OF MISSOURI — Jason Lee Baughman — 2012038722 — LANDSCAPE ARCHITECT

Baughman Company, P.A.
Baughman
Bruun's Ice Cream & Dairy Store
Landscape
Joplin, MO

NO.	REVISION	BY
1	04/15/16	BEB
2	05/02/16	BEB

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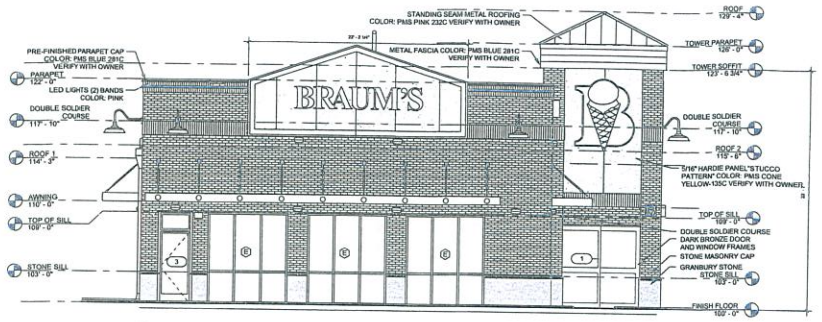
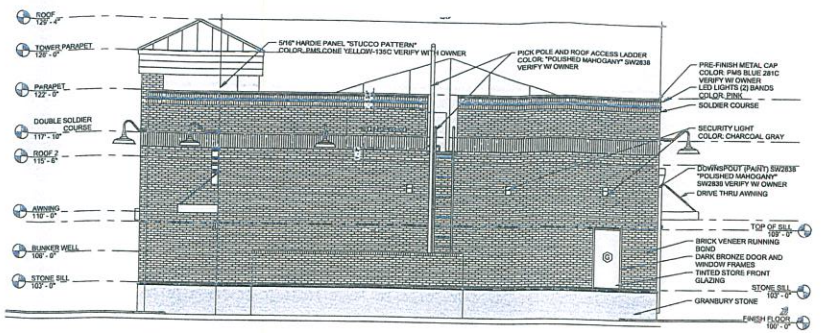
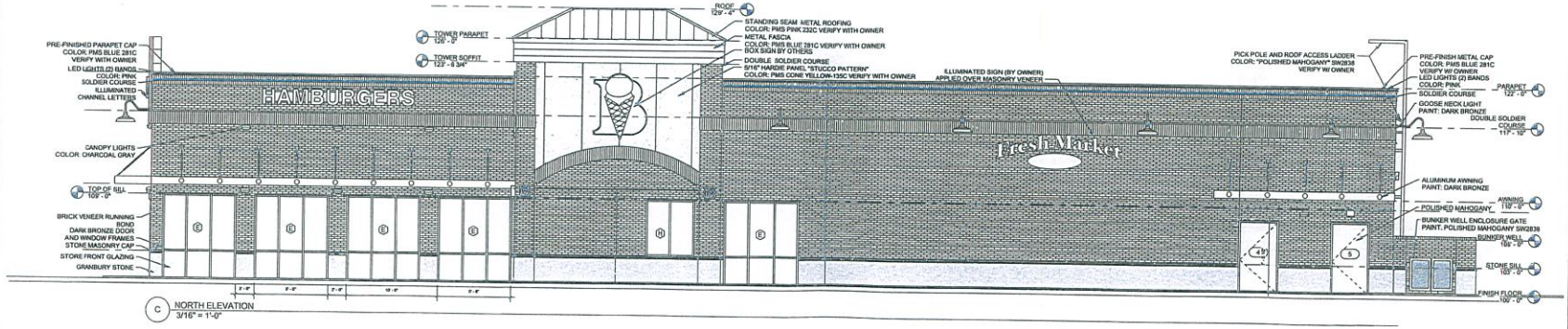


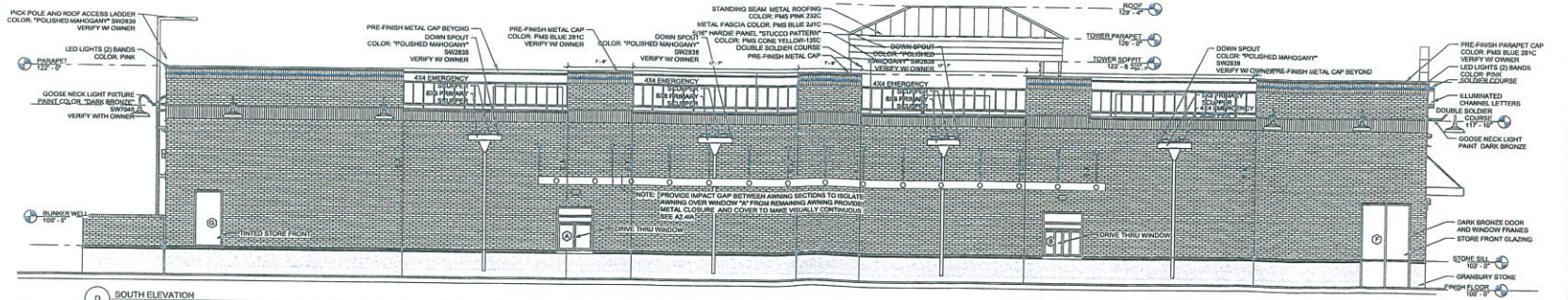
A EAST ELEVATION
3/16" = 1'-0"



B WEST ELEVATION
3/16" = 1'-0"



C NORTH ELEVATION
3/16" = 1'-0"



D SOUTH ELEVATION
3/16" = 1'-0"

Elliott Architects Inc.
Phone (405) 272-0050
Fax (405) 272-0060
Email: craiga@elliottarchitects.com

DISCIPLINE:	CONSULTANT:	ADDRESS:	PHONE
CIVIL	TANNER CONSULTING LLC	5323 S. LEWIS AVE., TULSA, OK 74105	(918) 745-9929
STRUCTURAL	S.A.I.	2240 NW 164TH ST, EDMOND, OK 73013	(405) 285-5811
MEP	P.E.C.	4150 S. 100TH ST E. AVE STE 401, TULSA, OK 74146	(918) 664-2400
LANDSCAPE	BAUGHMAN COMPANY P.A.	318 BLVD WICHITA, KS 67211	(405) 733-8719

EXTERIOR ELEVATIONS

BRAUMS STORE MODEL "XL"
11415 EAST 96TH STREET NORTH
OWASSO, OK

PROJECT: 21514			
DATE: 07/09/15			
REVISIONS #/DATE			
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2		7	
3		8	
4		9	
5		10	

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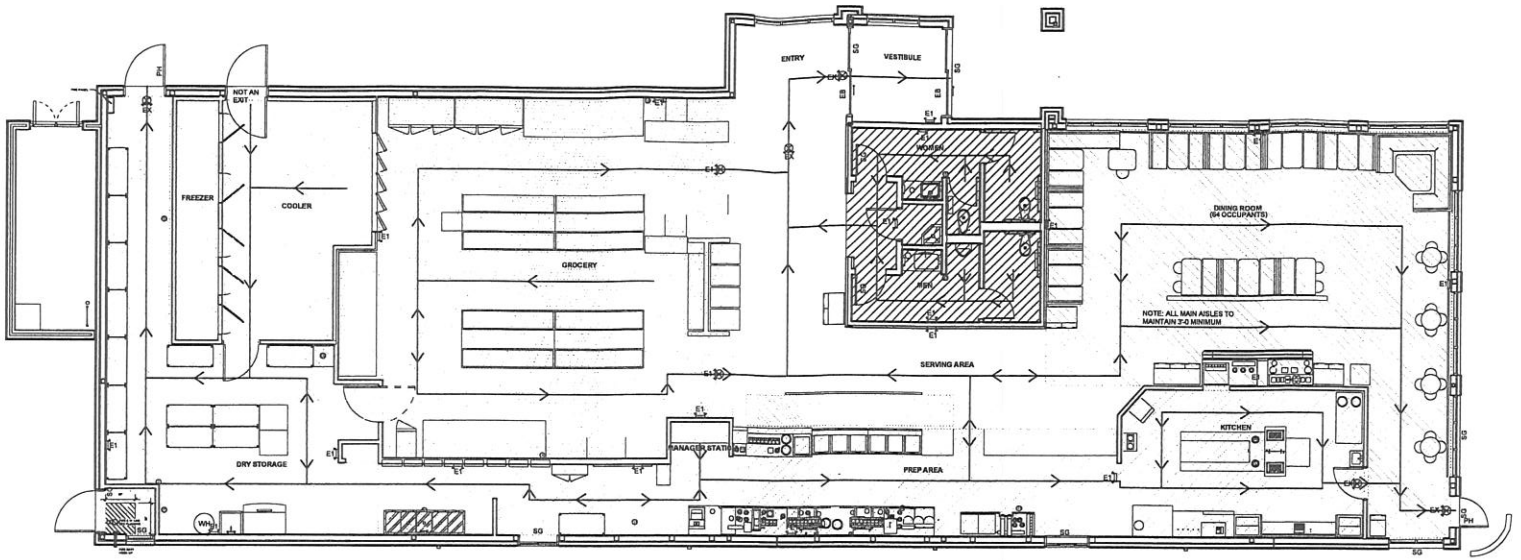

1 CODE FOOTPRINT
3/16" = 1'-0"

NOTE: DOORS ARE NOT FIRE RATED

LIFE SAFETY KEY
E1 = LOCATION OF EMERGENCY LIGHTING
EX = LOCATION OF EMERGENCY EXIT
PH = DOOR EQUIPPED WITH EMERGENCY PANIC DEVICE HARDWARE
EB = DOOR EQUIPPED WITH EMERGENCY BATTERY BACK UP
NOTE: THE ENTRY VESTIBULE DOOR SHALL COMPLY WITH INTERNATIONAL BUILDING CODE 2009 SECTION 1008.1.4.3- HORIZONTAL SLIDING DOORS AND BE PROVIDED WITH A BATTERY- BACK-UP POWER SUPPLY CONNECTED TO THE BUILDING ELECTRIC POWER.
SG =SAFETY GLAZING

OCCUPANCIES

ASSEMBLY/ DINING FIXED SEATING (IBC 1004.4)
64

ASSEMBLY/ KITCHEN 200GSF/ PERSON (IBC 1004.1.1)
1003 SF/200=5

MERCANTILE/ RETAIL 30 GSF/ PERSON (IBC 1004.1.1)
1237 SF/30=41

MERCANTILE/ STORAGE 300GSF/ PERSON (IBC 1004.1.1)
1052 SF/300=3

ASSEMBLY/ STANDING SNSF/ PERSON (IBC 1004.1.1)
65 SF/ 5= 13

TOTAL OCCUPANCY LOAD: 126

MINIMUM REQUIRED EGRESS WIDTH (IBC 1005.1) .2 X 136 = 27.2"
MINIMUM EGRESS WIDTH PROVIDED: 48"
NUMBER OF EXITS REQUIRED (IBC 1021.1): 2
NUMBER OF EXITS PROVIDED: 3
MAXIMUM EXIT TRAVEL DISTANCE ALLOWABLE (IBC 1016.1): 200FT UNSPRINKLED
250FT SPRINKLED
MAXIMUM TRAVEL DISTANCE: 100FT

CODE FOOTPRINT DATA

- ALL NEW CONSTRUCTION; COMPLETE FIRE SUPPRESSION
- NO STAIR OR SHAFT ENCLOSURES TO BE CONSTRUCTED
- NO RATED CORRIDORS CONSTRUCTED
- NO OCCUPANCY SEPARATIONS REQUIRED
- METAL STUD WALLS (NON- COMBUSTIBLE) ARE INSTALLED AT COOKING APPLIANCES WHERE PROTECTION/ CLEARANCE IS REQUIRED
- NO FIRE RATED SEPARATION WALLS ARE REQUIRED
- HORIZONTAL EXITS REQUIRE NO OPENING RATINGS
- FIRE ALARM CONTROL PANEL IS LOCATED IN THE NORTH EAST CORNER OF THE BUILDING
- FIRE DEPARTMENT SUPPLY CONNECTION IS LOCATED AT THE NORTH WEST CORNER OF THE BUILDING
- FIRE DEPARTMENT ACCESS IS PROVIDED ON ALL SIDES OF BUILDING
- REFER TO SIZE PLAN FOR DISTANCES TO PROPERTY LINE
- THERE ARE NO ADJOINING BUILDINGS WITH IN 60 FEET
- THERE ARE NO ANTICIPATED FUTURE ADDITIONS

0' 2' 4' 8' 16'

CODE FOOTPRINT DATA

- TYPE OF CONSTRUCTION: NEW
- REASON FOR SUBMITTAL: NEW CONSTRUCTION
- LOCATION: ELDORADO PARKWAY AND HUDSON CROSSING MCKINNEY, TX
- OWNER INFORMATION: RETAIL BUILDINGS INC; 3000 NE 63RD ST. OKLAHOMA CITY, OK 73121
- DATE OF PLAN EDITION: 09/15/14
- NAME OF LOCAL FIRE DEPARTMENT (PROVIDING SERVICE): MCKINNEY
- NAME OF LOCAL BUILDING INSPECTION DEPARTMENT (WHEN AVAILABLE): CITY OF MCKINNEY

EACH PORTION OF A BUILDING ON EACH SIDE ON A COMPLIANT FIRE RESISTIVE AREA SEPARATION WALL SHALL PROVIDE NARRATIVE INFORMATION ON THE SUBMITTED SHEET RELATED TO THE FOLLOWING:

- NEW OR EXISTING- NOT APPLICABLE; NO FIRE SEPARATION AREAS REQUIRED
- EACH OCCUPANCY GROUP AND TYPE
- TYPE OF CONSTRUCTION
- TOTAL ALLOWED AREA PER FLOOR
- ACTUAL FLOOR AREA
- APPROXIMATE GRADE ELEVATION AT EACH CORNER OF THE BUILDING AND FINISHED FLOOR
- ALLOWED STORIES AND HEIGHT LIMITATIONS
- ACTUAL HEIGHT
- MIXED RATIO CALCULATIONS AS REQUIRED.

STRUCTURAL FIRE PROTECTION RATINGS (IBC TABLE 601)

- INTERIOR BEARING WALLS: NONE
- EXTERIOR BEARING WALLS: NONE
- EXTERIOR NON-BEARING WALLS: 1 HOUR
- STRUCTURAL FRAME; NONE
- PERMANENT PARTITIONS: 1 HOUR
- SHAFT ENCLOSURES: NONE
- FLOORS: SLAB ON GRADE
- ROOFS: NONE
- EXTERIOR OPENINGS: NONE
- PROPOSED UL, FM, OR OTHER FIRE ASSEMBLY NUMBERS (IF AVAILABLE) - N/A

FIRE SAFETY FEATURES: INCLUDE SPRINKLERS, FIRE ALARMS, FIRE EXTINGUISHERS, SMOKE DETECTORS, BATTERY EMERGENCY LIGHTING, EXIT LIGHTS, HOOD SUPPRESSION SYSTEMS, FIRE LANES, DISCONNECT SWITCH LOCATIONS, AND FIRE DEPARTMENT CONNECTIONS.

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423 N.W. 6th Street Oklahoma City, Oklahoma 73106
Phone: (405) 272-0303
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e-mail: contact@elliottarchitects.com

DISCIPLINE:	CONSULTANT:	ADDRESS:	PHONE:
CIVIL	TURNER CONSULTING LLC	5233 S. LEWIS AVE., TULSA, OK 74105	(918) 745-9929
STRUCTURAL	T.B.A.	2504 NW 164TH ST, EDMOND, OK 73013	(405) 285-5511
MECHANICAL	P.E.C.	4100 S. 100TH EST E. AVE STE. 401, TULSA, OK 74146	(918) 664-5400
ELECTRICAL	P.E.C.	4100 S. 100TH EST E. AVE STE. 401, TULSA, OK 74146	(918) 664-5400
PLUMBING	P.E.C.	4100 S. 100TH EST E. AVE STE. 401, TULSA, OK 74146	(918) 664-5400

CODE FOOT PRINT

BRAUMS STORE MODEL "XL"
96TH AND GARNETT
OWASSO, OK

PROJECT: 21514
DATE: 02/23/15
REVISIONS #/DATE

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Case 025-16: Northwest corner of 26th Street and Main Street – A request to rezone from R-1 (Single-Family Residential) and C-3 (Commercial) to C-3-PD (Planned Commercial Development) – Joplin Redevelopment Corporation.

Mr. Duncan opened the public hearing for Case 025-16.

Ms. Taylor Cunningham, 602 South Main Street, appeared representing the City of Joplin and the Joplin Redevelopment Corporation (JRC) to rezone property located at the northwest corner of 26th and Main Streets. A portion of the land is zoned C-3, with the remainder being zoned R-1. The R-1 parcel must be rezoned for future commercial development. The JRC is requesting this property be rezoned to District C-3-PD in accordance with the Comprehensive Plan since it sits on both 26th Street and Main Street, which are two of the planned development corridors.

Pending rezoning and the subsequent easement vacation in Case 026-16, the site will be developed by Braum's for a second restaurant location in Joplin. The easement vacation will allow Braum's to construct their building without encroaching on the utility easement. Once this easement is vacated, the utilities will then be relocated along Joplin Avenue. The rezoning is contingent upon a site plan approval process, with development plans being included in the agenda packet.

Mr. Duncan found an error on the building elevations. Ms. Cunningham stated the architect for Braum's will be changing the elevations prior to the City Council meeting.

Mr. Duncan asked for comments from the commissioners and the audience, and none were received. He then closed the public hearing for Case 025-16.

MR. DERMOTT MOVED, SECONDED BY MR. RAMSOUR, THAT CASE 025-16 BE FORWARDED TO THE CITY COUNCIL WITH RECOMMENDATION FOR APPROVAL, BASED UPON THE COMMENTS RECEIVED IN THE PLANNING REPORT AND DURING THE PUBLIC HEARING. THE MOTION CARRIED, WITH MR. BROWN, MS. BRUECKNER-SEARS, MR. DERMOTT, MR. DUNCAN, AND MR. RAMSOUR VOTING "AYE"; AND WITH MR. CORTEZ AND MR. SMITH BEING ABSENT (5 IN FAVOR, 2 ABSENT).

City of **JOPLIN** City Council Agenda Item

Requested Council Meeting Date: August 15, 2016

Item: COUNCIL BILL NO. 2016-272
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: 8/1/2016

Recommended Action: Planning and Zoning Commission recommended approval by a vote of "5 in favor, 2 absent"

SUMMARY/REQUEST:
Case 026-16: Northwest corner of 26th Street and Main Street – A request to vacate a twenty (20) foot utility easement described as follows – Joplin Redevelopment Corporation.

STAFF SUMMARY:
The Joplin Redevelopment Corporation is requesting the vacation of a utility easement at the northwest corner of 26th Street and Main Street. Pending rezoning and site plan approval, this site will be developed by Braum's. The utilities that are currently in this easement will be relocated, with the sanitary sewer line running along Joplin Avenue.

Staff recommends approval of Case 026-16.

PLANNING & ZONING COMMISSION TESTIMONY:
Ms. Taylor Cunningham appeared representing the City of Joplin and the Joplin Redevelopment Corporation (JRC) to request the vacation of the utility easement so the developer will be able to relocate utilities on the west side of the property. The building will be constructed on the edge of the current easement, but through traffic will still be allowed in the alley. Once all the utilities are relocated, a new easement will be dedicated to the City of Joplin.

Mr. Duncan asked if the existing alley lines up with the north and south entrances for Braum's, and Ms. Cunningham replied the entrances will still align with the alley.

PUBLIC COMMENT:
None.

P & Z Case 026-16
Joplin Redevelopment Corporation
(P & Z Recommended Approval)

COUNCIL BILL NO. 2016-272 ORDINANCE NO.

AN ORDINANCE providing for the vacation of a 20-foot wide public utility easement located at the northwest corner of 26th Street and Main Street in the City of Joplin, Jasper County, Missouri.

