INTERDEPARTMENTAL COOPERATION AGREEMENT

MEMORANDUM OF UNDERSTANDING

2012 CDBG GRANT AWARDS

CONTRACT NUMBER: **C15112CB14**

This agreement, entered into as of the first day of January, 2012;

TIME OF PERFORMANCE: January 1, 2012 through December 31, 2012

TOTAL AMOUNT OF CONTRACT: Not to exceed **Seven Thousand One Hundred Forty Dollars and 00/100 -** DOLLARS **($7,140.00)**, and subject to the terms, conditions and limitations on funding amounts for specific activities set forth in **Attachment A** hereto.

WHEREAS, the various departments of the City of Milwaukee, including **City Clerk's Office** (the "Department") have received an appropriation of 2012 Community Development Block Grant funds pursuant to Common Council Resolutions No. 110571, 110811, 110812, 110813, 110814, 110815, and 110908 (hereinafter referred to as "the 2012 CDGA Funding Resolutions"); and

WHEREAS, pursuant to Common Council Resolution No. 110908, the Department and CDGA are authorized to enter into such contracts and subcontracts as may be required within the limits of the respective approved project budgets set forth in the 2012 CDGA Funding Resolutions; and

WHEREAS, pursuant to Common Council Resolution No. 74-92-5v, the Department and CDGA are entering into this cooperation agreement with respect to the expenditure by the Department of the 2012 Program Year CDGA funds appropriated in the 2012 CDGA Funding Resolutions; and

WHEREAS, CDGA and the Department desire to set forth in this agreement the terms and conditions for administration and expenditure of CDBG Funds appropriated to the Department for 2012; and

WHEREAS, execution and delivery of this agreement was authorized by resolution of its Common Council in file no. 110908;

NOW, THEREFORE, in consideration of the promises and the mutual agreements contained herein, CDGA and the Department agree as follows:

I. DEFINITIONS

As used in this agreement, the following terms shall have the respective meanings set forth below:

"2012 CDGA Funding Resolutions" means City of Milwaukee Common Council Resolutions No. 110571, 110811, 110812, 110813, 110814, 110815, and 110908; as amended from time to time by lawful action of the Common Council.

"CDGA" means the City of Milwaukee Community Development Grants Administration.

"CDBG Funds" means the City of Milwaukee's 2012 allocation of Community Development Block Grant funds from the United States Department of Housing and Urban Development.

"Project Budget(s)" means the approved project budgets set forth in the 2012 CDGA Funding Resolutions, and the proposal(s) submitted by the Department, copies of which are attached hereto.

"Department" means the City of Milwaukee **City Clerk's Office**

II. USE OF CDBG; AVAILABILITY OF FUNDS

The Department and CDGA each agrees that CDBG Funds shall be used only for the purposes, and subject to the limitations on dollar amounts and activities, set forth in the Project Budget(s) attached hereto.

The activities funded pursuant to this Memorandum of Understanding are 100% funded under the CDBG Program. Thus, should the availability of federal funds be reduced, the Department agrees that the Community and Economic Development Committee of the City of Milwaukee Common Council can modify and reduce either the amount of funding, or the Department's program year, or both. The Community and Economic Development Committee will notify the Department of any such reduction. In the event of such modification or reduction, the Department shall enter into an amendment to this Memorandum of Understanding to reflect the award or activities that are to be reduced or modified.

III. COMPLIANCE WITH FEDERAL LAW

The Department agrees that all expenditures of CDBG Funds shall comply with all federal, state and local law and regulations governing the use of CDBG funds as set forth in the standard form of CDBG contract attached hereto, including all federal regulations set forth at 24 CFR Part 570 and 24 CFR Part 92.

IV. TERM OF AGREEMENT

The term of this agreement shall begin on January 1, 2012 and shall terminate on December 31, 2012, unless extended by lawful action of the Common Council or the City of Milwaukee Community Development Grants Administration.

V. BOOKS AND RECORDS

The Department shall keep proper books and records of account with respect to its performance of this agreement, and shall maintain such books and records for a period of 6 years following the end of the year to which such records and accounts pertain. During such period, CDGA or the City Comptroller shall have the right, at any time during normal business hours and on reasonable notice, to inspect, audit and make extracts from such books and records.

VI. REPORTS AND INFORMATION

The Department shall file with CDGA the applicable reports listed in the Reporting Schedule attached hereto, at the times specified therein.

VII. METHOD OF PAYMENT

Compensation and/or reimbursement for services or expenses permitted under this agreement shall be made pursuant to the policies and procedures adopted by the City Comptroller.

VIII. CLOSE-OUT POLICY

All CDBG funds must be closed to the CDBG contingency Account.

IN WITNESS WHEREOF, the foregoing agreement has been executed by the parties hereto as of the date set forth above.

COMMUNITY DEVELOPMENT GRANTS ADMINISTRATION
OF THE CITY OF MILWAUKEE

By: _____
Director

Date: 11/2/12

CITY OF MILWAUKEE DEPARTMENT OF
City Clerk's Office

By: _____

Title: City Clerk

Date: 11-9-12

This document was drafted by
the Office of the City Attorney.

G365810170131024300G102000

CDGA

YEAR 2012 COMMUNITY DEVELOPMENT
GRANTS ADMINISTRATION

2012 OCT 25 PM 2:16

ORGANIZATION BUDGET/FORECAST

Organization:	City clerk's office
Account #:	CD 10250504388
Budget $:	2,140
Program Year:	2012 CDBG

Original ✓

Amendment Number _____

	Date
Organization Signature:	10-29-12
Accepted By: (CDGA):	10/30/12
Reviewed By: (Compt):	10/30/12

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Cost Category													
Personnel													0
Fringe Benefits													0
General Services													0
Office Supplies													0
Equipment Purchase													0
Equipment Rental													0
Contractual Services													0
Other Costs			2,140										2,140 0
PERIOD TOTALS	0	0	2,140 0	0	0	0	0	0	0	0	0	0	0
CUMULATIVE TOTALS	0	0	2,140 0	0	0	0	0	0	0	0	0	0	2,140 0

ATTACHMENT A

2012 OCT 30 PM 1:17 CONTROLLER

Organization:	City clerk's 08/12
Account #:	CD1025050438
Budget Amount:	7,140
Program Year:	2012 - CDBG

FUNDED ACTIVITY(S)

		Date
Organization Signature:		10-29-12
Accepted By (CDGA):		10/30/12
Reviewed By (Compt):		10/30/12

NRSA AREA									TOTALS
ACCOUNT#									
Cost Category									
Personnel									0
Fringe Benefits									0
General Services									0
Office Supplies									0
Equipment Purchase									0
Equipment Rental									0
Contractual Services									0
Other Costs	7140								7140
PERIOD TOTALS	7140	0	0	0	0	0	0	0	0
CUMULATIVE TOTALS	7140	0	0	0	0	0	0	0	7140

ATTACHMENT A

COMMUNITY DEVELOPMENT GRANTS ADMINISTRATION
BUDGET JUSTIFICATION
OTHER COSTS

Project Name:		City Cost Category: **OTHER COSTS**	
CATEGORY ITEM:			
Number	Description	Costs	Costs
	Travel to National League of Cities Congressional Cities Conference by the Milwaukee Youth Council's Executive Committee.	7,140	7,140
	TOTAL	0	7140 0

ATTACHMENT A

2012 CDGA Project Activity Report (Approved by CC 9/25/12)

Organization: City Clerk's Office

Report #:

Account Number: 63650101703/02430G102000
CD 10250504 38

Prepared By: Jim Owczarski Date 10-24-12

Accepted By: [signature] Date 10/30/12

Milwaukee Youth Council

Principal Project Activity(s)	Measurement		Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Total
National League of Cities Congress of Cities Conference	Attendance & Participation	Plan			6										
		Actual													
		Plan													
		Actual													
		Plan													
		Actual													