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

Section 1. That all that part of a 20-foot wide public utility easement located at the northwest corner of 26th Street and Main Street in the City of Joplin, Jasper County, Missouri, described as follows is hereby vacated, conveyed, relinquished, and reverted to the owners of the abutting lots and land:

RUNNING NORTH AND SOUTH LOCATED BETWEEN 25TH STREET AND 26TH STREET BOUNDED ON THE WEST BY LOTS EIGHTEEN (18) TO TWENTY-THREE (23) IN O'KEEFE'S SECOND ADDITION AND BOUNDED ON THE EAST BY LOTS ONE HUNDRED AND SIXTY-TWO (162) TO ONE HUNDRED AND SIXTY-SEVEN (167) IN O'KEEFE'S FIRST ADDITION ALL IN THE CITY OF JOPLIN, JASPER COUNTY, MISSOURI.

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

Z&P Meeting: August 1, 2016
City Council Meeting: August 15, 2016

STAFF PLANNING REPORT

Vacation

CASE 026-16 A request for the vacation of a utility easement

APPLICANT Joplin Redevelopment Corporation

REPRESENTATIVE City of Joplin

LOCATION Northwest corner of 26th Street and Main Street

EXISTING CONDITIONS

Easement Type(s)	Easement Size
Street	20ft x 310ft

REASON FOR VACATION

Future development of the site requires some construction within the utility easement and relocation of the utilities.

UTILITIES CURRENTLY LOCATED IN THE EASEMENT? Yes. They will be relocated.

UTILITIES PLANNED TO LOCATE IN THE EASEMENT? No.

DISCUSSION

The Joplin Redevelopment Corporation is requesting the vacation of a utility easement at the northwest corner of 26th Street and Main Street. Pending rezoning and site plan approval, this site will be developed by Braum's. The utilities that are currently in this easement will be relocate, with the sanitary sewer line running along Joplin Avenue.

Staff recommends approval of Case 026-16.

ENCLOSURES

Application

Site Plan

CITY OF JOPLIN
APPLICATION FOR VACATION OF STREET OR RESERVATION

Please return form to:
Joplin City Hall
Planning Division, 4th Floor
602 South Main Street
Joplin Missouri, 64801
Phone: 417-624-0820, ext. 511
Fax: 417-625-4738

For office use only

Case Number	026-16
Filing Fee	$450.00
Date Advertised	
Date Notices Sent	
P&Z Date	8-4-16
City Council Date	8-15-16

I. Applicant Name: Joplin Redevelopment Corporation Phone: 417-624-0820

If more than one property applicant, please submit additional names, address and phone numbers on attached sheet(s)

Address: 602 S Main St, Joplin, MO Zip: 64801

Email: TCunning@joplinmo.org

II. Type of vacation requested (check all that apply):

Street Vacation____

Alley Vacation____

Utility vacation__X__

Other (Please specify)____

III. Legal Description of area requested to be vacated: A request to vacate a twenty (20) foot utility easement running north and south located between 25th Street and 26th Street bounded on the west by lots eighteen (18) to twenty-three (23) in O'Keefe's second addition and bounded on the east by lots one hundred and sixty-two (162) to one hundred and sixty-seven (167) in O'Keefe's first addition all in the City of Joplin, Jasper County, Missouri.

IV. Please indicate below the extent to which the following standards are met, in the applicant's opinion.

1. Private rights will not be injured or endangered by the vacation.

   All of the lots located within the legal description are owned by the applicant. There will be no private property impacted by this vacation.

2. The vacation will not cause the public to suffer a loss or inconvenience.

   All of the lots located within the legal description are owned by the applicant. The public will not suffer a loss or inconvenience.

3. In justice to the applicant(s) the vacation should be granted.

   The utility easement vacation will allow the property to be developed without encumbrance. These utilities will be relocated with the dedication of a new utility easement.

V. Required Attachments:

1. Affidavit(s) from each owner of land adjoining said area that is proposed to be vacated, whom are not listed as an applicant, indicating their consent to the vacation.

2. Survey or such other drawing acceptable to the Planning / Community Development Manager depicting the street, alley or public reservation sought to be vacated and the properties and property ownerships surrounding said street, alley or public reservation.

3. Affidavit(s) from the following private utility companies indicating their consent to vacate the easement(s). The following private companies must be contacted and consent to the vacation before the request can be advertised for public hearing.

a.) MGE Missouri Gas Energy	(800) 582-1234
b.) Empire District Electric Company	(417) 624-0300
c.) Cable One	(417) 624-6340
d.) MO American Water Company	(800) 256-6426
e.) AT&T	(800) 464-7928
f.) Republic Services (Trash)	(800) 431-1507

SIGNATURE: _____ DATE: 7-28-16

BY: FRED OSBORN

TITLE: CHAIRMAN - JRC

A request to vacate a twenty (20) foot utility easement running north and south located between 25th Street and 26th Street bounded on the west by lots eighteen (18) to twenty-three (23) in O'Keefe's second addition and bounded on the east by lots one hundred and sixty-two (162) to one hundred and sixty-seven (167) in O'Keefe's first addition all in the City of Joplin, Jasper County, Missouri.

ALL OF LOTS EIGHTEEN (18) THROUGH TWENTY-ONE (21) IN O'KEEFE'S SECOND ADDITION TO THE CITY OF JOPLIN, JASPER COUNTY, MISSOURI ACCORDING TO THE RECORDED PLAT THEREOF.



Case 026-16: Northwest Corner of 26th Street and Main Street - request to vacate a 20' utility easement - Joplin Redevelopment Corporation.

Case 026-16: Northwest corner of 26th Street and Main Street – A request to vacate a twenty (20) foot utility easement described as follows – Joplin Redevelopment Corporation.

Mr. Duncan opened the public hearing for Case 026-16.

Ms. Taylor Cunningham, 602 South Main Street, appeared representing the City of Joplin and the JRC to request the vacation of the utility easement so the developer will be able to relocate utilities on the west side of the property. The building will be constructed on the edge of the current easement, but through traffic will still be allowed in the alley. Once all the utilities are relocated, a new easement will be dedicated to the City of Joplin.

Mr. Duncan asked if the existing alley lines up with the north and south entrances for Braum's, and Ms. Cunningham replied the entrances will still align with the alley.

Mr. Duncan asked for comments from the commissioners and the audience, and none were received. He then closed the public hearing for Case 026-16.

MR. BROWN MOVED, SECONDED BY MS. BRUECKNER-SEARS, THAT CASE 026-16 BE FORWARDED TO THE CITY COUNCIL WITH RECOMMENDATION FOR APPROVAL, BASED UPON THE COMMENTS RECEIVED IN THE PLANNING REPORT AND DURING THE PUBLIC HEARING. THE MOTION CARRIED, WITH MR. BROWN, MS. BRUECKNER-SEARS, MR. DERMOTT, MR. DUNCAN, AND MR. RAMSOUR VOTING "AYE"; AND WITH MR. CORTEZ AND MR. SMITH BEING ABSENT (5 IN FAVOR, 2 ABSENT).

CITY OF JOPLIN
CITY COUNCIL MEETING
MINUTES August 1, 2016

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

INVOCATION - read by City Clerk Barbara Hogelin

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

ROLL CALL – Answering Roll Call were: Melodee Colbert-Kean, Dan McCreary, Gary Shaw, Ryan Stanley, Phil Stinnett and Jim West. Also in attendance were City Manager Sam Anselm and City Attorney Peter Edwards. Motion by Mr. Shaw to excuse Miranda Lewis, from this council meeting, finding that the cause of her absences is acceptable to this Council. Voting in favor were Council Members: Colbert-Kean, McCreary, Shaw, Stanley, Stinnett, West 6. Nays: 0. Motion by Mr. West, to excuse Mr. Brown, from this council meeting. Voting in favor were Council Members: McCreary Seibert, Shaw, Stanley, Stinnett, West 6. Nays: 0. Motion by Mr. West to excuse Mr. Brown. Voting in favor were Council Members: McCreary Seibert, Shaw, Stanley, Stinnett, West 6. Nays: 0. Motion by Ms. Colbert-Kean to excuse Mayor Seibert. Voting in favor were Council Members: McCreary Seibert, Shaw, Stanley, Stinnett, West 6. Nays: 0.

PRESENTATIONS

REPORTS AND COMMUNICATIONS
Bi-annual insurance report by Segal Co. – The Segal Co. presented the bi-annual insurance report to the city council.

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

CITIZEN REQUESTS AND PETITIONS
Rod Harsh, 1200 N. Rangeline Rd # 202, requests to address Council regarding the Low Water Bridge Committee Presentation. Mr. Harsh, 1200 N. Rangeline talked about the low water bridge and why the old bridge should be saved. City Manager reported the city is waiting on a hydrology study from public works.

PUBLIC HEARINGS
Public Hearing Procedures read by City Clerk Barbara Hogelin

PUBLIC HEARING for COUNCIL BILL NO. 2016-012 - AN ORDINANCE approving a plan for an industrial development project (heartland pet food manufacturing project), consisting of the acquisition, construction, improvement and equipping of an expansion of a pet food manufacturing

facility for Heartland Pet Foods Manufacturing, Inc., a Delaware corporation; authorizing the city of Joplin, Missouri to issue its taxable industrial development revenue bonds (Heartland Pet Foods Manufacturing Project), series 2016, in a principal amount not to exceed $83,250,000 to finance the costs of such project; authorizing and approving certain documents; and authorizing certain other actions in connection with the issuance of the bonds. (Action will be taken under First Reading).

Mayor ProTem Stanley opened the Public Hearing

Rob O'Brian, appeared in favor of this item. Mike Schultz, Brian Cord, and Tedd Easel appeared in favor of this item.
Kurt Higgins, appeared in favor of this item.
Richard Volk, appeared in favor of this item.
Linda Rook, appeared in favor of this item.
Kevin Theilan appeared in favor of this item.

No one appeared in opposition of this request.

The public hearing was closed.

PUBLIC HEARING FOR COUNCIL BILL NO. 2016-269 - 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 C-1 property as described below and located at 2201 North Main Street in the City of Joplin, Jasper County, Missouri.

Mayor ProTem Stanley opened the Public Hearing

Ryan Claybourn, appeared in favor of this item.
Mr. Shire, appeared in favor of this item

No one appeared in opposition of this request.

The public hearing was closed.

Mr. Shaw introduced Council Bill No. 2016-269. Motion by Mr. Shaw, second by Mr. McCreary that Council Bill No. 2016-269 be Placed on First Reading and Advanced to Second Reading and Third Reading. Voting in favor were Council Members: Colbert-Kean, McCreary, Shaw, Stanley, Stinnett and West, 6. Nays: 0. Absent: 3, Brown, Lewis, Seibert.

PUBLIC HEARING FOR COUNCIL BILL NO. 2016-270 - 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-2 property as described below and located at 2024 Maryland Avenue, 2025 Maryland Avenue, and 2119 Maryland Avenue in the City of Joplin, Jasper County, Missouri.

Mayor ProTem Stanley opened the Public Hearing

Eric Allphin, 1267 Granby, MO, appeared in favor of this item.

Sharon Wheeler, Joplin, 2121 McConnell, appeared in opposition of this request.
Margaret Kannady, 2211 McConnell, appeared in opposition to this request.

The public hearing was closed.

Mr. West introduced Council Bill No. 2016-270. Motion by Mr. West, that Council Bill No. 2016-270 be Placed on First Reading and Advanced to Second Reading and Third Reading. Motion by Mr. Stinnett, second by Ms. Colbert-Kean that Council Bill No. 2016-270 be Denied. Voting in favor were Council Members: Colbert-Kean, McCreary, Shaw, Stinnett 4. Nays: 2, Stanley, West. Absent: 3, Brown, Lewis, Seibert.

PUBLIC HEARING FOR RESOLUTION NO. 2016-016 -A RESOLUTION granting a Special Use Permit (First Request) to Yvonne Vonderosa for the operation of a day care home located at 2306 Xenia Street, in the City of Joplin, Jasper County, Missouri.

Mayor ProTem Stanley opened the Public Hearing

No one appeared in favor of or in opposition of this item.

The public hearing was closed.

Mr. West introduced RESOLUTION NO. 2016-016 -A RESOLUTION granting a Special Use Permit (First Request) to Yvonne Vonderosa for the operation of a day care home located at 2306 Xenia Street, in the City of Joplin, Jasper County, Missouri. (Requested by Yvonne Vonderosa. (Planning and Zoning recommended Tabling this Request) Motion by Mr. West, second by Mr. McCreary that Resolution No. 2016-016 be Tabled. Voting in favor were Council Members: Colbert-Kean, McCreary, Shaw, Stanley, Stinnett and West, 6. Nays: 0. Absent: 3, Brown, Lewis, Seibert.

PUBLIC HEARING FOR RESOLUTION NO. 2016-017 - A RESOLUTION granting a Special Use Permit (First Request) to Rachel and Stephen Grindle for the operation of a Bed and Breakfast located at 602 North Wall Avenue, in the City of Joplin, Jasper County, Missouri.

Mayor ProTem Stanley opened the Public Hearing

Stephen Grindle, 602 N. Wall appeared in favor of this item.

No one appeared in opposition of this request.

The public hearing was closed.

Mr. Stinnett introduced RESOLUTION NO. 2016-017 - A RESOLUTION granting a Special Use Permit (First Request) to Rachel and Stephen Grindle for the operation of a Bed and Breakfast located at 602 North Wall Avenue, in the City of Joplin, Jasper County, Missouri. Motion by Mr. Stinnett, second by Ms. Colbert-Kean that Resolution No. 2016-017 be Approved. Voting in favor were Council Members: Colbert-Kean, McCreary, Shaw, Stanley, Stinnett and West, 6. Nays: 0. Absent: 3, Brown, Lewis, Seibert.

CONSENT AGENDA – Motion by Mr. Shaw, second by Mr. Stinnett to approve the Consent Agenda. Voting in favor were Council Members: Colbert-Kean, McCreary, Shaw, Stanley, Stinnett and West, 6. Nays: 0. Absent: 3, Brown, Lewis, Seibert.

Minutes of the July 18, 2016 Council Meeting

COUNCIL BILL NO. 2016-365 - an ordinance approving an Agreement by and between the City of Joplin, Missouri, and HS Baking Enterprises, LLC; and, authorizing the City Manager or his designee, the Director of Planning, Development, and Neighborhood Services to execute the same by and on behalf of the City of Joplin, Missouri. **Ordinance No. 2016-111**

RESOLUTIONS

ORDINANCES - EMERGENCIES

Mr. Shaw introduced COUNCIL BILL NO. 2016-013 - an ordinance approving a Purchase Order to be issued to Microsoft Corporation to cover the annual support payment for the Public Safety and Financial software and related systems as budgeted in the Annual Budget of the City of Joplin for the Fiscal Year 2015-2016 as adopted by Ordinance 2015-168 on October 19, 2015; and containing an emergency clause. Motion by Mr. Shaw, second by Mr. West that Council Bill No. 2016-013 be approved on an emergency basis. Voting in favor were Council Members: Colbert-Kean, McCreary, Shaw, Stanley, Stinnett and West, 6. Nays: 0. Absent: 3, Brown, Lewis, Seibert. The Council Bill was declared Adopted and entitled **Ordinance No. 2016-112**

Mr. West introduced COUNCIL BILL NO. 2016-134 - an ordinance amending Chapter 114, Traffic Section 114-822, Specific Speed Limits, of the Code of Ordinances of the City of Joplin, Missouri to amend the speed limit on Indiana Avenue from 23rd Street to 24th Street to 25 m.p.h.; and containing an emergency clause. Motion by Mr. West, second by Mr. McCreary that Council Bill No. 2016-134 be approved on an emergency basis. Voting in favor were Council Members: Colbert-Kean, McCreary, Shaw, Stanley, Stinnett and West, 6. Nays: 0. Absent: 3, Brown, Lewis, Seibert. The Council Bill was declared Adopted and entitled **Ordinance No. 2016-113**

Mr. Shaw introduced COUNCIL BILL NO. 2016-135 - an ordinance approving Work Authorization HDR-OC-03 for HDR Engineering, Inc., for Three Hundred Twenty-One Thousand and no/100 Dollars ($321,000.00) for design and construction management of the Wildwood Business Park Sanitary Sewer project, and containing an emergency clause. Motion by Mr. Shaw, second by Ms. Colbert-Kean that Council Bill No. 2016-135 be approved on an emergency basis. Voting in favor were Council Members: Colbert-Kean, McCreary, Shaw, Stanley, Stinnett and West, 6. Nays: 0. Absent: 3, Brown, Lewis, Seibert. The Council Bill was declared Adopted and entitled **Ordinance No. 2016-114**

Mr. Stinnett introduced COUNCIL BILL NO.2016-366 - 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 506 S. Cox in the City of Joplin, Missouri, for the amount of One Thousand Nine Hundred Forty-Nine and 00/100 Dollars (1,949.00); providing how the cost thereof shall be paid; how the assessment thereof shall be made; and containing an emergency clause. Motion by Mr. Stinnett, second by Mr. West that Council Bill No. 2016-366 be approved on an emergency basis. Voting in favor were Council Members: Colbert-Kean, McCreary, Shaw, Stanley, Stinnett and West, 6. Nays: 0. Absent: 3, Brown, Lewis, Seibert. The Council Bill was declared Adopted and entitled **Ordinance No. 2016-115**

Mr. Stinnett introduced COUNCIL BILL NO.2016-367 - 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 315 N. Wall in the City of Joplin, Missouri, for the amount of Two Thousand Seven Hundred Forty-Nine and 00/100 Dollars (2,749.00); providing how the cost thereof shall be paid; how the assessment thereof shall be made; and containing an emergency clause. Motion by Mr. Stinnett, second by Mr. McCreary that Council Bill No. 2016-367 be approved on an emergency basis. Voting in favor were Council Members: Colbert-Kean, McCreary, Shaw, Stanley, Stinnett and West, 6. Nays: 0. Absent: 3, Brown, Lewis, Seibert. The Council Bill was declared Adopted and entitled **Ordinance No. 2016-116**

ORDINANCES – FIRST READING

Mr. Stinnett introduced COUNCIL BILL NO. 2016-011 - an ordinance re-adopting Chapter 2, Administration, of the Joplin City Code, Section 2-107, "Financial interest disclosure", requiring certain officials and employees of the City of Joplin to file Financial Interest Disclosure Statements as described herein. Motion by Mr. Stinnett, second by Mr. Shaw to Pass Council Bill No. 2016-011 on First Reading and Advance to Second and Third Reading. Voting in favor were Council Members: Colbert-Kean, McCreary, Shaw, Stanley, Stinnett and West, 6. Nays: 0. Absent: 3, Brown, Lewis, Seibert. The Bill was read as being **Council Bill No. 2016-011**.

Mr. West introduced COUNCIL BILL NO. 2016-012 - an ordinance approving a plan for an industrial development project (Heartland Pet Food manufacturing project), consisting of the acquisition, construction, improvement and equipping of an expansion of a pet food manufacturing facility for Heartland Pet Foods Manufacturing, Inc., a Delaware corporation; authorizing the city of Joplin, Missouri to issue its taxable industrial development revenue bonds (Heartland Pet Foods Manufacturing Project), series 2016, in a principal amount not to exceed $83,250,000 to finance the costs of such project; authorizing and approving certain documents; and authorizing certain other actions in connection with the issuance of the bonds. Motion by Mr. West, second by Mr. Shaw to Pass Council Bill No. 2016-012 on First Reading and Advance to Second and Third Reading. Voting in favor were Council Members: Colbert-Kean, Shaw, Stanley, Stinnett and West, 5. Nays: 1, McCreary. Absent: 3, Brown, Lewis, Seibert. The Bill was read as being **Council Bill No. 2016-012**.

Mr. West introduced COUNCIL BILL NO. 2016-369 - an ordinance approving an Agreement between the City of Joplin, Missouri, and Missouri Highway and Transportation Commission which will provide FHWA Metropolitan Planning Assistance and FTA Section 5303 assistance, hereafter known as Consolidated Planning Funds, from November 1, 2015, through October 31, 2016, in accordance with the rules of the U.S. Department of Transportation, Federal Transit Administration (FTA) and Federal Highway Administration (FHWA) under 49 U.S.C. Section 5303 and 23 U.S. Code Sections 104(F) and 134 to conduct comprehensive and transportation planning programs, as the City of Joplin has been designated to conduct transportation planning programs for the Joplin Area Transportation Study Organization; authorizing the City Manager to execute said Agreement for the City. Motion by Mr. West, second by Mr. Stinnett to Pass Council Bill No. 2016-369 on First Reading and Advance to Second and Third Reading. Voting in favor were Council Members: Colbert-Kean, McCreary, Shaw, Stanley, Stinnett and West, 6. Nays: 0. Absent: 3, Brown, Lewis, Seibert. The Bill was read as being **Council Bill No. 2016-369**.

Mr. Stinnett introduced COUNCIL BILL NO. 2016-370 - an ordinance authorizing the City of Joplin to enter into an Agreement with Gould Evans Affiliates for Planning Services relating to the

update of the City of Joplin Zoning Code; authorizing the City Manager to execute said Agreement for the City, and amending the Annual Budget of the City of Joplin for the Fiscal Year 2015-2016 as adopted by Ordinance 2015-168 on October 19, 2015. Motion by Mr. Stinnett, second by Mr. Shaw to Pass Council Bill No. 2016-011 on First Reading and Advance to Second and Third Reading. Voting in favor were Council Members: McCreary Colbert-Kean, Shaw, Stanley, Stinnett, West 6. Nays: 0. Absent: 3, Brown, Seibert, Lewis. The Bill was read as being **Council Bill No. 2016-370**.

ORDINANCES – SECOND AND THIRD READING

Mr. West introduced COUNCIL BILL NO. 2016-132 - an ordinance declaring a public necessity for the acquisition by condemnation proceedings of real property and easements from property described as, All that part of the Southeast Quarter of the Southeast Quarter of Section 13, Township 27 North, Range 33 West, City of Joplin, Jasper County, Missouri, being all that part of the tract of land described in the General Warranty Deed duly recorded in the Jasper County Recorder's Office in Deed Book 1802, at Page 715, for the construction of public road and storm water public improvements near 29th and Arizona Avenue, directing the City Attorney to commence an action to obtain said property. Motion by Mr. West, second by Ms. Colbert-Kean to Pass Amended Council Bill No. 2016-132 on Second Reading and Advance to Third Reading and Pass. Voting in favor were Council Members: Colbert-Kean, McCreary, Shaw, Stinnett, West 5. Nays: 0. Absent: 3, Brown, Lewis, Seibert. Abstention: 1, Stanley. The Bill was declared adopted and entitled **Ordinance No. 2016-117**

UNFINISHED BUSINESS

NEW BUSINESS:

Set the date for the public hearing on the FY 2016-17 proposed budget for August 15, 2016. Motion by Mr. Shaw, second by Mr. West, to set August 15, 2016 for the public hearing on the FY 2016-17 proposed budget. Voting in favor were Council Members: Colbert-Kean, McCreary, Shaw, Stanley, Stinnett and West, 6. Nays: 0. Absent: 3, Brown, Lewis, Seibert.

Set the date for the public hearing on the property tax rate for August 29, 2016.Motion by Mr. Shaw, second by Mr. West, to set August 29, 2016 for the public hearing on the property tax rate. Voting in favor were Council Members: Colbert-Kean, McCreary, Shaw, Stanley, Stinnett and West, 6. Nays: 0. Absent: 3, Brown, Lewis, Seibert.

Appointments/Reappointments to Boards and Commissions – Mr. McCreary left the meeting due to travel commitment at 8:41. pm. Motion by Mr. Stinnett, second by Mr. Shaw to postpone board/commission appointments until the next council meeting. Voting in favor Council Members: Colbert-Kean, Shaw, Stanley, Stinnett and West, 4. Nays: 0. Absent: 4, Brown, Lewis, McCreary, Seibert, 4.

News from the PIO

The public is invited to an Open House Meeting to discuss the widening of 32nd Street from Schifferdecker Avenue to Central City Road. The meeting will be held from 5 p.m. to 7 p.m. Tuesday, August 2 in the Parish Center of St. Mary's Catholic Church located at 32nd and Central City Road. Residents are encouraged to attend this meeting and talk with City staff about their thoughts on the preliminary plans that have been developed for the project. If citizens are unable to

attend this public meeting, they may also contact the engineering department to make other arrangements at 624-0820 ext. 536.

Save the date of August 9 to join City officials, Mercy Joplin representatives, and others who have been a part of the development of Joplin's newest park. A Ribbon Cutting with the Joplin Area Chamber of Commerce will be held at 9:30 a.m. on Tuesday, August 9 at the Park's main pavilion near the lake. Entrance to the park and its parking lot is just south of 26th Street, on St. John's Boulevard. We hope everyone can come out to celebrate the opening of our newest park.

Citizens are reminded that tomorrow is the Missouri Primary Election. In addition, the City has Proposition A on the ballot. More information about Proposition A can be found on the City's website at joplinmo.org. Polls in Joplin will be open from 6 a.m. to 7 p.m. and we encourage citizens to please take time to vote.

Vote to go into closed session, which shall pertain to legal action, causes of action, or litigation including a public governmental body and any confidential or privileged communications between a governmental body or its representatives and its attorneys pursuant to state law, and to discuss leasing, purchase or sale of real estate by a governmental body where public knowledge of the transaction might adversely affect the legal consideration thereof, pursuant to state law; as set forth in Section 610.021 (1) (2) RSMo, as amended, 2015. This meeting, record, and vote be closed. Council shall adjourn at the end of the session. Motion by Mr. Shaw, Second by Mr. Stinnett to go in closed session. Voting in favor were Council Members: Colbert-Kean, Shaw, Stanley, Stinnett and West, 5. Nays: 0. Absent: 4, Brown, Lewis, McCreary, Seibert.

There being no further business the meeting adjourned at 7:40 p.m.

Submitted,

Barbara L. Hogelin, MMC/MPCC, City Clerk

City of **JOPLIN** City Council Agenda Item

Requested Council Meeting Date: August 15, 2016
Council Bill No. 2016- 136
Item: Agreement with Olsson & Associates for Engineering Services Contract
Originating Department: Public Works- Engineering

Attachments: 1) Council Bill No. 2016- 136
2) Olsson Agreement
3) Location Map

Public Works: Nick Heatherly
Finance Department: Leslie Haase
City Attorney: Peter Edwards
City Manager: Samuel Anselm

Recommended Action: Approval of the Agreement with Olsson & Associates in the not to exceed amount of $162,000.00 for Design Engineer Services Associated with the Main Street Sidewalk from 11th street to 15th street.

Background:
On June 23, 2016 the Joplin Area Transportation Study Organization (JATSO) approved funding for the design work for Sidewalk improvements on Main Street from 11th street to 15th street. The Funding category is the STP Small Urban & will be through MoDot & the Federal Highway Administration. Local match will be 20 %.

DISCUSSION:
By state statue the qualification based selection was used for procurement. The city advertised in accordance with city procurement policy for on call consulting services in seven categories including Transportation Design Engineering Services. Fifteen (15) firms expressed interest in providing these services. Three firms were selected to provide this Service. Olsson & Associates was selected from that group as being one the best qualified to provide these particular services. Their firm is providing the Engineering services for the Main Street Improvements from 15th street south. The design fee is within acceptable limits for this type of design.

RECOMMENDATION:
Approval of the Agreement with Olsson & Associates in the not to exceed amount of $162,000.00 for Design Engineering services for the sidewalk improvements along Main Street from 11th street to 15th street. City Staff recommends the approval of this Council Bill on an emergency basis in accordance with Section 2.12(6) of the Home Rule Charter of the City of Joplin, Missouri, in that said ordinance deals with public health and safety issues. This Council Bill will amend the budget for revenues and expenditures in the amount of $162,000.00.

CITY		ENGINEER	
CITY OF JOPLIN 602 S. MAIN STREET JOPLIN, MO 64801		Name: Olsson Associates Address: 702 South Main Street Joplin, MO 64801	
Attention:		Attention: Clayton Cristy, PE	
Department:		Phone: 417-781-0643	Fax: 417-781-4714
Phone:	Fax:	On-Call Transportation	

WORK AUTHORIZATION NUMBER Transportation-1
TO AGREEMENT FOR PROFESSIONAL ENGINEERING CONSULTING SERVICES

City and Engineer agree to amend their Agreement for Professional Engineering Consulting Services to include a scope of work and fees for engineering services, by adding the following terms to their Agreement.

1. **Services**. The City agrees to engage the services of the Engineer and the Engineer agrees to perform the services hereinafter set forth in connection with projects described in ***Exhibit A***.

2. **Addition to Services**. The City may add to the Engineer services or delete therefrom activities of a similar nature to those set forth in ***Exhibit A***, provided that the total cost of such work does not exceed the total cost allowance as specified in Paragraph 5 hereof. The Engineer shall undertake such changed activities only upon the direction of the City. All such directives and changes shall be in written form and prepared and approved by the City and shall be accepted and countersigned by the Engineer.

3. **Term**. The services of the Engineer shall commence as soon as practicable after the execution of this contract, unless otherwise directed in writing, and shall be undertaken and completed in such sequence as to assure their expeditious completion in the light of the purposes of the contract, but in any event, all of the services required hereunder shall be completed as set forth in the schedule for the project which is attached hereto as ***Exhibit A***.

4. **Costs not to Exceed**. The City of Joplin is limited by law with respect to the amount of money it can pay. Therefore, the City has established a fixed sum for this contract, which cannot be exceeded unless this contract is amended. The Engineer providing services hereunder shall be required to keep track of the amount of hours billable under this contract at all times; and any work in excess of the fixed sum shall not be eligible for payment. The Engineer shall notify the City if Engineer anticipates that the contract amount may be exceeded, in order to determine whether or not the City is prepared to increase the total compensation. The Engineer shall establish a billing system showing the amount of money remaining on the contract, which shall be shown in each monthly billing.

5. **Payment**.

a. **Conditioned upon acceptable performance**. The City agrees to pay the Engineer in accordance with the terms set forth in ***Exhibit A***, which shall constitute complete compensation for all services to be rendered under this contract; provided, that where payments are to be made periodically to Engineer for services rendered under this contract, the City expressly reserves the right to disapprove in whole or in part a request for payment where the services rendered during the period for which payment is claimed are not performed in a timely and satisfactory manner in accordance with the schedule and description of services set forth in ***Exhibit A***.

b. **Total compensation not to exceed**. It is expressly understood that in no event will the total compensation and reimbursement to be paid to the Engineer under the terms of this work Authorization Number Transportation-1 exceed the sum of One hundred sixty-two thousand and 00/100 Dollars ($ 162,000.00).

6. **Insurance**. Without limiting any of the other obligations or liabilities of the Engineer, the Engineer shall secure and maintain at its own cost and expense, throughout the duration of this Contract and until the work is completed and accepted by the City of Joplin, insurance of such types and in such amounts as may be necessary to protect it and the interests of the City of Joplin against all hazards or risks of loss as hereunder specified or which may arise out of the performance of the Contract Documents. The form and

limits of such insurance, together with the underwriter thereof in each case, are subject to approval by the City of Joplin. Regardless of such approval, it shall be the responsibility of the Engineer to maintain adequate insurance coverage at all times during the term of the Contract. Failure of the Engineer to maintain coverage shall not relieve it of any contractual responsibility or obligation or liability under the Contract Documents.

The certificates of insurance, including evidence of the required endorsements hereunder or the policies, shall be filed with the City at the time that this contract is signed by the Engineer. 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 such insurance. Such notices shall be mailed, certified mail, return receipt requested, to:

City of Joplin - Public Works, 602 S. Main, Joplin, MO 64801; and

Such policies shall name the City as an additional insured with limits of liability not less than the sovereign immunity limits for Missouri public entities calculated by the Missouri Department of Insurance as of January 1 each calendar year and published annually in the Missouri Register pursuant to Section 537.610, RSMo.
(See, http://insurance.mo.gov/industry/sovimmunity.php).

As of January 1, 2016, the minimum coverage for the insurance referred to herein shall be as set out below:

a. Workers' Compensation....Statutory coverage per RSMo 287.010 et seq.
Employer's Liability..... $1,000,000.00

b. Commercial General Liability Insurance, including coverage for Contractual Liability and Independent Contractors Liability. Such coverage shall apply to bodily injury and property damage on an "Occurrence Form Basis" with limits of at least Two Million Seven Hundred Twenty-Seven Thousand Four Hundred Eighty-Nine and no/100 Dollars ($2,727,489.00) for all claims arising out of a single accident or occurrence and at least Four Hundred Nine Thousand One Hundred Twenty-Three and no/100 Dollars ($409,123.00) with respect to injuries and/or death of any one person in a single occurrence and an amount not less than at least $1,000,000 for all claims to property arising out of a single occurrence and at least $100,000 to any one owner with respect to damages to property. Engineer agrees that the proceeds of such insurance policy shall first be used to pay any award, damages, costs, and/or attorneys' fees incurred by or assessed against City, its employees, officers and agents, before payment of any award, damages, costs or attorneys fees of Engineer, its employees, officers or agents. Engineer agrees to cause its insurer to name City as an additional insured on such insurance policy, including the City as an additional insured for coverage under its products-completed operations hazard, and said policy shall be primary and noncontributory.

c. Automobile Liability Insurance covering bodily injury and property damage for owned, non-owned and hired vehicles, with limits of at least Two Million Seven Hundred Twenty-Seven Thousand Four Hundred Eighty-Nine and no/100 Dollars ($2,727,489.00) for all claims arising out of a single accident or occurrence and at least Four Hundred Nine Thousand One Hundred Twenty-Three and no/100 Dollars ($409,123.00) with respect to injuries and/or death of any one person in a single accident or occurrence.

d. Errors and Omissions Insurance. The Engineer shall maintain a professional liability insurance policy in the amount of $1,000,000.00. This policy shall remain in full force and effect for a period of one year after completion and acceptance by the City of the construction of the project.

e. Subcontracts. In case any or all of this work is sublet, the Engineer shall require the subcontractor to procure and maintain all insurance required in subparagraphs (A), (B) and (C) hereof and in like amounts. Engineer shall require any and all subcontractors with whom it enters into a contract to perform work on this project to protect the City of Joplin through insurance against applicable hazards or risks and shall, upon request of the City, provide evidence of such insurance.

f. Notice. The Engineer and/or subcontractor shall furnish the City prior to beginning the work satisfactory proof of carriage of all the insurance required by this contract, with the provision that policies shall not be canceled, modified or non-renewed without thirty (30) days written notice to the City of Joplin.

g. Legislative or Judicial Changes. In the event the scope or extent of the City's tort liability as a governmental entity as described in Section 537.600 through 537.650 RSMo is broadened or increased during the term of this agreement by legislative or judicial action, the City may require Engineer, upon 10 days written notice, to execute a contract addendum whereby the Engineer

agrees to provide, at a price not exceeding Engineer's actual increased premium cost, additional liability insurance coverage as the City may require to protect the City from increased tort liability exposure as the result of such legislative or judicial action. Any such additional insurance coverage shall be evidenced by an appropriate certificate of insurance and shall take effect within the time set forth in the addendum.

7. All other terms and conditions of the original Agreement shall remain in effect.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the day and year herein stated.

REVIEWED FOR APPROVAL

Name & Title of Staff Project Manager

CERTIFICATE OF DIRECTOR OF FINANCE

I certify that the expenditure contemplated by this document is within the purpose of the appropriation to which it is to be charged and that there is an unencumbered balance of appropriated and available funds to pay therefore.

Leslie Haase, Director of Finance

APPROVED AS TO FORM

Peter Edwards, City Attorney

Engineer: Olsson Associates

By: Clayton Cristy

Printed Name: Clayton Cristy, PE

Title: Team Leader

Date: 8/3/16

CITY OF JOPLIN, MISSOURI

By: _____
Nicholas A. Heatherly, P.E.
Public Works Director

Date: _____

EXHIBIT A
Table of Contents

TO WORK AUTHORIZATION NUMBER (Transporation – 1)
Main Street Improvement (11th to 15th)

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Project Name/Description MAIN STREET 15TH TO 11TH
Consultant OLSSON ASSOCIATES

Engineering Services Agreement

Article 1 of the Agreement is supplemented to include the following agreement of the parties.

Engineer shall provide Basic and Additional Services as set forth below.

PART 1 – BASIC SERVICES *All deliverables referred to in the agreement shall also be provided in an electronic format to be specified by the City.*

A1.01 *Conceptual Phase*

A. Engineer shall:

1. ~~Consult with Owner to define and clarify Owner's requirements for the Project, including design objectives and constraints, space, capacity and performance requirements, flexibility, and expandability, and any budgetary limitations, and identify available data, information, reports, facilities plans, and site evaluations.~~

   ~~If Owner has already identified one or more potential solutions to meet its Project requirements, then proceed with the study and evaluation of such potential solutions. Options will be discussed and agreed to by Engineer at scoping meeting.~~

2. ~~Identify potential solution(s) to meet Owner's Project requirements, as needed.~~

3. ~~Study and evaluate the potential solution(s) to meet Owner's Project requirements.~~

4. Visit the Site, or potential Project sites, to review existing conditions and facilities, unless such visits are not necessary or applicable to meeting the objectives of the Study and Report Phase.

5. Advise Owner of any need for Owner to obtain, furnish, or otherwise make available to Engineer additional Project-related data and information, for Engineer's use in the study and evaluation of potential solution(s) to Owner's Project requirements, and preparation of a related report.

6. ~~After consultation with Owner, recommend to Owner the solution(s) which in Engineer's judgment meet Owner's requirements for the Project.~~

7. Identify, consult with, and analyze requirements of governmental authorities having jurisdiction to approve the portions of the Project to be designed or specified by Engineer, including but not limited to mitigating measures identified in an environmental assessment for the Project.

8. ~~Prepare a conceptual report (the "Report") which will, as appropriate, contain schematic layouts, sketches, and conceptual design criteria with appropriate exhibits to indicate the agreed-to requirements, considerations involved, and~~

Engineer's recommended solution(s). For each recommended solution Engineer will provide the following, which will be separately itemized: opinion of probable Construction Cost; proposed allowances for contingencies; the estimated total costs of design, professional, and related services to be provided by Engineer and its Consultants; and, on the basis of information furnished by Owner, a tabulation of other items and services included within the definition of Total Project Costs.

9. Advise Owner of any need for Owner to provide data or services of the types described in Exhibit B, for use in Project design, or in preparation for Contractor selection and construction.

10. When mutually agreed, assist Owner in evaluating the possible use of building information modeling; civil integrated management; geotechnical baselining of subsurface site conditions; innovative design, contracting, or procurement strategies; or other strategies, technologies, or techniques for assisting in the design, construction, and operation of Owner's facilities. The subject matter of this paragraph shall be referred to in Exhibit A and B as "Project Strategies, Technologies, and Techniques."

11. If requested to do so by Owner, assist Owner in identifying opportunities for enhancing the sustainability of the Project, and pursuant to Owner's instructions plan for the inclusion of sustainable features in the design.

12. Develop a scope of work and survey limits for any topographic and other surveys necessary for design.

13. Perform or provide the following other Study and Report Phase tasks or deliverables:

14. Furnish 6 review copies of the Report and any other Study and Report Phase deliverables to Owner by the due date and review by phone or in person with Owner.

15. Revise the Report and any other Study and Report Phase deliverables in response to Owner's comments, as appropriate, and furnish 6 copies of the revised Report and any other Study and Report Phase deliverables to the Owner by the agreed upon due date.

B. Engineer's services under the Study and Report Phase will be considered complete on the date when Engineer has delivered to Owner the revised Report and any other Study and Report Phase deliverables.

C. Billing/Payment Processing Options

1. Request for payment may be submitted at appropriate intervals during the contract. Application for payment must include a detailed breakdown of deliverables completed as well as specific tasks or percentages of specific tasks completed. Payment schedule will be at the approval of the city.