ATTACHMENT A

ATTACHMENT B

ADMINISTRATIVE POLICIES AND PROCEDURES FOR THE CITY OF MILWAUKEE COMMUNITY DEVELOPMENT CONTRACTS

DEFINITIONS:

CDGA	The City of Milwaukee Community Development Grants Administration.
CD Funds	As applicable, the following federal funds received by the City of Milwaukee from the U.S. Department of Housing and Urban Development: Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), American Dream Downpayment Assistance (ADDI), Emergency Shelter Grant (ESG), and/or Housing Opportunities for Persons with AIDS (HOPWA).
CD Committee	The City of Milwaukee Community and Economic Development Committee, or successor body.

GENERAL CRITERIA

The following criteria will apply to **all projects receiving grant funds through Community Development Grants Administration**. Waivers from any of these rules require a specific exemption from CDGA.

1. **Residency.** All directly funded staff hired after *January 1, 1990* shall be and remain City of Milwaukee residents. If Contractor employs non-residents hired prior to January 1, 1990, it may be granted a hardship exemption by the Community Development Grants Administration (CDGA) Director and the Chairperson of the Community and Economic Development Committee. The CDGA Director and the Community and Economic Development Committee Chairperson shall have complete discretion regarding the granting of hardship exemptions, and exemptions may be for any term or subject to any conditions approved by the CDGA Director and the Community and Economic Development Chairperson. A memo regarding any decisions will be forwarded to the Community and Economic Development Committee members. *(Approved by the Community Development Committee October 9, 2001.)*

   Organizations receiving funding from Grant Programs administered by the Community Development Grants Administration must have adopted a written policy that effective January 1, 1990, all persons holding grant-funded staff positions shall be and remain residents of the City of Milwaukee.

2. **Acknowledgment of CD Funding.** Contractor must acknowledge the receipt of grant funds in literature and promotional materials in one of the following manners:
   a. Use of CDBG logos (obtainable from CDGA); or
   b. Use of a stamp bearing the CDBG logo (obtainable from CDGA); or
   c. Inclusion of specific language as follows: "This project is funded in part through a City of Milwaukee grant of federal community development funds."

3. **Empowerment & Participation.** The City of Milwaukee is committed to supporting organizations which promote the empowerment and participation in the governance of organizations by population groups who are intended to be the primary beneficiaries of the Grant Programs; i.e. low/moderate income persons, residents of the CDBG target area and members of racial minorities. As a recipient of CD Funds, Contractor shall show how this goal is achieved (e.g. through board participation, advisory board, etc.).

4. **Equal Opportunity.** Contractor shall provide equal employment and promotional opportunities to all present and prospective employees without regard to race, religion, color, age, handicap, sex, national origin, sexual orientation, marital status, creed or ancestry. A policy of equal employment opportunity shall apply to all

personnel transactions, including, but not limited to, recruitment, hiring, compensation, promotion, transfer, demotion, recall from lay-off and educational opportunity. Grantees shall maintain a positive, continuing affirmative action program to eliminate barriers to employment which have had the effect, although unintentional, of denying equal employment opportunities to the above groups. Contractor shall monitor certain key indicators to measure positive progress in this area such as minority composition of staff and boards of directors.

5. **Non-English Speaking Clienteles.** If Contractor serves a large non-English speaking population, it shall demonstrate how language needs are met, either by having translation capacity available or having multilingual staff.

6. **Board of Directors Membership.** If Contractor is a non-governmental entity, it shall maintain a board of directors of not fewer than five members. The Board of Directors is to be independent and separate from the paid staff (except for the chief executive officer may serve as a board member). Board members may not profit from CD-funding and shall be subject to Conflict of Interest regulations pursuant to 24 CFR 570.611, 24 CFR 85.36 and OMB Circular A-100 and the HUD Conflict of Interest Regulations with respect to CDBG funds 24 CFR 570.611 and HOME funds, 24 CFR 93.356.

7. **Participation by City Officials.** Contractor must disclose participation of elected or appointed city officials in their organizations.

8. Grantees may be required to submit affirmative action reports and plans to show good faith efforts in this area. CDGA shall monitor certain key indicators to measure positive progress in this area such as minority composition of staff and boards of directors.

9. If a project is a membership organization, the organization must demonstrate significant financial support from members, either in the form of dues, fund-raising efforts (i.e. at least 5% of total budget or $5,000 whichever is less) or through equivalent sweat equity contributions.

10. Except for projects which rely almost completely on CDBG funding, such as housing rehab, funded agencies must demonstrate that they are "financially viable". In other words, the agency would be able to maintain a minimal level of program activity even without funding administered through the Community Development Grants Administration. The Community and Economic Development Committee will handle this on a case-by-case basis.

11. All grant-funded agencies with annual expenditures of $500,000 or more in federal funds must provide a certified audit to CDGA annually. The audit shall be conducted in accordance with the requirements of OMB Circular A-133. Organizations must disclose all sources of funds used in project and agency budgets. Specifically the use of other federal dollars must be detailed as required by federal law.

12. Continuing projects must meet various programmatic and financial quality standards in order to receive further funding.

13. Continuing projects must demonstrate movement toward greater self-sufficiency and organizational efficiency.

14. One Year Fiscal Agency Rule. Projects with fiscal agency arrangements must be able to deal with internal accounting policies and procedures in-house. An alternative to in-house fiscal management is an alternative source of funding to pay for a continued fiscal agency arrangement. If an agency needs to extend the fiscal relationship for more than one year, due to extenuating circumstances, approval must be obtained from the Community and Economic Development Committee. Evidence of fiscal autonomy shall be provided to the office of the Community Development Grants Administration.

Administrative Policies and Procedures

15. Applicant's principal organization or business address must be listed. Post office boxes are not acceptable except for legitimate security reasons surrounding the organization and its programs. Also unacceptable are home addresses and organizations or businesses located in residences or domiciles.

FISCAL PROCEDURES

1. **Ninety-Day Rule.** An award of funds remaining 90 days after award shall be subject to revocation by the Community and Economic Development Committee if the grantee has not, within ninety days of the final approval of the award, provided all documentation necessary for contract execution.

2. **Timely Expenditure.** If Contractor has not expended or encumbered at least sixty percent of the contract amount prior to the beginning of the tenth month of the contract term, this Contract shall be subject to full or partial termination by the Community and Economic Development Committee.

3. **Final Cost Report.** The final cost report for this Contract must be filed no later than 4:00 P.M. on the fifteenth day after the end of the contract term (e.g., for January 1 - December 31 contracts).

4. **Payment of Accrued Costs.** All accrued costs reported on the final cost report must be paid no later than the forty-fifth-day after the end of the contract term (e.g., for January 1 - December 31 contracts, not later than February 15 of the succeeding year). Accrued cost is any cost incurred (goods or services ordered, in transit, or received) but not yet paid and/or recorded as such on the financial records of the project.

5. **Fiscal Year Close Out.** Costs submitted to the City for reimbursement after the close out date of the close of the fiscal year, CDGA is authorized to charge the amount in question to the project's current year contract, unless the cost reimbursement was delayed through some fault of the City, in which case the reimbursement shall be taken from the Contingency fund.

6. **Recovery of Unexpended Funds.** All budget balances remaining sixty days after the end of the contract term shall revert to the CDGA Contingency Account.

7. The CDGA Director may approve additional expenditure up to 25% or $25,000 of a subrecipient's budget without further authorization by the Community and Economic Development Committee. This authority will include Extension requests and Special Requests that may occur during the program year. CDGA will bring amounts greater than 25% or $25,000 to the Community and Economic Development Committee for action. *Approved by Policy Committee 4/10/00.*

8. The CDGA Director may approve for a period of one year, up to $15,000 for unique, one time administrative objectives of the office of Community Development Grants Administration. Additional funds must be brought to the Community and Economic Development Committee for action. *Approved by Policy Committee 4/10/00.*

9. **Contract Extensions.** The Director of Community Development Grants Administration has the discretion to consider contract extensions based on the following criteria:

    1. Groups which received funds out of cycle to finance individual programs as they are approved by Common Council Resolution. An extension will allow the project to operate at a full 12 month period.