2. Deliverables option as determined by engineering staff on a project by project basis. Example: 30 percent – Preliminary plans, 60 percent Right of Way plans, 90 percent Final plans and bid documents, 100 percent project completion.

A1.02 Preliminary Design Phase - (30 percent plans)

A. Proceed with Preliminary Design Phase after the completion of the Conceptual phase which includes: Acceptance by Owner of the Conceptual Report and any other Study and Report Phase deliverables; selection by Owner of a recommended solution; issuance by Owner of any instructions for use of Project Strategies, Technologies, and Techniques, or for inclusion of sustainable features in the design, and Indication by Owner of any specific modifications or changes in the scope, extent, character, or design requirements of the Project desired by Owner.

1. Prepare Preliminary Design Phase documents consisting of final design criteria, preliminary drawings, outline specifications, and written descriptions of the Project.

2. Include on plans, property lines, structure locations, ownership names and contact information.

3. In preparing the Preliminary Design Phase documents, use any specific applicable Project Strategies, Technologies, and Techniques authorized by Owner during or following the Study and Conceptual Phase, and include sustainable features, as appropriate, pursuant to Owner's instructions.

4. Provide necessary field surveys, topographic and utility mapping for Engineer's design purposes. Comply with the scope of work and procedure for the identification and mapping of existing utilities as defined by Section A1.03 "Utility Requirements" and Section A1.04 "Survey Services"

5. Visit the Site as needed to prepare the Preliminary Design Phase documents.

6. Advise Owner if additional reports, data, information, or services of the types described are necessary and assist Owner in obtaining such reports, data, information, or services.

7. Continue to assist Owner with Project Strategies, Technologies, and Techniques that Owner has chosen to implement.

8. Based on the information contained in the Preliminary Design Phase documents, prepare a revised opinion of probable Construction Cost, and assist Owner in tabulating the various cost categories which comprise Total Project Costs.

9. Obtain and review Owner's instructions regarding Owner's procurement of construction services (including instructions regarding advertisements for bids, instructions to bidders, and requests for proposals, as applicable), Owner's construction contract practices and requirements, insurance and bonding requirements, electronic transmittals during construction, and other information necessary for the finalization of Owner's bidding-related documents (or requests for proposals or other construction procurement documents), and Construction Contract Documents. Also obtain and review copies of Owner's design and construction standards, Owner's standard forms, general conditions, supplementary conditions, text, and related documents or content for Engineer

to include in the draft bidding-related documents (or requests for proposals or other construction procurement documents), and in the draft Construction Contract Documents, when applicable.

10. ~~Development communication plan for project: considering the use of door hangers, letters, public meetings, changeable message boards.~~

11. Furnish 6 review copies of the Preliminary Design Phase documents, opinion of probable Construction Cost, and any other Preliminary Design Phase deliverables to Owner by established due date, and review them with Owner. Owner shall submit to Engineer any comments regarding the furnished items.

12. Revise the Preliminary Design Phase documents, opinion of probable Construction Cost, and any other Preliminary Design Phase deliverables in response to Owner's comments, as appropriate, and furnish to Owner 6 copies of the revised Preliminary Design Phase documents, revised opinion of probable Construction Cost, and any other deliverables by the specified due date.

13. Engineer's services under the Preliminary Design Phase will be considered complete on the date when Engineer has delivered to Owner the revised Preliminary Design Phase documents, revised opinion of probable Construction Cost, and any other Preliminary Design Phase deliverables.

A1.03 *Utility Requirements*

A. Make notification to utilities during conceptual phase of preliminary design process. Communication to be made in a specific, documented format. (As detailed in item D).

B. Based on specific utility feedback, and field observation, identify potential high expense utility relocation issues.

C. Prepare and present plan for city review, detailing significant utility conflicts, proposed pothole locations, and associated costs for verifying existing utilities. Potholing process to include horizontal and vertical alignment and depth details. Details will be included in 30 percent plan completion, final right of way plans, and final construction plans. Necessary corrective action to address incomplete or inaccurate details may be subject to errors and omissions insurance claim.

D. Submit utility report at 30 percent submittal and close out of project. Utility report to include representatives contacted, meeting dates, and a summary of discussions, requests, observations and/or concerns. (See City of Joplin utility notification form)

A1.04 Surveying Services – General

A. Control Survey

All horizontal control for the project will be based on the Missouri State Plane Coordinate System of 1983, West Zone.
All vertical control for the project will be based on the North American Vertical Datum of 1988 (NAVD 88) provided by NOAA's National Geodetic Survey (NGS).

Control points and temporary bench marks will be set inter-visible and in strategic locations along the project route so as to be conveniently used during all phases of the project, including construction.

B. Engineering Survey
Provide topographic engineering survey for the length of the project to facilitate design. Provide a survey of all existing surface and sub-surface utilities in the project corridor.

C. Property Boundary Survey/Right-of-way Survey/Easements
Provide a boundary survey or surveys to locate the existing Right-of-Way/Easements for the length of the project, the adjacent property lines of the parcels along the project, and all existing easements of record encumbering each property that will affect the project. Consultant will be responsible for ordering title work for each parcel along the project route and procuring existing right-of-way documents and/or right-of-way plans.

D. ~~Right-of-way and Easement Description Preparation~~
~~Upon final approval of the Right-of-Way/Project Plans consultant will provide descriptions and exhibit drawings for all property right acquisitions including, but not limited to: right-of-way takings, permanent easements and temporary easements.~~

E. ~~Right-of-way and Easement Staking~~

~~During the property negotiation phase of the project it may be necessary to stake the proposed right-of-way and/or easement locations to assist the right-of-way agent. Upon request, the consultant will temporarily stake the proposed right-of-way/easement locations with wooden lathe to allow the property owner to visually inspect the location of such.~~

~~Pre-Construction Phase – On projects that will require the relocation of existing utilities prior to the award of the construction contract the consultant shall temporarily stake the location of the Right-of-Way and/or easements at points predetermined by Owner. This service will be provided one (1) time as a part of the contract. Any additional staking, if required by utility contractors due to the destruction of the temporary stakes, will be done at the advertised hourly rate and billed back to the utility contractor who is found to be responsible for removing the original stakes.~~

F. Existing United States Public Land Survey System Corners

All existing USPLSS corners that may/will be removed or altered as a result of this project must be referenced and re-established according to 20 CSR 2030-17.020 and 20 CSR 2030-17.030.

G. Survey Records

Consultant shall provide to Owner originals or copies of all survey records relevant to the project. These records shall include, but are not limited to: survey notes, research records, computations, calculations and drawings.

H. Other Services

Services not covered by A through F that are determined in the scoping meeting to be necessary for completion of the project.

A1.05 Right of Way Plan Phase – 60 percent plans

A. Determine parcels and parcel ownership information to be included on right of way plans.

B. Determine parcel size.

C. Prepare R.O.W. plan tabulation sheet.

D. Prepare R.O.W. plan sheets showing easement and right of way takings.

E. Furnish 6 review copies of the Right of Way Plan Phase documents, opinion of probable Right of Way Cost, and any other Right of Way Plan Phase deliverables to Owner by established due date, and review them with Owner. Owner shall submit to Engineer any comments regarding the furnished items.

F. Revise the Right of Way Plan Phase documents, opinion of probable Right of Way Cost, and any other Right of Way Plan Phase deliverables in response to Owner's comments, as appropriate, and furnish to Owner 6 copies of the revised Right of Way Plan Phase documents, revised opinion of probable Right of Way Cost, and any other deliverables by the specified due date.

G. Engineer's services under the Right of Way Plan Phase will be considered complete on the date when Engineer has delivered to Owner the revised Right of Way Plan Phase documents, revised opinion of probable Right of Way Cost, and any other Right of Way Plan Phase deliverables.

A1.06 Final Design Phase

A. After acceptance by Owner of the Preliminary Design Phase documents, revised opinion of probable Construction Cost as determined in the Preliminary Design Phase, and/or any other Right of Way plan documents, subject to any Owner-directed modifications or changes in the scope, extent, character, or design requirements of or for the Project, and upon written authorization from Owner, Engineer shall:

1. Prepare final Drawings and Specifications indicating the scope, extent, and character of the Work to be performed and furnished by Contractor.

2. Visit the Site as needed to assist in preparing the final Drawings and Specifications.

3. Provide technical criteria, written descriptions, and design data for Owner's use in filing applications for permits from or approvals of governmental authorities having jurisdiction to review or approve the final design; assist Owner in consultations with such authorities; and revise the Drawings and Specifications in response to directives from such authorities, as appropriate.

4. Advise Owner of any recommended adjustments to the opinion of probable Construction Cost.

5. After consultation with Owner, include in the Construction Contract Documents any specific protocols for the transmittal of Project-related correspondence, documents, text, data, drawings, information, and graphics, in electronic media or digital format, either directly, or through access to a secure Project website. Any such protocols shall be applicable to transmittals between and among Owner, Engineer, and Contractor during the Construction Phase and Post-Construction Phase, and unless agreed otherwise shall supersede any conflicting protocols previously established for transmittals between Owner and Engineer.

6. Assist Owner in assembling known reports and drawings of Site conditions, and in identifying the technical data contained in such reports and drawings upon which bidders or other prospective contractors may rely.

7. In addition to preparing the final Drawings and Specifications, assemble drafts of other Construction Contract Documents based on specific instructions and contract forms, text, or content received from Owner.

8. Prepare or assemble draft bidding-related documents (or requests for proposals or other construction procurement documents), based on the specific bidding or procurement-related instructions and forms, text, or content received from Owner.

9. Contract shall include contractor provided changeable message signs to communication construction information.

10. Furnish for review by Owner, its legal counsel, and other advisors, 6 copies of the final drawings and Specifications, assembled drafts of other construction Contract Documents, the draft bidding-related documents (or requests for proposals or other construction procurement documents), and any other final design Phase deliverables, by the established due date, with the Final Design Phase, and review them with Owner. Owner shall submit to Engineer any comments regarding the furnished items, and any instructions for revisions.

B. Engineer's services under the Final Design Phase will be considered complete on the date when Engineer has delivered to Owner the final Drawings and Specifications, other assembled Construction Contract Documents, bidding-related documents (or requests for

proposals or other construction procurement documents), and any other Final Design Phase deliverables.

C. In the event that the Work designed or specified by Engineer is to be performed or furnished under more than one prime contract, or if Engineer's services are to be separately sequenced with the work of one or more prime Contractors (such as in the case of fast-tracking), Owner and Engineer shall, prior to commencement of the Final Design Phase, develop a schedule for performance of Engineer's services during the Final Design, Bidding or Negotiating, Construction, and Post-Construction Phases in order to sequence and coordinate properly such services as are applicable to the work under such separate prime contracts.

A1.07 Bidding Phase

A. After acceptance by Owner of the final Drawings and Specifications, other Construction Contract Documents, bidding-related documents (or requests for proposals or other construction procurement documents), and the most recent opinion of probable Construction Cost as determined in the Final Design Phase, and upon written authorization by Owner to proceed, Engineer shall:

1. Advertise for and obtain bids or proposals for the Work, assist Owner in issuing assembled design, contract, and bidding-related documents (or requests for proposals or other construction procurement documents) to prospective contractors, and where applicable, maintain a record of prospective contractors to which documents have been issued, attend pre-bid conferences, if any, and receive and process contractor deposits or charges for the issued documents.

2. Prepare and issue Addenda as appropriate to clarify, correct, or change the issued documents.

3. Provide information or assistance needed by Owner in the course of any review of proposals with prospective contractors.

4. If Federal funding is involved, set up prequalification's for contractor. This includes researching all applicable debarment & qualified contractor's lists & providing this documentation in the project file

5. Consult with Owner as to the qualifications of subcontractors, suppliers, and other individuals and entities proposed by prospective contractors, for those portions of the Work as to which review of qualifications is required by the issued documents.

6. If the issued documents require, the Engineer shall evaluate and determine the acceptability of "or equals" and substitute materials and equipment proposed by prospective contractors, provided that such proposals are allowed by the bidding-related documents

7. Attend the bid opening, prepare bid tabulation sheets to meet Owner's schedule, and assist Owner in evaluating bids, assembling final contracts for the Work for

execution by Owner and Contractor, and in issuing notices of award of such contracts.

B. The Bidding Phase will be considered complete upon commencement of the Construction Phase.

A1.08 Construction Phase

A. Upon successful completion of the Bidding and Negotiating Phase, and upon written authorization from Owner, Engineer shall:

1. *General Administration of Construction Contract:* Consult with Owner and act as Owner's representative as provided in the Construction Contract. The extent and limitations of the duties, responsibilities, and authority of Engineer shall be as assigned below. All of Owner's instructions to Contractor will be issued through Engineer, which shall have authority to act on behalf of Owner in dealings with Contractor to the extent provided in this Agreement and the Construction Contract except as otherwise provided in writing.

2. ~~*Resident Project Representative (RPR):* Provide the services of an RPR at the Site to assist the Engineer (unless provided by the city), and to provide more extensive observation of Contractor's work. Duties, responsibilities, and authority of the RPR are as set forth. The furnishing of such RPR's services will not limit, extend, or modify Engineer's responsibilities or authority except as expressly set forth~~

3. ~~*Selection of Independent Testing Laboratory:* Assist Owner in the selection of an independent testing laboratory to perform the services identified.~~

4. *Pre-Construction Conference:* Participate in a pre-construction conference prior to commencement of Work at the Site.

5. *Electronic Transmittal Protocols:* Consultant shall follow City of Joplin protocols shown below.

6. *Original Documents:* If requested by Owner to do so, maintain and safeguard during the Construction Phase at least one original printed record version of the Construction Contract Documents, including Drawings and Specifications signed and sealed by Engineer and other design professionals in accordance with applicable Laws and Regulations. Throughout the Construction Phase, make such original printed record version of the Construction Contract Documents available to Contractor and Owner for review.

7. *Schedules:* Receive, review, and determine the acceptability of any and all schedules that Contractor is required to submit to Engineer, including the Progress Schedule, Schedule of Submittals, and Schedule of Values.

8. ~~*Baselines and Benchmarks:* As appropriate, establish baselines and benchmarks for locating the Work which in Engineer's judgment are necessary to enable Contractor to proceed~~.

9. *Visits to Site and Observation of Construction:* In connection with observations of Contractor's Work while it is in progress:

   a) Make visits to the Site at intervals appropriate to the various stages of construction, as Engineer deems necessary, to observe as an experienced and qualified design professional the progress of Contractor's executed Work. Such visits and observations by Engineer, and the Resident Project Representative, if any, are not intended to be exhaustive or to extend to every aspect of the Work or to involve detailed inspections of the Work beyond the responsibilities specifically assigned to Engineer in this Agreement and the Construction Contract Documents, but rather are to be limited to spot checking, selective sampling, and similar methods of general observation of the Work based on Engineer's exercise of professional judgment, as assisted by the Resident Project Representative, if any. Based on information obtained during such visits and observations, Engineer will determine in general if the Work is proceeding in accordance with the Construction Contract Documents, and Engineer shall keep Owner informed of the progress of the Work.

   b) The purpose of Engineer's visits to the Site, and representation by the Resident Project Representative, if any, at the Site, will be to enable Engineer to better carry out the duties and responsibilities assigned to and undertaken by Engineer during the Construction Phase, and, in addition, by the exercise of Engineer's efforts as an experienced and qualified design professional, to provide for Owner a greater degree of confidence that the completed Work will conform in general to the Construction Contract Documents and that Contractor has implemented and maintained the integrity of the design concept of the completed Project as a functioning whole as indicated in the Construction Contract Documents. Engineer shall not, during such visits or as a result of such observations of the Work, supervise, direct, or have control over the Work, nor shall Engineer have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by any Constructor, for security or safety at the Site, for safety precautions and programs incident to any Constructor's work in progress, for the coordination of the Constructors' work or schedules, nor for any failure of any Constructor to comply with Laws and Regulations applicable to furnishing and performing of its work. Accordingly, Engineer neither guarantees the performance of any Constructor nor assumes responsibility for any Constructor's failure to furnish or perform the Work, or any portion of the Work, in accordance with the Construction Contract Documents.

10. ~~*Defective Work:* Reject Work if, on the basis of Engineer's observations, Engineer believes that such Work is defective under the terms and standards set forth in the Construction Contract Documents. Provide recommendations to Owner regarding whether Contractor should correct such Work or remove and replace such Work, or whether Owner should consider accepting such Work as provided in the Construction Contract Documents.~~

11. *Compatibility with Design Concept:* If Engineer has express knowledge that a specific part of the Work that is not defective under the terms and standards set forth in the Construction Contract Documents is nonetheless not compatible with

the design concept of the completed Project as a functioning whole, then inform Owner of such incompatibility, and provide recommendations for addressing such Work.

12. *Clarifications and Interpretations:* Accept from Contractor and Owner submittal of all matters in question concerning the requirements of the Construction Contract Documents (sometimes referred to as requests for information or interpretation—RFIs), or relating to the acceptability of the Work under the Construction Contract Documents. With reasonable promptness, render a written clarification, interpretation, or decision on the issue submitted, or initiate an amendment or supplement to the Construction Contract Documents.

13. *Field Orders:* Subject to any limitations in the Construction Contract Documents, Engineer may prepare and issue Field Orders requiring minor changes in the Work.

14. *Change Orders and Work Change Directives:* Recommend Change Orders and Work Change Directives to Owner, as appropriate, and prepare Change Orders and Work Change Directives as required.

    a) Identify discrepancy
    b) Contractor submits pricing
    c) Cost analysis by Project Manager
    d) Submit Conceptual Plan to MoDOT and FHWA, if applicable
    e) Receive conceptual approval from both agencies and give contract Notice to Proceed
    f) Change in work complete, submit official change Order with Justification and copy of conceptual to MoDOT and FHWA if applicable (justification provided by City Project Manager)
    g) After signatures on Change order are complete, notify the contractor.

15. *Differing Site Conditions:* Respond to any notice from Contractor of differing site conditions, including conditions relating to underground facilities such as utilities, and hazardous environmental conditions. Promptly conduct reviews and prepare findings, conclusions, and recommendations for Owner's use.

16. *Shop Drawings, Samples, and Other Submittals:* Review and approve or take other appropriate action with respect to Shop Drawings, Samples, and other required Contractor submittals, but only for conformance with the information given in the Construction Contract Documents and compatibility with the design concept of the completed Project as a functioning whole as indicated by the Construction Contract Documents. Such reviews and approvals or other action will not extend to means, methods, techniques, sequences, or procedures of construction or to safety precautions and programs incident thereto. Engineer shall meet any Contractor's submittal schedule that Engineer has accepted.

17. *Substitutes and "Or-equal":* Evaluate and determine the acceptability of substitute or "or-equal" materials and equipment proposed by Contractor.

18. *Inspections and Tests:*

a) Receive and review all certificates of inspections, tests, and approvals required by Laws and Regulations or the Construction Contract Documents. Engineer's review of such certificates will be for the purpose of determining that the results certified indicate compliance with the Construction Contract Documents and will not constitute an independent evaluation that the content or procedures of such inspections, tests, or approvals comply with the requirements of the Construction Contract Documents. Engineer shall be entitled to rely on the results of such inspections and tests.

b) As deemed reasonably necessary, request that Contractor uncover Work that is to be inspected, tested, or approved.

c) Pursuant to the terms of the Construction Contract, require special inspections or testing of the Work, whether or not the Work is fabricated, installed, or completed.

19. *Change Proposals and Claims:*

a) Review and respond to Change Proposals. Review each duly submitted Change Proposal from Contractor and, within 30 days after receipt of the Contractor's supporting data, either deny the Change Proposal in whole, approve it in whole, or deny it in part and approve it in part. Such actions shall be in writing, with a copy provided to Owner and Contractor. If the Change Proposal does not involve the design (as set forth in the Drawings, Specifications, or otherwise), the acceptability of the Work, or other engineering or technical matters, then Engineer will notify the parties that the Engineer will not resolve the Change Proposal.

b) Provide information or data to Owner regarding engineering or technical matters pertaining to Claims.

20. *Applications for Payment:* Based on Engineer's observations as an experienced and qualified design professional and on review of Applications for Payment and accompanying supporting documentation:

a) Determine the amounts that Engineer recommends Contractor be paid. Recommend reductions in payment (set-offs) based on the provisions for set-offs stated in the Construction Contract. Such recommendations of payment will be in writing and will constitute Engineer's representation to Owner, based on such observations and review, that, to the best of Engineer's knowledge, information and belief, Contractor's Work has progressed to the point indicated, the Work is generally in accordance with the Construction Contract Documents (subject to an evaluation of the Work as a functioning whole prior to or upon Substantial Completion, to the results of any subsequent tests called for in the Construction Contract Documents, and to any other qualifications stated in the recommendation), and the conditions precedent to Contractor's being entitled to such payment appear to have been fulfilled in so far as it is Engineer's responsibility to observe the Work. In the case of unit price Work, Engineer's recommendations of payment will include final determinations of quantities and classifications of the Work (subject to any subsequent adjustments allowed by the Construction Contract Documents).

b) By recommending payment, Engineer shall not thereby be deemed to have represented that observations made by Engineer to check the quality or quantity of Contractor's Work as it is performed and furnished have been exhaustive, extended to every aspect of Contractor's Work in progress, or involved detailed inspections of the Work beyond the responsibilities specifically assigned to Engineer in this Agreement.

21. *Contractor's Completion Documents:* Receive from Contractor, review, and transmit to Owner maintenance and operating instructions, schedules, guarantees, bonds, certificates or other evidence of insurance required by the Construction Contract Documents, certificates of inspection, tests and approvals, and Shop Drawings, Samples, and other data. Receive from Contractor, review, and transmit to Owner the annotated record documents which are to be assembled by Contractor in accordance with the Construction Contract Documents to obtain final payment. The extent of Engineer's review of record documents shall be to check that Contractor has submitted all pages.

22. *Substantial Completion:* Promptly after notice from Contractor that Contractor considers the entire Work ready for its intended use, in company with Owner and Contractor, visit the Site to review the Work and determine the status of completion. Follow the procedures in the Construction Contract regarding the preliminary certificate of Substantial Completion, punch list of items to be completed, Owner's objections, notice to Contractor, and issuance of a final certificate of Substantial Completion. Assist Owner regarding any remaining engineering or technical matters affecting Owner's use or occupancy of the Work following Substantial Completion.

23. *Other Tasks:* Perform or provide the following other Construction Phase tasks or deliverables:

24. *Final Notice of Acceptability of the Work:* Conduct a final visit to the Project to determine if the Work is complete and acceptable so that Engineer may recommend, in writing, final payment to Contractor. Accompanying the recommendation for final payment, Engineer shall also provide a notice to Owner and Contractor in the form of the acceptance identified in MoDOT's LPA Manual, that the Work is acceptable (subject to the provisions of the Notice and Paragraph A1.05.A.21.b) to the best of Engineer's knowledge, information, and belief, and based on the extent of the services provided by Engineer under this Agreement.

25. *Standards for Certain Construction-Phase Decisions:* Engineer will render decisions regarding the requirements of the Construction Contract Documents, and judge the acceptability of the Work, pursuant to the specific procedures set forth in the Construction Contract for initial interpretations, Change Proposals, and acceptance of the Work. In rendering such decisions and judgments, Engineer will not show partiality to Owner or Contractor, and will not be liable to Owner, Contractor, or others in connection with any proceedings, interpretations, decisions, or judgments conducted or rendered in good faith.

B. *Duration of Construction Phase:* The Construction Phase will commence with the execution of the first Construction Contract for the Project or any part thereof and will terminate upon written recommendation by Engineer for final payment to Contractors. If the Project involves more than one prime contract, then Construction Phase services may be rendered

at different times in respect to the separate contracts. Engineer shall be entitled to an equitable increase in compensation if Construction Phase services (including Resident Project Representative services, if any) are required after the original date for

completion and readiness for final payment of Contractor as set forth in the Construction Contract.

A1.09 ~~Post-Construction Phase~~

~~A. Upon written authorization from Owner during the Post-Construction Phase, Engineer shall:~~

~~1. Together with Owner, visit the Project to observe any apparent defects in the Work, make recommendations as to replacement or correction of defective Work, if any, or the need to repair of any damage to the Site or adjacent areas, and assist Owner in consultations and discussions with Contractor concerning correction of any such defective Work and any needed repairs.~~

~~2. Together with Owner, visit the Project within one month before the end of the Construction Contract's correction period to ascertain whether any portion of the Work or the repair of any damage to the Site or adjacent areas is defective and therefore subject to correction by Contractor.~~

~~3. Full payment of the final invoice will not be considered until the consultant has electronically furnished the following documents:~~

~~a) The city's semi-final inspection letter stating the date of semi-final inspection and listing those who were present.~~
~~b) The city's final acceptance letter showing the number of working days or calendar days charged, completion date and the amount of liquidated damages, if any.~~
~~c) A final list of acceptance testers used on the project and a certification stating:~~

~~"The results of the tests or acceptance samples indicate that material incorporated in the construction work and the construction operations controlled by sampling and testing were in reasonably close conformity with the approved plans and specifications, and such results compare favorably with the results of independent assurance sampling and testing." Any deviations from the specifications must be explained along with the reason for acceptance.~~

~~All field tests were performed in conformity with the governing specifications and the results were in reasonably close conformity with the specifications." Explain any deviations and why the work was accepted.~~

~~"The project was constructed substantially in conformity with the plans and specifications for the project."~~

~~d) Contractor certification and city recommendation:~~

Showing the final DBE participation on the project including the DBEs used, the type of work performed, and the dollar amount paid to each DBE.

The city's recommendation regarding the contractor's fulfillment of the DBE requirements. The consultant shall also provide written documentation from each DBE that they were paid in full for the work identified in the Contractor DBE Certification. Examples of documentation from DBEs may include a letter, e-mail, lien waiver or copies of reimbursement checks. If DBE goals were not met, include documentation as to why.

e) Final Invoice

f) Final Detailed Estimate of Quantities

g) Contractor's Affidavit Regarding Settlement of Claims

h) Final Change Order (if needed)

i) Affidavit (Compliance with Prevailing Wage Law)

j) These documents are to be received within 60 days of the Final Inspection date. Final Reimbursement will be processed once all close out documentation has been reviewed and accepted.

B. The Post-Construction Phase services may commence during the Construction Phase and, if not otherwise modified, will terminate twelve months after the commencement of the Construction Contract's correction period.

PART 2 – ADDITIONAL SERVICES

A2.01 *Additional Services Requiring Owner's Written Authorization*

A. If authorized in writing by Owner, Engineer shall provide Additional Services of the types listed below. These services are not included as part of Basic Services and will be paid for by Owner as indicated.

1. Preparation of applications and supporting documents (in addition to those furnished under Basic Services) for private or governmental grants, loans, or advances in connection with the Project; preparation or review of environmental assessments and impact statements; review and evaluation of the effects on the design requirements for the Project of any such statements and documents prepared by others; and assistance in obtaining approvals of authorities having jurisdiction over the anticipated environmental impact of the Project.

2. Undertaking investigations and studies including, but not limited to:

a. Detailed consideration of operations, maintenance, and overhead expenses.

EXHIBIT A

TO WORK AUTHORIZATION NUMBER (Transporation – 1)

Main Street Improvement (11th to 15th)

The consultant shall provide the City of Joplin services as detailed in the standard scope of services (8/25/15) with the following assumptions, exceptions and additional services:

Assumptions

1. Consultant can shift money between tasks as deemed necessary without requiring a contract amendment.
2. The plans shall be developed based on replacing the existing curb to match existing pavement elevations. Existing pavement to be milled and overlaid under a separated project.
3. Storm sewer improvements shall consist of inlet replacement only.
4. All CAD files shall be created using AutoCAD 2015
5. All utility relocation plans shall be developed by the Utility owner.
6. Assume 1 bid package and construction duration of 3 months in proposed fee.
7. Revisions to any stage of plans shall be considered additional services after approval by owner.
8. Survey monument access boxes shall be an additional fee.
9. The consultant shall prepare a topographic survey of the project limits. The survey shall be from the gutter line to the existing buildings or 10' beyond the right of way line. No pavement areas are to be surveyed (Proposed curb and gutter to match existing pavement elevations).
10. Fee proposal does not include potholing as this will be provided by utility companies if necessary.
11. Survey Title Search information shall be provided by the City.
12. No FEMA floodplains have been identified therefore no floodplain permits are necessary (FEMA or City).
13. No streamways will be affected by the project, no 404 permits are included with the scope of work.
14. One environmental review shall be included in the proposed fee. Updates to the environmental fee shall be considered additional services.
15. Services do not include Right of Way or Easement negotiations.
16. The City will conduct all public Involvement services. OA will provide displays only.
17. No Geotechnical services are anticipated for the project.
18. Construction Administration phase services shall be an estimated fee based on hours shown in spreadsheet.
19. The City shall provide construction observation services.
20. The project study report phase shall not be required.
21. Plans submittals will be conceptual, right of way, and final.
22. No right of way costs will be prepared.
23. Phasing and traffic control plans shall be prepared for the first phase (15th to 14th Street)of the project.
24. Traffic control general sign layouts will be provided. (Lane shift etc.)
25. No post construction phase services shall be performed.
26. Environmental review shall be per MODOT guidelines (CE)
27. The project shall start at 15th Street and extend north to the south side of the Griffin Building.

Additional Services

Preparation of right of way and easement descriptions.
Right of Way and easement negotiations.
Right of Way and easement staking.
Construction Observation Services.
Additional bid packages or lettings.

Exhibit A
Total Project Fee

Main Street Streetscape - 11th - 15th
Based on 2016 Rates

Task No.	Task Description	Fee Estimate
1	Project Management (Design Only)	$ 11,944
2	Public Involvement / Communication Plan	$ 1,154
3	Conceptual Phase	$ 4,496
4	Survey	$ 25,910
5	Geotechnical Investigation (Not Included)	$ -
6	Utility and ROW Coordination	$ 9,840
7	Environmental/Historical Review	$ 7,001
8	Preliminary Design Phase (30 percent plans)	$ 21,490
9	Right of Way Plan Phase (60 percent plans)	$ 26,475
10	Permits	$ 2,144
11	Final Design Phase (100 percent plans)	$ 37,136
12	Bidding Phase (One Block)	$ 3,543
13	Construction Administration (One Block)	$ 9,619
14	Construction Observation (BY CITY)	$ -
	Expenses	$ 1,170
	Total Project Fee (Design and Construction Phase Services)	**$ 161,922**

OLSSON ASSOCIATES

LABOR RATE SCHEDULE 2016

LABOR RATES

Description	Range
Principal	140 - 250
Project Manager	110 - 160
Project Professional	90 - 130
Assistant Professional	60 - 120
Designer	70 - 110
CAD Operator	40 - 100
Survey	50 - 110
Survey Crew	120 160
Construction Services	50 - 170
Administrative/Clerical	40 - 80

Special Services not included in above categories will be provided on a special labor rate schedule.

Note: Rates subject to change based upon updates to Billing Rates for upcoming year.

Sidewalk Improvements Main St 11th to 15th St



COUNCIL BILL NO. 2016-136 ORDINANCE NO

AN ORDINANCE approving an agreement with Olsson Associates in the not exceed amount of One Hundred Sixty Two Thousand and no/100 Dollars ($162,000.00) for Design Engineering Services Associated for the Main Street Sidewalk from 11th Street to 15th Street Project; and, amending the Annual Budget of the City of Joplin for the Fiscal Year 2015-2016 as adopted by Ordinance 2015-168 on October 19, 2015, and containing an emergency clause.

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

Section 1. Approval of an agreement with Olsson Associates in the not exceed amount of One Hundred Sixty Two Thousand and no/100 Dollars ($162,000.00) for Design Engineering Services Associated for the Main Street Sidewalk from 11th Street to 15th Street Project in the City of Joplin, Jasper County.

Section 2. Upon the final approval and acceptance of the consultant's work under said contract, in substantial conformance with the attached exhibits, in writing by the Director of Public Works, and his certification to that effect to the Director of Finance.

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

Section 4. That fiscal year 2015-2016 budgeted revenues and appropriations as adopted by Ordinance 2015-168 be amended by increasing revenues and appropriations by the total amount of One Hundred Sixty-Two Thousand Dollars and No Cents ($162,000.00).

Section 5. That the Director of Finance is hereby directed to make all necessary entries in the City records to show the increase in revenues and appropriations.

Section 6. This ordinance is an emergency within the means of Section 2.12 (6) in that said ordinance provides for public improvements and is considered an emergency by the Council and as such shall become effective immediately upon this passage as provided by the Home Rule Charter for the City of Joplin. Specifically, this ordinance approves design to begin immediately in the optimal time during the calendar year, and appropriations for this contract have been approved by the 2015-2016 budget.

Passed by the Council of the City of Joplin, Missouri, this _____ day of

_____, 2016 by a _____ vote.

_____

ATTEST: Michael L. Seibert, Mayor

_____

Barbara L. Hogelin, City Clerk

APPROVED AS TO FORM:

_____

Peter C. Edwards, City Attorney

COUNCIL BILL NO. 2016-137 ORDINANCE NO

AN ORDINANCE approving an agreement George Butler Associates Incorporated in the not to exceed amount of Fifty Two Thousand Seven Hundred Seventeen Dollars, ($52,717.00) for Engineering Services Associated with the 32nd and Main Street Intersection Improvement Project and amending the Annual Budget of the City of Joplin for the Fiscal Year 2015-2016 as adopted by Ordinance 2015-168 on October 19, 2015; and containing an emergency clause.

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

Section 1. Approval of an agreement with George Butler Associates Incorporated in the not to exceed amount of Fifty Two Thousand Seven Hundred Seventeen Dollars ($52,717.00) for Engineering Services Associated with the 32nd and Main Street Intersection Improvement Project in the City of Joplin, Jasper County.

Section 2. Upon the final approval and acceptance of the consultant's work under said contract, in substantial conformance with the attached exhibits, in writing by the Director of Public Works, and his certification to that effect to the Director of Finance.

Section 3. That the Director of Public Works is hereby authorized to enter into an agreement on behalf of the City of Joplin with George Butler Associates Inc. to administer said agreement with all local , state, and federal rules and regulations.

Section 4. That fiscal year 2015-2016 budget revenue and appropriations as adopted by Ordinance 2015-168 be amended by increasing revenues and appropriates by the total amount of Fifty Two Thousand Seven Hundred Seventeen Dollars ($52,717.00).

Section 5. That the Director of Finance is hereby directed to make all necessary entries in the City records to show the increase4 in revenues and appropriations.

Section 6. This ordinance is an emergency within the means of Section 2.12 (6) in that said ordinance provides for public improvements and is considered an emergency by the Council and as such shall become effective immediately upon this passage as provided by the Home Rule Charter for the City of Joplin. Specifically, this ordinance approves design to begin immediately in the optimal time during the calendar year, and appropriations for this contract have been approved by the 2015-2016 budget.

Passed by the Council of the City of Joplin, Missouri, this _____ day of

_____, 2016 by a _____ vote.

_____

ATTEST: Michael L. Seibert, Mayor

_____

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: August 15, 2016
Council Bill No. 2016-137

Item: Agreement with George Butler Associates Inc. for Engineering Services Associated with the 32nd and Main Street Intersection Improvements

Originating Department: Public Works – Engineering

Attachments: 1) Location Map
2) Agreement
2) Council Bill No. 2016-137

Department Head: Nicholas A. Heatherly
Finance Department: Leslie Haase
City Attorney: Peter C. Edwards
City Manager: Samuel L. Anselm

Recommended Action: Approval of an Agreement with George Butler Associates Incorporated in the amount of $52,717.00 for design engineering services associated with the intersection improvements at 32nd and Main Street.

Background: On June 23, 2016 the Joplin Area Transportation Study Organization (JATSO) approved funding for the design work for Intersection Improvements on Main Street at 32nd Street. The funding category is the STP Small Urban and will be through MoDot and the Federal Highway Administration. Local match will be 20 %. The project design will include a northbound right turn lane in the southeast quadrant. ADA modifications will meet current standards.

Discussion: By state statute, the qualification based selection method was used for procurement. The city advertised in accordance with city procurement policy for on call consulting services in seven categories including Traffic Engineering Services. Fifteen (11) firms expressed interest in providing these services. Three firms were selected to provide this service. George Butler Associates Incorporated was selected from that group as being one of the best qualified to provide these particular services. The design fee is within acceptable limits for this type of design.

Recommendation: Staff recommends approval of an Agreement with George Butler Associations Inc. for the not to exceed amount of $52,717.00, for the Design Engineering Services associated with the 32nd and Main Street Intersection Improvement on an emergency basis per Section 2.12 (6) of the Home Rule Charter of the City of Joplin, Missouri.

This Council Bill will amend the budget for revenue and expenditures in the amount of $52,717.00.

CITY		ENGINEER	
CITY OF JOPLIN 602 S. MAIN STREET JOPLIN, MO 64801		Name: George Butler Associates, Inc. Address: 9801 Renner Blvd Lenexa, KS 66219-9745	
Attention:		Attention: Clarence D. Munsch	
Department:		Phone: 913-577-8320	Fax: 913-577-8380
Phone:	Fax:		

AGREEMENT FOR ON CALL PROFESSIONAL ENGINEERING CONSULTING SERVICES

City of Joplin and GBA

THIS AGREEMENT, made and entered into this 22 day of February, 2016, by the parties identified above.

WITNESSETH:

THAT, WHEREAS, the City of Joplin desires to engage the Engineer to render certain technical and professional services in connection with a projects identified on future Work Authorizations to this Agreement;

WHEREAS, the Engineer made certain representations and statements to the City with respect to the provision of such services and the City has accepted said proposal; and

WHEREAS, the Engineer represents Engineer is licensed by the Missouri Board for Architects, Professional Engineers, and Land Surveyors to perform the services designated under this contract, and further represents that all survey services shall be done under the direction of a Land Surveyor licensed by the Missouri Board for Architects, Professional Engineers, and Land Surveyors;

NOW, THEREFORE, for the considerations herein expressed, it is agreed by and between the City and the Engineer as follows:

1. **Services.** The City agrees to engage the services of the Engineer in the general area(s) of Transportation Design and Traffic Engineering and the Engineer agrees, upon receipt of each duly executed Work Authorization, to perform the services described in the Work Authorization. The services of the Engineer shall commence as soon as practicable after the execution of a Work Authorization, unless otherwise directed in writing, and shall be undertaken and completed in such sequence as to assure their expeditious completion in the light of the purposes of the contract. The Engineer shall be responsible for the professional quality, technical accuracy, timely completion, and the coordination of all designs, drawings, specifications, reports, and other services furnished by the Engineer under this Agreement. Approval by the City and other agencies of drawings, designs, specifications, reports, and incidental engineering work or materials furnished hereunder shall not in any way relieve the Engineer of his responsibility for the technical adequacy of his work except as to matters involving peculiar conditions or uses of the property known to the City or other agencies but not to the Engineer.

2. **Term.** The services of the Engineer shall commence as soon as practicable after the execution of this contract and an associated Work Authorization, unless otherwise directed in writing, and shall be undertaken and completed in such sequence as to assure their expeditious completion in the light of the purposes of the contract, but in any event, all of the services required hereunder shall be completed as set forth in the schedule for the project which is attached hereto as ***Exhibit A*** of any executed Work Authorization. In no circumstances will new projects be assigned more than twelve months after execution of this agreement.

3. **Payment.** The rate of payment shall be in accordance with Attachment **One**. The City, pursuant to each fully executed Work Authorization, shall pay Engineer the consideration set forth in the Work Authorization, which shall constitute complete payment for the services furnished in connection with the work required to be performed under the Work Authorization.