    2. Groups which have met productivity goals and have extenuating circumstances. (Organizations/Departments must provide extensive reasons to meet this criteria and why these funds should not be reprogrammed.)

    3. All work has been completed but final payment must be made. (City Departments only).

4. To pay a specific outstanding commitment or obligation which has been encumbered prior to the end of the fiscal year. (City Departments only).

5. Capital Projects - A specific construction project, usually of a one-time nature.

6. Large Impact Developments (LIDS) - Specific LID criteria will apply.

Extension requests must be submitted to the office of Community Development Grants Administration for approval in November, before the start of the new program year. All Contract Extensions shall extend to December 31st of the applicable program year.

For work-in-progress as of December 31st, this work should be completed and reported under the extension contract. *Contract Extension policy approved by Policy Committee 9/13/99.*

10. **Reprogramming Funds.** Request for new projects or additional activity in already funded projects will be considered by the Community and Economic Development Committee. Under the following circumstances, unallocated funds may be disbursed in the following manner:

1. The CDGA Director may approve additional expenditures of up to $10,000 or 10% of a sub-grantee's original allocation without further authorization by the Community and Economic Development Committee (this is already allowed under Common Council resolution 74-92-5v).

2. Other requests for funding will be considered by the Community and Economic Development Committee provided the following conditions exist:
   a. The request is for a one-time only project
   b. The request requires prompt action which cannot await a normal funding cycle
   c. The request has one or more of the following characteristics:
      - Meets an urgent community need;
      - Presents a unique opportunity to address some broad policy objective of the City's Community Development program;
      - Will provide an opportunity to leverage significant new resources for the City's neighborhood revitalization efforts.

For City Departments, any allocated funds not disbursed by January 25 of the succeeding year or encumbered by December 31 of the current year will automatically revert to the Contingency account for reprogramming. However, if significant project costs were incurred but not paid by January 25, the Comptroller will accrue known costs to the project consistent with grant regulations.

A Contract extension will be given automatically for funds properly encumbered but not disbursed prior to the end of the project year and shall be for one year (to the next December 31st).

Encumbrances from previous CDBG years not liquidated by the end of the next CDBG year will be subject to review by the Community and Economic Development Committee.

Revolving loan projects will be re-authorized consistent with Community and Economic Development Committee action during the Entitlement Allocation Period.

All budget balances remaining sixty days after February 15, of the succeeding year, will be available for re-allocation by the Community and Economic Development Committee.

Administrative Policies and Procedures

11. **Partial year's funding and annual goals.** Most proposals for grant funding are for activity over a full twelve month program year. Since approved funding generally is less than the amount requested, project operators need to determine how best to budget their grant appropriation to meet approved objectives.

It is the general policy of the Community Development Grants Administration that projects should operate for a full program year, and that reduced funding may require reduced activity goals or objectives, or the elimination of one or more project elements, but the term of the project contract will be for twelve months, or to the end of the program year.

Projects that request to budget their grant appropriation for a period of less than twelve months, or to terminate prior to the end of the program year established for the Grant Program, shall be governed by the following policies:

1. Projects will be authorized for a period of less than a full program year if that was specifically stated at the time funding was approved by the Community and Economic Development Committee, the Zoning, Neighborhoods and Development Committee, or the Common Council.

2. Projects that request a budget to run less than a full program year, without prior specific authorization, must be approved by the Community and Economic Development Committee before the project contract is signed, and must either:

   a. Agree by contract to meet program objectives to the end of the program year; or

   b. Provide satisfactory evidence that the approved activity will be continued after the term of the project contract using non-grant from CDGA resources.