4. **Exchange of Data**. All information, data, and reports as are in the City's possession and necessary for the carrying out of the work, shall be furnished to the Engineer without charge, and the parties shall cooperate with each other in every way possible in carrying out the scope of services.

5. **Personnel**. The Engineer represents that Engineer will secure at Engineer's own expense, all personnel required to perform the services called for under this contract by Engineer. Such personnel shall not be employees of or have any contractual relationship with the City except as employees of the Engineer. All of the services required hereunder will be performed by the Engineer or under Engineer'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.

6. **Termination of Contract.**

a. Termination for breach. Failure of the Engineer to fulfill Engineer's obligations under this contract in a timely and satisfactory manner in accordance with the schedule and description of services set forth in Exhibit A shall constitute a breach of the contract, and the City shall thereupon have the right to immediately terminate the contract. The City shall give written notice of termination to the Engineer by one of three different means: Facsimile Transmission ("FAX") if Engineer has a FAX number; U.S. Postal Service Mails; or by hand delivering a copy of the same to the Engineer; or may give notice by any combination of the above methods. The date of termination shall be the date upon which notice of termination is hand delivered to Engineer or given by FAX, or the third day following mailing of the notice of termination, whichever first occurs. In the event of termination for breach, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports or other materials prepared by the Engineer under this contract shall at the option of the City become its property, and the Engineer shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials; provided, that the Engineer 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 Engineer.

b. Right to terminate in the absence of breach. Either party may terminate this contract for any reason, by serving notice of intent to terminate upon the other party by the means specified in paragraph A of this section. Such notice shall specify the date of termination, but in no event shall either party terminate the contract under this provision upon less than thirty (30) days' notice to the other party; provided, that the parties may mutually agree to waive the thirty (30) day requirement and to shorten the time for notice of termination. In the event of termination in the absence of breach, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports or other materials prepared by the Engineer under this contract shall at the option of the City become its property, and the Engineer shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.

7. **Conflicts**. 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 Section 105.450 et seq. RSMo. shall not be violated. Engineer 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 Engineer further covenants that in the performance of this contract no person having such interest shall be employed.

8. **Assignment**. The Engineer 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 Engineer 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. **Confidentiality of Documents**. Any reports, data, design or similar information given to or prepared or assembled by the Engineer under this contract which the City requests to be kept as confidential shall not be made available to any individual or organization by the Engineer without prior written approval of the City.

10. **Discrimination.** The Engineer 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 Engineer or applicant for employment and shall include a similar provision in all subcontracts let or awarded hereunder.

11. **Occupational License**: The Engineer shall obtain and maintain an occupational license with the City of Joplin, Missouri, if required by city code and any required state or federal license. The cost for this occupational license shall be borne by the Engineer. No contract will be executed by the City until this occupational license has been obtained and that the Engineer is current on any City taxes is verified.

12. **Compliance with Laws**. Engineer agrees to comply with all applicable federal, state and local laws or rules and regulations applicable to the provision of services and products hereunder. Engineer affirmatively states that payment of all local, state, and federal taxes and assessments owed by Engineer is current.

13. **Affidavit for Contracts Over $5,000.00**. That pursuant to Missouri Revised Statute Sections 285.525 through 285.550, if this contract exceeds the amount of $5,000.00 and Engineer is associated with a business entity, Engineer shall provide an acceptable notarized affidavit stating that the associated business entity is enrolled in and participates in a federal work authorization program with respect to the employees working in connection with the contracted services, and that said business entity does not knowingly employ any person who is an unauthorized alien in connection with the contracted services. Additionally, Engineer must provide documentation for said business entity evidencing current enrollment in a federal work authorization program.

14. **Nonresident/Foreign Contractors**. The Engineer shall procure and maintain during the life of this contract:

a. If the Engineer is a foreign corporation, 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 351.572 RSMo.

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

15. **General Independent Contractor Clause**. This agreement does not create an employee/employer relationship between the parties. It is the parties' intention that the Engineer 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 Contribution 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 Engineer will retain sole and absolute discretion in the judgment of the manner and means of carrying out the Engineer's activities and responsibilities hereunder. The Engineer agrees that it is a separate and independent enterprise from the public employer, that it has a full opportunity to find other business, that it 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 Engineer and the City, and the City will not be liable for any obligation incurred by the Engineer, including but not limited to unpaid minimum wages and/or overtime premiums.

16. **City Benefits**. The Engineer shall not be entitled to any of the benefits established for the employees of the City nor be covered by the Worker's Compensation Program of the City.

17. **Liability and Indemnity**. The parties mutually agree to the following:

a. The Engineer shall defend, indemnify, and hold the City harmless from and against all damages, losses, liabilities, expenses, and costs with respect to all claims, including, but not limited to, claims for personal injuries, wrongful death, and damages to property, which may be asserted against the City by any person or entity as the result of Engineer's (or any of Engineer's subcontractors) negligent acts, errors, or omissions in the course of the performance of this contract, provided that the Engineer is not obligated to indemnify or hold harmless the City from the City's own negligence or wrong doing.

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

c. In no event shall the City be liable to the Engineer 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.

18. **Ownership of Documents**. All files and information will be submitted before or upon final approval and acceptance of the contract documents. All documents, including original drawings, calculations, computer runs, field notes, drawings, estimates, specifications, written design criteria and written reports are and remain the property of the Engineer until such time as this

Agreement is, for any reason, terminated, at which time they become the property of the City. The Engineer shall furnish to the City, one set of reproducible record Mylars of drawings, AutoCAD files and copies of estimates, specifications, written reports, and written design criteria, in consideration of which the City will use them fully in connection with the project and will not sell them.

19. **Notices**. All notices required or permitted hereinunder and required to be in writing may be given by FAX or by first class mail addressed to City and Engineer at the addresses shown above. The date of delivery of any notice given by mail shall be the date falling on the third day after the day of its mailing. The date of delivery of notice by FAX transmission shall be deemed to be the date transmission occurs, except where the transmission is not completed by 5:00 p.m. on a regular business day at the terminal of the receiving party, in which case the date of delivery shall be deemed to fall on the next regular business day for the receiving party.

20. **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 litigated, venue shall be proper only in the Circuit Court of Jasper County, Missouri.

21. **Entire Agreement**. This agreement contains the entire agreement of 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.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the day and year herein stated.

REVIEWED FOR APPROVAL

Dan Salisbury
Assistant Director of Public Works/Engineering

CERTIFICATE OF DIRECTOR OF FINANCE

I certify that the expenditure contemplated by this document is within the purpose of the appropriation to which it is to be charged and that there is an unencumbered balance of appropriated and available funds to pay therefore.

Leslie Haase, Director of Finance

APPROVED AS TO FORM

Peter Edwards, City Attorney

Engineer:

George Butler Associates, Inc.

By: _____

Printed Name: Clarence D. Munsch

Title: Vice President

Date: January 19, 2016

CITY OF JOPLIN, MISSOURI

By: _____
Nicholas A. Heatherly, P.E.
Public Works Director

Date: 2/22/16

EXHIBIT One

GEORGE BUTLER ASSOCIATES, INC.

ENGINEERS / ARCHITECTS

STANDARD HOURLY RATES

Employment Classification	Hourly Rate
Principal	$ 265.00
Senior Associate	215.00
Associate	185.00
Senior Architect / Civil Engineer / Specialist	150.00
Senior Mechanical / Electrical Engineer	160.00
Architect / Civil Engineer / Specialist 1	125.00
Mechanical / Electrical Engineer 1	130.00
Architect / Civil Engineer / Specialist 2	100.00
Mechanical / Electrical Engineer 2	105.00
Architect / Civil Engineer / Specialist 3	95.00
Mechanical / Electrical Engineer 3	102.00
Senior Arch / Civil / Specialist Technician	125.00
Senior Mechanical / Electrical Technician	140.00
Design Technician 1	95.00
Design Technician 2	75.00
Design Technician 3	65.00
Senior Construction Observer	130.00
Construction Observer 1	105.00
Construction Observer 2	96.00
Construction Observer 3	86.00
Construction Observer 4	80.00
Senior Field Technician	102.00
Field Technician 1	85.00
Field Technician 2	72.00
Field Technician 3	58.00
Administrative Assistant 1	87.00
Administrative Assistant 2	65.00
General Office 1	62.00
General Office 2	52.00
Senior Professional Land Surveyor	125.00
Professional Land Surveyor	115.00
Survey Technician 1	95.00
Survey Technician 2	65.00
Survey Technician 3	50.00
2-Man Survey Party	160.00

Equipment

(CAD and Total Station Survey Equipment expenses are included in the above hourly rates unless otherwise stipulated by contract.)

Global Positioning System Equipment	20.00 per hour
Real Time Kinematic Global Positioning System Equipment (RTK)	60.00 per hour
Nuclear Density/Soil Testing Equipment	50.00 per day
Traffic Counters	20.00 per day

Expenses

Reimbursable expenses (travel, vehicle mileage, vehicle rental, printing and plotting, subsistence, long distance telephone, etc.) incurred will be charged at cost plus 10% to cover administrative overhead.

The following items will be charged as shown:

Personal and Company Vehicles	0.54 per mile

Effective Date: January 1, 2016

EXHIBIT A

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WORK AUTHORIZATION AGREEMENT----------1

BRIEF SCOPE OF WORK----------5

FEE SCHEDULE----------6

ESTIMATED FEE----------7

TERM OF SERVICE----------9

CITY		ENGINEER	
CITY OF JOPLIN 602 S. MAIN STREET JOPLIN, MO 64801		Name: George Butler Associates, Inc. Address: 9801 Renner Boulevard Lenexa, KS 66219-9745	
Attention:		Attention: Clarence D. Munsch	
Department:		Phone: 913-577-8320	Fax: 913-577-8380
Phone:	Fax:		

WORK AUTHORIZATION NUMBER GBA-OC-1
TO AGREEMENT FOR PROFESSIONAL ENGINEERING CONSULTING SERVICES

City and Engineer agree to amend their Agreement for Professional Engineering Consulting Services to include a scope of work and fees for engineering services, by adding the following terms to their Agreement.

1. **Services**. The City agrees to engage the services of the Engineer and the Engineer agrees to perform the services hereinafter set forth in connection with projects described in ***Exhibit A***.

2. **Addition to Services**. The City may add to the Engineer services or delete therefrom activities of a similar nature to those set forth in ***Exhibit A***, provided that the total cost of such work does not exceed the total cost allowance as specified in Paragraph 5 hereof. The Engineer shall undertake such changed activities only upon the direction of the City. All such directives and changes shall be in written form and prepared and approved by the City and shall be accepted and countersigned by the Engineer.

3. **Term**. The services of the Engineer shall commence as soon as practicable after the execution of this contract, unless otherwise directed in writing, and shall be undertaken and completed in such sequence as to assure their expeditious completion in the light of the purposes of the contract, but in any event, all of the services required hereunder shall be completed as set forth in the schedule for the project which is attached hereto as ***Exhibit A***.

4. **Costs not to Exceed**. The City of Joplin is limited by law with respect to the amount of money it can pay. Therefore, the City has established a fixed sum for this contract, which cannot be exceeded unless this contract is amended. The Engineer providing services hereunder shall be required to keep track of the amount of hours billable under this contract at all times; and any work in excess of the fixed sum shall not be eligible for payment. The Engineer shall notify the City if Engineer anticipates that the contract amount may be exceeded, in order to determine whether or not the City is prepared to increase the total compensation. The Engineer shall establish a billing system showing the amount of money remaining on the contract, which shall be shown in each monthly billing.

5. **Payment**.

a. **Conditioned upon acceptable performance**. The City agrees to pay the Engineer in accordance with the terms set forth in ***Exhibit A***, which shall constitute complete compensation for all services to be rendered under this contract; provided, that where payments are to be made periodically to Engineer for services rendered under this contract, the City expressly reserves the right to disapprove in whole or in part a request for payment where the services rendered during the period for which payment is claimed are not performed in a timely and satisfactory manner in accordance with the schedule and description of services set forth in ***Exhibit A***.

b. **Total compensation not to exceed**. It is expressly understood that in no event will the total compensation and reimbursement to be paid to the Engineer under the terms of this work Authorization Number GBA-OC-1 exceed the sum of FIFTY-TWO THOUSAND SEVEN HUNDRED AND SEVENTEEN Dollars ($ 52,717.00).

6. **Insurance**. Without limiting any of the other obligations or liabilities of the Engineer, the Engineer shall secure and maintain at its own cost and expense, throughout the duration of this Contract and until the work is completed and accepted by the City of Joplin, insurance of such types and in such amounts as may be necessary to protect it and the interests of the City of Joplin against all hazards or risks of loss as hereunder specified or which may arise out of the performance of the Contract Documents. The form and

limits of such insurance, together with the underwriter thereof in each case, are subject to approval by the City of Joplin. Regardless of such approval, it shall be the responsibility of the Engineer to maintain adequate insurance coverage at all times during the term of the Contract. Failure of the Engineer to maintain coverage shall not relieve it of any contractual responsibility or obligation or liability under the Contract Documents.

The certificates of insurance, including evidence of the required endorsements hereunder or the policies, shall be filed with the City at the time that this contract is signed by the Engineer. 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 such insurance. Such notices shall be mailed, certified mail, return receipt requested, to:

City of Joplin - Public Works, 602 S. Main, Joplin, MO 64801; and

Such policies shall name the City as an additional insured with limits of liability not less than the sovereign immunity limits for Missouri public entities calculated by the Missouri Department of Insurance as of January 1 each calendar year and published annually in the Missouri Register pursuant to Section 537.610, RSMo.
(See, http://insurance.mo.gov/industry/sovimmunity.php).

As of January 1, 2016, the minimum coverage for the insurance referred to herein shall be as set out below:

a. Workers' Compensation....Statutory coverage per RSMo 287.010 et seq.
Employer's Liability..... $1,000,000.00

b. Commercial General Liability Insurance, including coverage for Contractual Liability and Independent Contractors Liability. Such coverage shall apply to bodily injury and property damage on an "Occurrence Form Basis" with limits of at least Two Million Seven Hundred Twenty-Seven Thousand Four Hundred Eighty-Nine and no/100 Dollars ($2,727,489.00) for all claims arising out of a single accident or occurrence and at least Four Hundred Nine Thousand One Hundred Twenty-Three and no/100 Dollars ($409,123.00) with respect to injuries and/or death of any one person in a single occurrence and an amount not less than at least $1,000,000 for all claims to property arising out of a single occurrence and at least $100,000 to any one owner with respect to damages to property. Engineer agrees that the proceeds of such insurance policy shall first be used to pay any award, damages, costs, and/or attorneys' fees incurred by or assessed against City, its employees, officers and agents, before payment of any award, damages, costs or attorneys fees of Engineer, its employees, officers or agents. Engineer agrees to cause its insurer to name City as an additional insured on such insurance policy, including the City as an additional insured for coverage under its products-completed operations hazard, and said policy shall be primary and noncontributory.

c. Automobile Liability Insurance covering bodily injury and property damage for owned, non-owned and hired vehicles, with limits of at least Two Million Seven Hundred Twenty-Seven Thousand Four Hundred Eighty-Nine and no/100 Dollars ($2,727,489.00) for all claims arising out of a single accident or occurrence and at least Four Hundred Nine Thousand One Hundred Twenty-Three and no/100 Dollars ($409,123.00) with respect to injuries and/or death of any one person in a single accident or occurrence.

d. Errors and Omissions Insurance. The Engineer shall maintain a professional liability insurance policy in the amount of $1,000,000.00. This policy shall remain in full force and effect for a period of one year after completion and acceptance by the City of the construction of the project.

e. Subcontracts. In case any or all of this work is sublet, the Engineer shall require the subcontractor to procure and maintain all insurance required in subparagraphs (A), (B) and (C) hereof and in like amounts. Engineer shall require any and all subcontractors with whom it enters into a contract to perform work on this project to protect the City of Joplin through insurance against applicable hazards or risks and shall, upon request of the City, provide evidence of such insurance.

f. Notice. The Engineer and/or subcontractor shall furnish the City prior to beginning the work satisfactory proof of carriage of all the insurance required by this contract, with the provision that policies shall not be canceled, modified or non-renewed without thirty (30) days written notice to the City of Joplin.

g. Legislative or Judicial Changes. In the event the scope or extent of the City's tort liability as a governmental entity as described in Section 537.600 through 537.650 RSMo is broadened or increased during the term of this agreement by legislative or judicial action, the City may require Engineer, upon 10 days written notice, to execute a contract addendum whereby the Engineer

agrees to provide, at a price not exceeding Engineer's actual increased premium cost, additional liability insurance coverage as the City may require to protect the City from increased tort liability exposure as the result of such legislative or judicial action. Any such additional insurance coverage shall be evidenced by an appropriate certificate of insurance and shall take effect within the time set forth in the addendum.

7. All other terms and conditions of the original Agreement shall remain in effect.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the day and year herein stated.

REVIEWED FOR APPROVAL

Engineer: George Butler Associates, Inc.

_____
Name & Title of Staff Project Manager

By: _____

Printed Name: _____

Title: _____

Date: _____

CERTIFICATE OF DIRECTOR OF FINANCE

I certify that the expenditure contemplated by this document is within the purpose of the appropriation to which it is to be charged and that there is an unencumbered balance of appropriated and available funds to pay therefore.

CITY OF JOPLIN, MISSOURI

_____
Leslie Haase, Director of Finance

By: _____
Nicholas A. Heatherly, P.E.
Public Works Director

APPROVED AS TO FORM

_____
Peter Edwards, City Attorney

Date: _____

BRIEF SCOPE OF WORK

Design engineering services to prepare preliminary/right-of-way plans, final plans, specification documents and construction cost estimate for the addition of a channelized right turn in the southeast quadrant of the intersection of 32nd Street and Main Street in the City of Joplin, Missouri.

Surveying & Staking

- Perform topographical survey required for design
- Records research, title work, locate property corners and utility locates for 1 parcel
- Locate section corners, prepare section corner forms and file with the state
- Prepare right of way taking and temporary construction easements
- Stake right of way and easements for property owner
- Prepare legal description and exhibit for 1 parcel
- Prepare base map with title work

Design

- Geometric design for a channelized right turn lane in the southeast quadrant
- Traffic signal modification for the signal in the southeast quadrant
- ADA modifications to meet current standards in the southeast quadrant
- Traffic control, pavement marking and signing for southeast quadrant

Plans

- Preliminary/right-of-way plans and final plans with estimated construction costs at each stage
- Kick-off meeting to take place in the City of Joplin
- Progress meetings associated with plan submittals via conference call
- Tabulated quantities and special details to be included with final plans only
- Answer questions related to plans during construction

FEE SCHEDULE
GEORGE BUTLER ASSOCIATES, INC.
ENGINEERS / ARCHITECTS
STANDARD HOURLY RATES

Employment Classification	Hourly Rate
Principal	$ 265.00
Senior Associate	215.00
Associate	185.00
Senior Architect / Civil Engineer / Specialist	150.00
Senior Mechanical / Electrical Engineer	160.00
Architect / Civil Engineer / Specialist 1	125.00
Mechanical / Electrical Engineer 1	130.00
Architect / Civil Engineer / Specialist 2	100.00
Mechanical / Electrical Engineer 2	105.00
Architect / Civil Engineer / Specialist 3	95.00
Mechanical / Electrical Engineer 3	102.00
Senior Arch / Civil / Specialist Technician	125.00
Senior Mechanical / Electrical Technician	140.00
Design Technician 1	95.00
Design Technician 2	75.00
Design Technician 3	65.00
Senior Construction Observer	130.00
Construction Observer 1	105.00
Construction Observer 2	96.00
Construction Observer 3	86.00
Construction Observer 4	80.00
Senior Field Technician	102.00
Field Technician 1	85.00
Field Technician 2	72.00
Field Technician 3	58.00
Administrative Assistant 1	87.00
Administrative Assistant 2	65.00
General Office 1	62.00
General Office 2	52.00
Senior Professional Land Surveyor	125.00
Professional Land Surveyor	115.00
Survey Technician 1	95.00
Survey Technician 2	65.00
Survey Technician 3	50.00
2-Man Survey Party	160.00

Equipment

(CAD and Total Station Survey Equipment expenses are included in the above hourly rates unless otherwise stipulated by contract.)