12. **Policy on changes in salary levels of Grant-funded positions.** Salary levels for positions within an organization. Each Contractor has the responsibility for establishing salary levels according to procedures defined by board of directors for that organization. However, the required minimum salary for all grant-funded positions is $7.25 per hour, full time. In addition, if salary levels seem excessive given job duties and responsibilities, then overall grant funding may be similarly affected. Clearly, many factors go into CDGA's funding recommendations and this is one of many, performance being the primary factor.

13. **Complaints.** The Director of the Community Development Grants Administration has the authority to hear appeals to all complaints involving administrative policies and procedures of all Grant-funded programs administered by CDGA. Exceptions to administrative policies and procedures shall be granted only when in the opinion of the Director of the Community Development Grants Administration, extenuating circumstances prevented a project, an individual funded with grant funds, or a citizen from reasonably complying with the letter and intent of Administrative Policies and Procedures.

ADDITIONAL DEFINITIONS AND CRITERIA

Close Out - Expeditious payment of all costs accrued through December 31*, preparation and submittal of final cost report to CDGA, and reconciliation of any variance between budgeted and actual costs. (*End of the Program Year for all projects, unless an extension has been authorized by the Director of Community Development Grants Administration, or a project contract specifies a termination date other than December 31.)

Examples of uncompleted objectives eligible to be extended would be determined on a case by case basis, giving consideration to:

2. The legitimacy of the reason(s) an objective was not achieved during the program year,

3. The extent to which the same or similar objectives are adequately funded in the new program year,

4. The demonstrated capacity of the project to complete all objectives (currently authorized plus extension) within the new program year, and

5. The extent to which not allowing the extension for completion of a previously approved objective would diminish or jeopardize the effectiveness of other community development activity already completed.

Reprogramming - Funds added to current year project budgets for ***new or additional activity*** or for significant ***unexpected costs*** related to authorized activity, and funds used to initiate new projects approved by the Community and Economic Development Committee and Common Council that were not included in the annual CDBG Program Statement submitted to HUD.

Reprogramming funds originate from budget amounts remaining after project close outs, including budget surpluses not eligible for or approved for extensions; program income received during the year that is not already allocated to approved revenue accounts; and any increase in the City's CDBG letter-of-credit received after the annual entitlement grant from HUD.

Conflict of Interest Regulations Applicable to CDBG and HOME Funding

Persons Covered

1. Employees of the City of Milwaukee
2. Employees of the subrecipient organizations (Including Board members)
3. Agents of the City
4. Consultants of the City
5. Officers of the City
6. Elected officials of the City
7. Appointed officials of the City
8. State Recipients (HOME regulations)

No Persons (identified above)

- who exercise any functions or responsibilities with respect to CDBG or HOME activities, or
- who have exercised any functions or responsibilities with respect to CDBG or HOME activities, or
- who are in a position to participate in a decision making process, or
- who are in a position to gain inside information with regard to such activities.

Prohibition

- may obtain a *financial interest* from a CDBG or HOME assisted activity, or
- obtain a *benefit* from a CDBG or HOME assisted activity, or
- have a *financial interest* in any contract, subcontract, or agreement with respect to a CDBG or HOME assisted activity, or with respect to the proceeds of the CDBG or HOME assisted activity
- either for themselves, or
- those with whom they have business or immediate family ties,
- during their tenure or for one year thereafter.

Employees of both the City and Employees of Subrecipient Organizations that receive CDBG or HOME funds:
Before any employee who exercises or has exercised any functions or responsibilities with respect to CDBG or HOME activities, or who is in a position to participate in a decisionmaking process or gain inside information with regard to CDBG or HOME activities, is permitted to avail himself or herself of a financial interest or benefit from programs funded with those grants, or is permitted to enter into any contract or agreement relating to such activities, the City, on behalf of the employee, is required to first seek an exception to the conflict of interest regulations from HUD.