Global Positioning System Equipment	20.00 per hour
Real Time Kinematic Global Positioning System Equipment (RTK)	60.00 per hour
Nuclear Density/Soil Testing Equipment	50.00 per day
Traffic Counters	20.00 per day

Expenses

Reimbursable expenses (travel, vehicle mileage, vehicle rental, printing and plotting, subsistence, long distance telephone, etc.) incurred will be charged at cost plus 10% to cover administrative overhead.

The following items will be charged as shown:

Personal and Company Vehicles	0.54 per mile

Effective Date: January 1, 2016

32nd Street and Main Street Intersection Improvements
Scope and Fee for Engineering Services

CLASSIFICATION	PRI	SAS	ASC	SRE	AES1	AES2	AES3	SRT	TEC1	TEC2	SPLS	PLS	2MANSP	RTK-GPS	CLI	TOTAL		TOTAL
HOURLY CHARGEOUT RATE	$265	$215	$185	$150	$125	$100	$95	$125	$95	$75	$125	$115	$160	$60	$87	HOURS	EXPENSES	COST
TASK 1: DATA COLLECTION/SURVEYING																		
Administration (QA/QC/coordinate design/internal progress mtgs/invoices)		8		8											4	20		$3,268.00
Kick-off meeting with City/MoDOT		4		8												12	$162.00	$2,222.00
Records research, title work and utility locates (1 Parcel)											8					8	$300.00	$1,300.00
Locate section corners and property corners											1		6	2		9		$1,205.00
Topographical survey with Utilities											2		12	6		20	$171.00	$2,701.00
Prepare base map with title work											2	12				14		$1,630.00
Prepare section corner forms and file with state											1	2				3		$355.00
Prepare right of way taking and temp construction easement											1	8				9		$1,045.00
Stake R/W and Easements for property owners											1	1	10			12	$221.00	$2,061.00
TASK 1 SUBTOTAL	**0**	**12**	**0**	**16**	**0**	**0**	**0**	**0**	**0**	**0**	**16**	**23**	**28**	**8**	**4**	**107**	**$854.00**	**$15,787.00**
TASK 2: PRELIMINARY/RIGHT OF WAY PLANS																		
Administration (QA/QC/coordinate design/internal progress mtgs/invoices)		8		8											4	20		$3,268.00
Progress meetings with City (conference call)		2		4												6		$1,030.00
Coordinate w/City and MoDOT on existing signal conditions				2												2		$300.00
Prepare preliminary construction cost estimate		2		6												8		$1,330.00
Preliminary/RW Plans submittal to City/MoDOT for review				4												4		$600.00
Geometric Layout					4											4		$500.00
Title sheet & Typical sections					4											4		$500.00
Plan sheets					4											4		$500.00
Detail sheets					4											4		$500.00
Traffic Signal Layout and Wiring Diagram				8	16											24		$3,200.00
Pavement Marking & Signing Plan				2	8											10		$1,300.00
Traffic Control Plan					4											4		$500.00
Cross-sections					8											8		$1,000.00
Addressing Preliminary/RW Plans comments from City/MoDOT					4											4		$500.00
Prepare legal descriptions and exhibits												4				4		$460.00
Address comments on Land Acquisition Documents												2				2		$230.00
TASK 2 SUBTOTAL	**0**	**12**	**0**	**34**	**56**	**0**	**0**	**0**	**0**	**0**	**0**	**6**	**0**	**0**	**4**	**112**	**$0.00**	**$15,718.00**
TASK 3: FINAL PLANS																		
Administration (QA/QC/coordinate design/internal progress mtgs/invoices)		8		8											6	22		$3,442.00
Progress meetings with City (conference call)		2		4												6		$1,030.00
Design analysis related to utilities				8												8		$1,200.00
Prepare construction cost estimate				4												4		$600.00
Prepare technical specifications and special provisions				4												4		$600.00
Internal peer quality review		4		8	4											16		$2,560.00
Final Plans submittal to City/MoDOT				4												4		$600.00
Geometric Layout					2											2		$250.00
Title sheet & Typical sections					2											2		$250.00
Plan sheets					2											2		$250.00
Detail sheets					2											2		$250.00
Traffic Signal Plans, Details, and Quantities				8	12											20		$2,700.00
Pavement Marking Plans, Details, and Quantities				2	2											4		$550.00
Traffic Control Plans, Details, and Quantities				4	24											28		$3,600.00
Cross-sections					8											8		$1,000.00

32nd Street and Main Street Intersection Improvements
Scope and Fee for Engineering Services

	CLASSIFICATION	PRI	SAS	ASC	SRE	AES1	AES2	AES3	SRT	TEC1	TEC2	SPLS	PLS	2MANSP	RTK-GPS	CLI	TOTAL		TOTAL
	HOURLY CHARGEOUT RATE	$265	$215	$185	$150	$125	$100	$95	$125	$95	$75	$125	$115	$160	$60	$87	HOURS	EXPENSES	COST
	Address Final Plans comments from City/MoDOT				1	4											5		$650.00
	Final Plans, Specifications and Estimate submittal to City/MoDOT				1	4											5		$650.00
	Assist City/MoDOT to advertise project for bidding		2														2		$430.00
	Answer contractor questions during bidding phase				4												4		$600.00
	TASK 3 SUBTOTAL	0	16	0	60	66	0	0	0	0	0	0	0	0	0	6	148	$0.00	$21,212.00
	TOTAL FOR ALL SERVICES:	0	40	0	110	122	0	0	0	0	0	16	29	28	8	14	367	$854.00	$52,717.00
	Additional Services (billed at standard hourly rates):																		
1	Final monumentation of right-of-way																		
2	Work related to environmental clearances																		
3	Assistance with public Involvement																		
4	Street lighting design/modification																		
5	Storm sewer/drainage design/modifications																		
6	Retaining wall design																		
7	Coordination with adjacent project on 32nd Street																		
8	Construction staking services																		
9	Construction phase services																		
10	As-built survey and drawings																		
11	Coordination with utility companies during design & relocations; City to handle utility coordination.																		
12	Attend pre-bid meeting																		

TERM OF SERVICE

The approximate general project schedule is as follows:

Notice to Proceed – Design	August 2016
Surveying & Data Collection	September 2016
Preliminary Design	October 2016
Preliminary/Right-of-Way plans	November 2016
Final Design	December2016
Final PS&E Plans	January 2017
Advertise	TBD
Letting	TBD
Notice to Proceed – Construction	TBD

Specific submittal dates to be determined.

This schedule allows for 2 weeks of concurrent review by the City and MoDOT at each submittal.

Advertisement, letting and construction NTP is dependent on right-of-way and utility clearances.


W 31ST ST
S JOPLIN AVE
E 31ST ST
S VIRGINIA AVE
32nd & Main St Intersecton
W 32ND ST
E 32ND ST
S MAIN ST
S OLD MAIN ST
W 33RD ST
E 33RD ST
E 33RD ST
N

City of Joplin City Council Agenda Item

REQUESTED COUNCIL MEETING DATE: AUGUST 15, 2016

ITEM: COUNCIL BILL NO. 2016-516
ORIGINATING DEPARTMENT: FINANCE DEPARTMENT

Finance Director: Leslie Haase
City Attorney: Peter Edwards
City Manager: Sam Anselm

INTRODUCTION:
This Council Bill approves an amendment to the Policemen's and Firemen's Pension Plan to correct an unintended consequence of a change required as the result of an audit by the Missouri Department of Labor & Industrial Relations, Division of Workers' Compensation.

DISCUSSION:
Prior to the audit by the Division of Worker's Compensation, when an employee was off work because of a worker's compensation injury, the City would continue to pay full wages to the employee so that there was no delay in payments. Many cities across Missouri handled worker's compensation wages this same way. However, the City was audited by the Missouri Department of Labor & Industrial Relations in early 2013. They ruled the City could no longer handle the worker's compensation payments in this manner.

As a result, the eligible worker's compensation wages while an employee is off work must be paid directly to the employee by the City's third-party administrator. This has caused an unintended consequence to the retirement benefit for the police and fire pension plan.

When the city paid the wages directly, these wages qualified as compensation under the "compensation" definition of Section 1.11 in the pension plan. However, now that another party pays those "wages", they are no longer considered compensation under Section 1.11 of the pension plan. As a result, the pension board voted to hold an election to ask the membership to consider adding the following language to Section 1.11 of the pension plan to ensure these "wages" paid directly by another party will be included in the retirement benefit calculation:

> "1.11 COMPENSATION
>
> shall mean amounts paid by the City which constitute regular wages, longevity pay, stipends, overtime pay, sick pay, vacation pay, compensable time pay, amounts deferred pursuant to Section 457 of the Code and employee salary reduction amounts contributed pursuant to Section 125 of the Code to the City's Flexible Benefits Plan. **Compensation shall also include payments made by the City's authorized Third Party Administrator for lost wages as a result of worker's compensation related injuries limited to the Participant's regular base salary.**

Clothing and Cell Phone allowances shall not qualify as Compensation. …"

Any change to the Policemen's and Firemen's Pension Plan must be approved by the membership through an election and ratified by the City Council in an ordinance. An official election of the membership was held from July 5, 2016 to August 1, 2016. The results of the pension election were 162 votes in favor and 3 votes against this change. Therefore, the membership has approved the proposed language change to Section 1.11 as outlined above.

RECOMMENDATION:
City Staff recommends this Council Bill be approved on an emergency basis.

COUNCIL BILL NO. 2016-516 ORDINANCE NO.

AN ORDINANCE amending the Policemen's and Firemen's Pension Plan of the City of Joplin, Missouri as adopted January 5, 2009, effective January 31, 2009, and amended September 24, 2012, May 1, 2013, January 21, 2014 and December 7, 2015, providing for certain language changes to Section 1.11, Compensation; and containing an emergency clause.

WHEREAS, the Policemen's and Firemen's Pension Plan was last amended on December 7, 2015 by Ordinance Number 2015-210 to make various language changes to comply with the Internal Revenue Code; and

WHEREAS, the Board of Trustees of the Policemen's and Firemen's Pension Plan of the City of Joplin, Missouri submitted to the qualified Plan Participants the question as to whether a certain amendment should be made to the Plan; and,

WHEREAS, of the 196 active and 120 retired Pension Policemen and Firemen, 162 voted in favor of the Plan amendment, and 3 voted against the proposed Plan amendment.

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

Section 1. That Section 1.11 of the Policemen's and Firemen's Pension Plan of the City of Joplin, Missouri is hereby amended to read as follows:

1.11 COMPENSATION

shall mean amounts paid by the City which constitute regular wages, longevity pay, stipends, overtime pay, sick pay, vacation pay, compensable time pay, amounts deferred pursuant to Section 457 of the Code and employee salary reduction amounts contributed pursuant to Section 125 of the Code to the City's Flexible Benefits Plan. Compensation shall also include payments made by the City's authorized Third Party Administrator for lost wages as a result of worker's compensation related injuries limited to the Participant's regular base salary. Clothing and Cell Phone allowances shall not qualify as Compensation.

For all purposes under the Plan, a Participant's compensation from the City shall be disregarded to the extent it exceeds the limit of Section 401(a)(17) of the Code.

If a determination period consists of fewer than 12 months, the annual compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is 12.

Notwithstanding any other provision in the Plan, each Section 401(a)(17) employee's benefit under this Plan will be the greater of:

(A) the Employee's benefit as of the last day of the Plan Year ending December 31, 1993, frozen in accordance with Section 1.401(a)(4)-13 of the regulations, or
(B) the Employee's benefit determined with respect to the benefit formula applicable for the Plan Year beginning January 1, 1994, as applied to the Employee's total years of service taken into account under the Plan for purposes of benefit accruals.

A Section 401(a)(17) employee means an Employee whose current Accrued Benefit as of a date on or after January 1, 1994, is based on Compensation for a year beginning prior to January 1, 1994, that exceeded $150,000.

Section 2. This Ordinance is declared by the City Council to be an emergency within this meaning of Section 2.12, subparagraphs (1) and (4), of the Home Rule Charter of the City of Joplin, Missouri, in that said Ordinance updates the definition of compensation in the Policemen's and Firemen's Pension Plan of the City of Joplin, Missouri and as such shall become effective immediately upon its passage.

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

_____
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 SPECIAL COUNCIL MEETING DATE: August 15, 2016
ITEM: Council Bill No. 2016-006 approving, affirming and ratifying the vacation of an alley originally vacated by Ordinance No. 21202 on March 6, 1951 by the City Council.

ORIGINATING DEPARTMENT: Legal
ATTACHMENTS: Council Bill No. 2016-006; Exhibit "A": Alley Vacation document.

DEPARTMENT HEAD: Peter C. Edwards
CITY MANAGER: Samuel L. Anselm
PLANNING & ZONING: Troy Bolander

INTRODUCTION:

This Council Bill approves, affirms and ratifies the vacation of an alley originally vacated by Ordinance No. 21202 back on March 6, 1951 by the City Council in anticipation of a contract between The Safeway Stores, Inc., and the City of Joplin.

DISCUSSION:

On or about the 6th day of March, 1951, the City of Joplin passed Ordinance No. 21202. The Ordinance vacated the alley running north and south between Main and Joplin Streets from 25th to 26th Street. The alley vacation was made in conjunction with Safeway Stores purchasing the property and constructing a building affecting by the alley. The Ordinance required Safeway Stores to meets certain conditions; (a) enter into an indemnification agreement with the city. The indemnification agreement was executed on April 2, 1951.

On the title commitment that was issued related to the proposed sale of the real estate from the JRC to Braum's, the question and exception was listed on the commitment about whether this condition (the indemnification agreement) was satisfied. In order to clear this exception from the title policy, the title company has requested that the current City Council pass an ordinance that makes the clarification that the condition was met by Safeway Stores, and as a result, the alley vacation was effectively made.

RECOMMENDATION:

Staff recommends that this Council Bill be placed on First Reading.

PCE
attachments

COUNCIL BILL NO. 2016-006 ORDINANCE NO.

AN ORDINANCE approving, affirming and ratifying the vacation of an alley that was originally vacated by Ordinance No. 21202 on March 6, 1951, by the City Council.

WHEREAS, on March 6, 1951, the Joplin City Council passed Ordinance No. 21202 that vacated, conveyed, and relinquished all of the North and South alley between Main and Joplin Streets, from 25th Street to 26th Street, in O'Keefe's Second Addition to the City of Joplin, Jasper County, Missouri, in anticipation of a certain contract between the Safeway Stores, Inc., and the City of Joplin; and,

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

Section 1. That vacation, conveyance and relinquishment of the alley originally vacated by Ordinance No. 21202 passed by the City Council on March 6, 1951, be, and hereby is, approved, affirmed, and ratified.

Section 2. That the City Manager is hereby authorized to execute the Alley Vacation document, attached hereto, by and on behalf of the City of Joplin, Missouri, and to record same in the Office of the Jasper County Recorder of Deeds.

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

ALLEY VACATION

Whereas, Grantor, City of Joplin, Missouri, by a certain Ordinance No. 21202, dated on the 6th day of March, 1951 in consideration of the conditions contained in the instruments being satisfied, the City of Joplin hereby affirms the vacation of the alley in the following described property, to-wit:

(Re: vacated alley tract in Joplin, Jasper County, Missouri)

"Commencing at the Northeast corner of Lot numbered Eighteen (18) in O'Keefe's Second Addition to the City of Joplin Jasper County, Missouri, thence South along the East side of Lots Eighteen (18); Nineteen (19); Twenty (20), Twenty-One (21); Twenty-two (22) and Twenty-three (23) to the Southeast corner of Lot Twenty-three (23) in said O'Keefe's Second Addition to the City of Joplin, thence East to Southwest corner of Lot numbered One Hundred Sixty-two (162) in O'Keefe's Second Addition to the City of Joplin, Missouri, and thence North along the West side of Lots numbered One Hundred Sixty-two (162); One Hundred Sixty-three (163); One Hundred Sixty-four (164); One Hundred Sixty-five (165); One Hundred Sixty-Six (166) and One Hundred Sixty-seven (167) located in O'Keefe's Second Addition of Joplin, Missouri, to the Northwest corner of said lot numbered One Hundred Sixty-Seven (167) in said O'Keefe's Second Addition, and thence West to the point of beginning."

WHEREFORE, the conditions of Section 2 and 4 of Ordinance 21202 are deemed satisfied, and the City Council affirms and ratifies that this alley vacation described in Ordinance 21202 and the City's vacation, conveyance and relinquishment of the alley described therein, and above, is affirmed.

IN WITNESS WHEREOF, these presents are hereby duly executed this _____ day of _____, 2016.

ATTEST:

By: _____
Barbara Gollhofer,
Assistant City Clerk

CITY OF JOPLIN, MISSOURI (Grantor)

By: _____
Samuel L. Anselm,
City Manager

STATE OF MISSOURI)
) ss:
COUNTY OF JASPER)

On this _____ day of _____, 2016, before me personally appeared Samuel L. Anselm, to me personally known, who being by me duly sworn, did say that he is the City Manager of the City of Joplin, Missouri, a Missouri Municipal Corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said City by authority of its City Council, and said Samuel L. Anselm acknowledged said instrument to be the free act and deed of said City.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at my office in _____, Missouri, the day and year first above written.

_____
Notary Public

My commission expires:

_____

City of **JOPLIN** City Council Agenda Item

Requested Council Meeting Date: August 15, 2016

Item: CDBG-DR Sub-Recipient Agreement with Joplin Area Chamber of Commerce Foundation
Originating Department: Planning & Community Development

Attachments: 1) Council Bill No. 2016-408
2) CDBG-DR Sub-Recipient Agreement

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

Recommended Action: Approval of Council Bill No. 2016-408

INTRODUCTION:

The following Council Bill is for an agreement between the City of Joplin and The Joplin Area Chamber of Commerce Foundation to provide funding to purchase and install furniture, fixtures, and equipment as a part of the Advanced Training and Technology Center (ATTC) - Phase II- the final phase. This equipment is required for the development and execution of the proposed training programs/classes for ATTC Phase I which was previously approved by City Council on July 20, 2016 for the purchase and renovation of a building to serve as an Advanced Training and Technology Center. City Council previously approved these activities as part of the Capital Plan adopted July 7, 2015, and in the Round 2 Community Development Block Grant Program – Disaster Recovery (CDBG-DR) Amendment 16 (Partial Action Plan #7) on May 16, 2016.

DISCUSSION:

The Joplin Area Chamber of Commerce Foundation in conjunction with Crowder College need to purchase and install furniture, fixtures and equipment required to develop and execute the proposed training programs/classes as a part of the Advanced Training and Technology Center- Phase II. The Center will provide the following classes/programs which are tentatively scheduled to start in Spring 2017:
- Advanced Welding Training Program
- Advanced Manufacturing Training Program
- Advanced Drafting/CAD & Computer Network Training
- Equipment requirement for Computer Infrastructure classes
- Equipment required for a Commercial Kitchen

The Joplin community continues to recover from the devastating 2011 tornado. A critical component of the recovery is employing the unemployed and upgrading the skill sets of the

underemployed. The proposed Advanced Training and Technology Center (Phase II) will help fill gaps in the City of Joplin's workforce by providing better-skilled workers to existing and new companies, and enable local residents, particularly those with low/moderate incomes (LMI) to advance their skills and, consequently, their standard of living.

The agreement provides for reimbursement of costs in an amount not to exceed $2,470,000 that will be incurred for the purchase and installation of the furniture, fixtures, and equipment required for the development and execution of the proposed training programs/classes as a part of the Advanced Training and Technology Center (Phase I). The execution of this agreement is contingent on the approval of the Partial Action Plan #7- Amendment # 16 that was submitted to the U.S. Department of Housing and Urban Development for their approval in May, 2016.

RECOMMENDATION:

City Staff recommends this Council Bill be placed on First Reading.

HUD CDBG-DR SUB-RECIPIENT AGREEMENT BETWEEN
THE CITY OF JOPLIN
AND
JOPLIN AREA CHAMBER OF
COMMERCE FOUNDATION

THIS SUB-RECIPIENT AGREEMENT ("Agreement") entered this day of _____, 2016, by and between the City of Joplin (herein called the "Grantee") and the Joplin Area Chamber of Commerce Foundation, DUNS# 080015463 (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

Joplin Area Chamber of Commerce Foundation (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: This allocation will provide the means to purchase and install furniture, fixtures and equipment required for the development and execution of the proposed training programs/classes. As the economy rebounds, area manufacturers are increasingly reporting shortages in finding skilled and semi-skilled labor, particularly in machine operations, maintenance, quality control and welding.

Federal Award Description
As required under 2 CFR Part 200 Subpart D §331(a)(ix) the proposed Advanced Training and Technology Center (Phase II) will help fill gaps in the City of Joplin's workforce. The Joplin community continues to recover from the devastating 2011 tornado. A critical component of the recovery is employing the unemployed and upgrading the skill sets of the underemployed. The Center will provide better-skilled workers to existing and new companies, and enable local residents, particularly those with low/moderate incomes (LMI) to advance their skills and, consequently, their standard of living. This allocation will provide

the means to purchase and install furniture, fixtures and equipment required for the development and execution of the proposed training programs/classes as a part of the Advanced Training and Technology Center (Phase I).

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 its duly authorized representative to execute the Agreement on behalf of the Sub-Recipient; said resolution to be attached to this Agreement and identified as Appendix D.

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 [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 requirements, including yet not limited to the following:

1. Follow CDBG-DR regulations for procuring equipment, furniture, and fixtures to include installation and labor as needed as well as the proper handling of the equipment to the extent it will no longer be used for its intended purpose.
2. Maintain proper financial and program administration records related to the management of the project as identified by Grantee as outlined in VIII Administrative Requirements.
3. Complete the purchase of the identified equipment without exceeding the approved Project budget and schedule (Schedule and Budget Attached as Exhibit B).
4. Serve at least 51% LMI clientele during a period of 5 years after the close out of the grant from which the assistance to the purchase of the equipment was provided (period of performance).
5. The Sub-Recipient shall maintain compliance with the requirements described in Section VIII Administrative Requirements, Subsection E Use and Reversion of Assets.
6. The Sub-Recipient agrees to comply with the principles for determining allowable costs found in VIII A. 2 (2 CFR Part 200 Subpart E).
7. All records and files related to the proposed purchases are maintained and submitted to the Grantee as required.

8. All invoices/purchase orders are reviewed for completeness prior to submitting to the Grantee for their review and reimbursement.
9. The Sub-Recipient shall verify on SAM.gov that all Contractors, Sub-contractors and Vendors are not ineligible (e.g. debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded) from participation in Federal programs and shall submit the documentation to the Grantee for their approval prior to entering into any contracts.
10. The Sub-Recipient will secure and submit to the Grantee income verification information from all individuals benefiting from this grant including those enrolled in training courses, business incubator services, Workforce Investment Board (WIB), and Maker's Space activities. This documentation will include individual's most recent IRS W2 Form or IRS Form 1040 Return, or a completed and fully executed IRS 4506-T Form. The IRS 4506-T Form will only be submitted to the IRS by the Sub-Recipient if the participating individual's W2 Form or IRS Form 1040 Return is not received by the Sub-Recipient within three (3) weeks after the official enrollment date of the individual.

D. Project Accomplishments – Goals and Performance Measures

The Sub-Recipient must ensure the following:

1. Equipment purchase occurs within a one (1) year time frame from the execution of this Sub-recipient Agreement.
2. Improve the City of Joplin's workforce by increasing the amount of available skilled and semi-skilled workers, serving at least 51% LMI clientele.
3. Provide existing local companies with better skilled employees.
4. Provide career counseling and career advancement advice.
5. Offer innovation center space and equipment to new start-up companies and entrepreneurs.
6. The Center serves Joplin and surrounding communities within a 30 mile radius of Joplin.

E. Staffing

Staff Member & Title	General Project Duties
- Rob O'Brian, President	- Authorized contract signatory and project supervision
- Tonya Sprenkle, Vice President and Secretary	- Aid in guidance and supervision
- Brian Kelly, Executive Director of Joseph Newman Innovation Center	- Director of the Center's day to day operations
- Samantha Doubledee, Finance Director	- Financial services and reporting

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 compliance requirements, goals and performance standards required herein. Substandard performance as reasonably 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

Period of Performance shall start on the day of August 2016 and end on the day of August 2021 or 5 years after the equipment purchase has been completed, whichever date is later (this will be to ensure that the 51% LMI requirements have been met). Funds will not be available to the Sub-Recipient from the CDBG-DR Program after August 2017, unless otherwise approved by Grantee. Any extension request would need to be approved by the Grantee. To obtain such an extension the Sub-Recipient must submit a written formal letter to the Grantee, requesting such extension, ninety (90) days prior to the end of the Sub-Recipient agreement. Grantee shall approve or deny the completion date extension request in writing within twenty-one (21) days of receipt of said request.

III. BUDGETS – DEVELOPMENT & OPERATION

The Grantee will reimburse the Sub-Recipient for not more than Two Million Four Hundred Seventy Thousand Dollars ($2,470,000.00) to purchase furniture, fixtures and equipment required for the development and execution of the proposed training programs/classes. This will include Sub-Recipient administrative costs not to exceed $104,000. 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:

Two million four hundred seventy thousand and No/100 ($2,470,000) Dollars

Drawdowns for the payment of eligible expenses shall be made against the budget specified in Section III herein. Expenses for general administration for 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:	Rob O'Brian
Title:	Director of Planning, Development & Neighborhood Services	Title:	President
Grantee:	City of Joplin 602 South Main Street Joplin, Missouri 64801	Sub-Recipient:	Joplin Area Chamber of Commerce Foundation 320 East 4th Street Joplin, MO 64801
Phone:	(417) 624-0820 ext. 510	Phone:	(417) 624-4150
Fax:	(417) 525-4738	Fax:	(417) 624-4303
Email:	tbolande@Joplinmo.org	Email:	rob@joplincc.com

VI. SPECIAL CONDITIONS

The final 5% of this grant, or one hundred twenty three thousand five hundred ($123,500) Dollars will be withheld from reimbursement until all required documentation is received by the Grantee for this activity. Required documentation shall be proof of purchase for all equipment.

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 Grantee'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

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

E. Insurance shall be consistent with the requirements of 2 CFR Part 200 Subpart D §304 and §310, the Sub-Recipient shall carry sufficient insurance coverage to protect Agreement assets from loss due to theft, fraud and/or undue physical damage.

The Sub-Recipient, at the Sub-Recipient's sole cost and expense, shall maintain the following insurance coverage for the Property:

- Fire and Extended Coverage in the amount of the full replacement value of the equipment, and
- General Liability Coverage in the amount of One Million Dollars ($1,000,000.00) per occurrence and One Million Dollars ($1,000,000.00) aggregate.

The Sub-Recipient agrees to add Grantee as an additional insured party on all required insurance policies, including being listed as 'Loss Payee". The Sub-Recipient also 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 reasonable 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 return of any equipment, real property, materials, or supplies purchased, leased, or lease purchased using CDBG-DR funds to Grantee or the supplier; and,
3. Reasonable other actions the Grantee 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.

J. Taxes

The Sub-Recipient agrees to pay any and all real estate taxes and general and special assessments legally levied upon or assessed against the Property and any improvements upon the Property as the same may become due and payable.

K. Liens

Sub-Recipient understands and agrees not to allow liens of any nature to be filed against the Property or its improvements without the prior written approval of the Grantee. Provided, Grantee consents to a Deed of Trust against the Property to facilitate necessary short-term financing to allow Sub-Recipient to obtain necessary funds to purchase the Property and advance expenses for improvements to the Property prior to drawdown reimbursement pursuant to Section IV. Such financing shall be repaid with funds from expense drawdowns so that the Deed of Trust is released on or before the completion date. Sub-Recipient shall not do or suffer anything to be done whereby the Property and its improvements may be encumbered by mechanics' liens or similar liens, and Sub-Recipient shall whenever and as often as any mechanic's or any other work in, on or about the Property done by, for or under the authority of Sub-Recipient, discharge the same of record within ten (10) days after the date of filing.

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.

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, subject to the provisions of the Family Educational Rights and Privacy Act. 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 or otherwise unused 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. In accordance with 2 CFR 200.85, real property means land, including land improvements, structures and appurtenances thereto, but excludes moveable machinery and equipment.

   Equipment Disposition
   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). Pursuant to 2 CFR 200.313, equipment with a current per unit fair market value of $5,000 or less that is not needed by the Sub-Recipient for activities under this Agreement shall be be retained, sold or otherwise disposed of with no further obligation to the Grantee. Equipment with a current per unit fair market value greater than $5,000 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 prior to the start of any construction.

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, in every subcontract, invoice, 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. This applies to all laborers and mechanics employed by contractors or subcontractors on construction work in excess of $2,000. 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 Grantee. Sub-recipient agrees that it does not knowingly employee any unauthorized alien in connection with the contracted services with the Grantee. 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 Grantee 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 SAM.gov to verify that any and all Sub-Contractors and Vendors are not ineligible (e.g. debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded) from participation in Federal programs and shall submit the documentation to the Grantee 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*", as amended from time to time. The most current publicly available handbook is found as **Appendix E**. It will be the responsibility of the Sub-Recipient to monitor and ensure the handbook being utilized is current. This resource, and checking for updates, can be found at the following link:
portal.hud.gov/hud**portal/documents/**hud**doc?id=DOC_17104.pdf**

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: $2,470,000
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	Joplin Area Chamber of Commerce Foundation Not-For-Profit
Signature:_____ Troy Bolander Planning, Development & Neighborhood Services Director	Signature:_____ Rob O'Brian Joplin Area Chamber of Commerce Foundation President

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_____, 2016.

_____
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 Size: give the total annual income from all family members, as determined on today's date; in IRS terms, this would be adjusted gross income.
   *Supporting documentation is needed for this item. Documentation will include a copy of the most recent IRS W2 or IRS Form 1040 Return, or a filled out and signed IRS 4506-T Form. Additional Income Verification documentation may include proof of Medicaid, payroll stubs, social security benefit letters, unemployment letters or other appropriate income documentation as determined by the Grantee.

3. **ELDERLY: person(s)**
   Elderly: How many persons in your family are 62 years of age or 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:** Indicate number of family members in each individual category below:

___ 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 Community Clinic of Joplin for assistance.

For Sub-Recipient 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)	Low (c)	Moderate (d)	
1 PERSON				
2 PERSONS				
3 PERSONS				
4 PERSONS				
5 PERSONS				
6 PERSONS				
7 PERSONS				
8 PERSONS				

Non-LMI Families (e)	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 2016 Income Limits Documentation System										
2016 Income Limits Summary										
Joplin MO, MSA										
FY 2016 Income Limit Area	**Median Income**	**FY 2016 Income Limit Category**	**Persons in Family**							
			1	**2**	**3**	**4**	**5**	**6**	**7**	**8**
Joplin, MO MSA	$51,700	**Low (50%) Income Limits ($)**	18,100	20,700	23,300	**25,850**	27,950	30,000	32,100	34,150
		Extremely Low (30%) Income Limits ($)	11,880	16,020	20,160	**24,300**	27950	30000	32100	34150
		Moderate (80%) Income Limits ($)	28,950	33,100	37,250	**41,350**	44,700	48,000	51,300	54,600

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

* * Income limits are updated on an annual basis. Please reference the US Department of Housing and Urban Development's income limit database for income limits in future years (https://www.huduser.gov/portal/datasets/il/il16/index.html) .

Appendix C

Public Facility Grant Document Checklist

Name of Sub-Recipient:

All Activities Should Have the Following:

__ Must be a 501 (c) 3 tax exempt organization

__ Must not discriminate against any persons on the basis of religion

__ Program Information (brochures, etc.)

__ Signed Written Agreement

__ Income/Demographic Form

__ Must not provide religious instruction or counseling

__ Schedule of proposed work

Does the Activity Involve Asset Procurement? Yes __No

If Yes, Include the following:

__ Procurement Threshold Chart

__ Bid Tabulation Forms (Telephone, Written, and Formal)

Appendix D (to be provided JACCF Board Resolution)

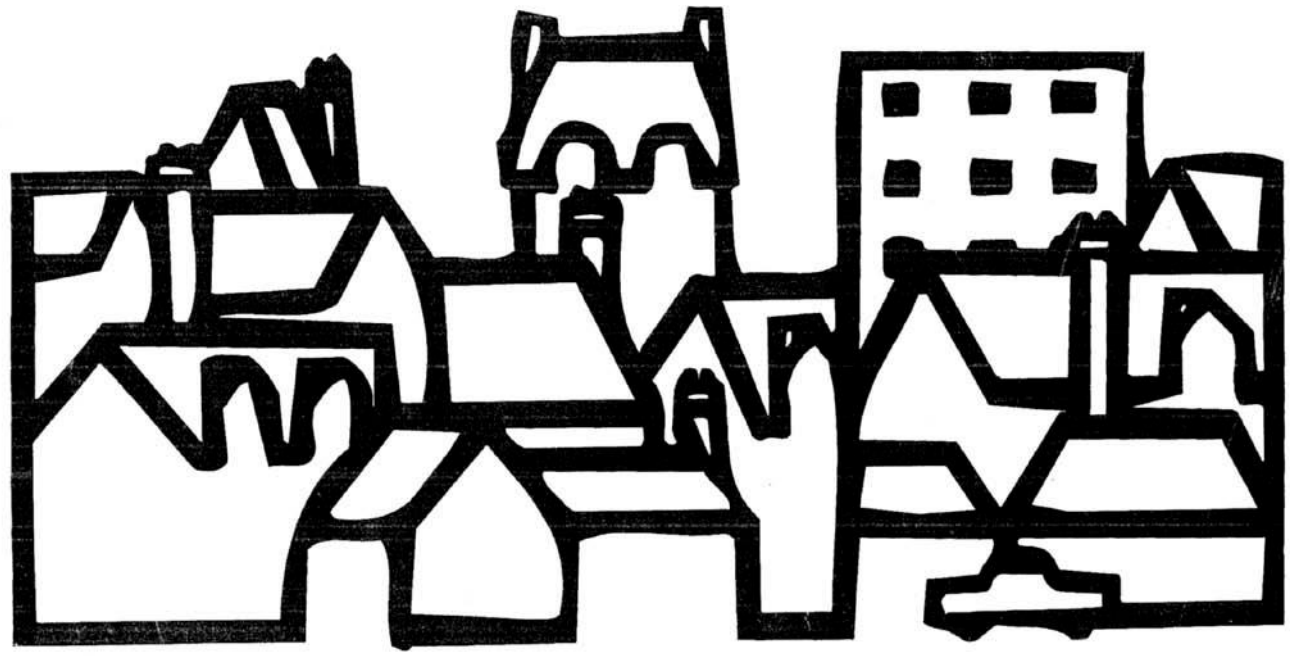
Appendix E

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 Sub-recipients 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

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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.

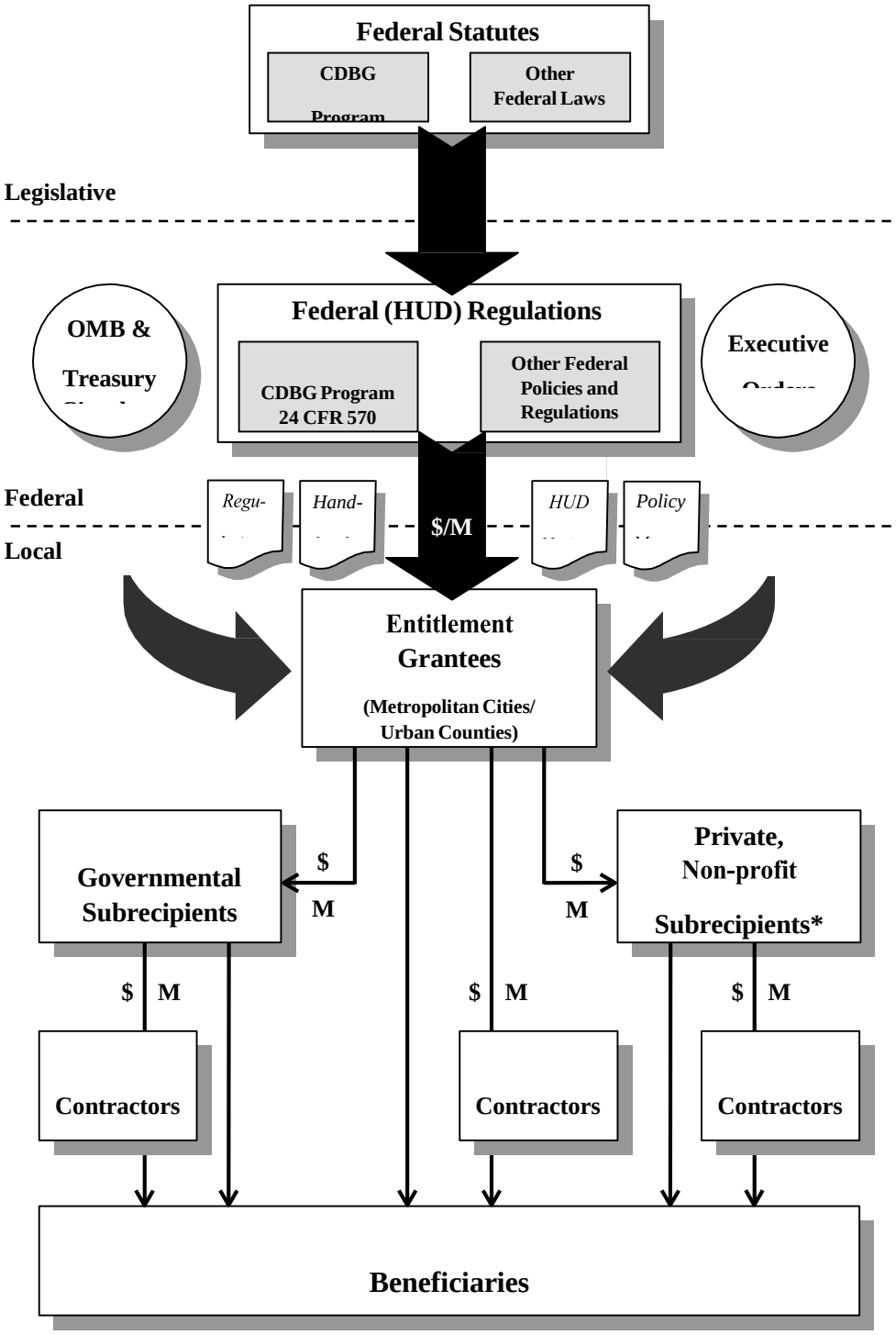
[3] Under the CDBG program, participating units under an urban county are considered to be part of the grantee; however, the grantee is responsible for applying the same requirements to these participating jurisdictions as are applicable to subrecipients.

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.

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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.

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 t

he 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]).

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[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 t

he 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.

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.

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

COUNCIL BILL NO. 2016-408 ORDINANCE NO.

AN ORDINANCE authorizing the City of Joplin to enter into a Sub-Recipient Agreement with the Joplin Area Chamber of Commerce Foundation in the amount of Two Million Four Hundred Seventy Thousand Dollars ($2,470,000.00) to purchase and install furniture, fixtures and equipment as required for the development and execution of the proposed training programs/classes.

WHEREAS, on May 22nd, 2011, an EF-5 tornado caused catastrophic damage to a significant portion of the City of Joplin; and

WHEREAS, there were thousands of households and jobs were affected by 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 of Joplin enter into an Agreement with the Joplin Area Chamber of Commerce Foundation in the amount of Two Million Four Hundred Seventy Thousand Dollars ($2,470,000.00) to purchase the furniture, fixtures and equipment required for the development and execution of the proposed training programs/classes.

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 form, for and on behalf of the City of Joplin.

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