City Employees: Any City employee who exercises or has exercised any functions or responsibilities with respect to CDBG or HOME activities, or who is in a position to participate in a decisionmaking process or gain inside information with regard to CDBG or HOME activities, and who wishes to participate in a program funded with CDBG or HOME funds, should first seek a confidential advisory opinion from the Ethics Board. In order to seek an exception from the HUD conflict-of-interest regulations, an employee must provide an opinion of the City Attorney that the relationship at issue does not violate state or local law

Any other City Employee described above whose position involves activities related to a grant-funded program in which he or she wishes to participate should seek a confidential advisory opinion from the Ethics Board *before* participating in the program.

1052-2002-823:51505

ATTACHMENT C - INTERDEPARTMENTAL AGREEMENT

COMMUNITY DEVELOPMENT GRANTS ADMINISTRATION
2011 REPORTING DATES FOR FISCAL AND PROGRAMMATIC DOCUMENTS

DOCUMENT NAME	FORM	APPLICABILITY	DUE DATES
Activity Report	CDA 62	All Subrecipients	10 days following end of each month **Final Activity Report due January 11, 2013**
Organization Budget Forecast/Annual Budget Output Forecast and Budget Justification pages	CDA 50	All Subrecipients	As indicated in the CDBG award letter
Budget Amendment (Request must be submitted with *Budget Amendment Request Form*)	Budget Amendment form	As Relevant	Budget Amendments are **due September 30, 2012**
Cash Advance Status Report	CDA 71	Prior Authorization Required	10 days following end of each month
Contract Extension Request	EXT-REQ	As Relevant	**November 1, 2012**
Contractor and Subcontract Activity Form For Reporting Periods: October 1, 2011 – September 30, 2012	HUD-2516	All Subrecipients	**October 14, 2012**
Cost Reports **(With schedules of paid cost)**	CDA 70 CDA 70 A	All Subrecipients	10 days following end of each month **Final Cost Report Due January 11, 2013**
Detail Schedule of Accrued Cost	CDA 72	As Relevant	10 days following end of each month **Final report due February 8, 2013**
Direct Benefits/Status Form	CDA 35	All Subrecipients	10 days following end of each month **Final report due January 11, 2013**
Out-of-State Travel Request -- *(Request must be submitted to CDGA at least 30 days prior to travel)*	CDA 78	All Subrecipients	30 days prior to travel
Outcome Performance Measurements documentation and data source due to CDGA:		All Subrecipients	**June 1, 2012 and January 11, 2013**
Property Record Form and Invoice (Must be submitted with *UCC Financing Statement*	CDA 76	As Relevant	Due with Cost Report
Staff Roster for Staff Funded with Grants Administered by CDGA	Rosters	All Subrecipients	When there are CDBG-funded Staff Changes

Form CDA-8 (Rev. 01-12)

CONTRACT FOR SERVICES-CDBG
SUBRECIPIENT AND VENDOR
City of Milwaukee
COMMUNITY DEVELOPMENT
BLOCK GRANT PROGRAM
Distribution:
Original - DOA - CDGA
Copy 1 - Contractor
Copy 2 - Comptroller

CONTRACT NUMBER:
DEPARTMENT: **DOA-CDGA**
DATE OF AWARD: **January 1, 2012**
FUND NUMBER: **See attached encumbrance**
CFDA Number **14.218**
Department Use

The provisions of this Contract have been approved by the Office of the City Attorney of the City of Milwaukee.

SERVICE DESCRIPTION: See Attachment A hereto

TIME OF PERFORMANCE: **January 1, 2012 through December 31, 2012**

TOTAL AMOUNT OF CONTRACT: Not to exceed_____ DOLLARS ($_____), and subject to the terms, conditions and limitations on funding amounts for specific activities set forth in **Attachment A** hereto.

THIS AGREEMENT, entered into by and between _____ (hereinafter referred to as the "CONTRACTOR"), and the City of Milwaukee, a municipal corporation of the State of Wisconsin (hereinafter referred to as the "CITY").

Performance and schedules will be approved by the Director of the City of Milwaukee Community Development Grants Administration (or the Director's designee).

Work may commence in accordance with the terms and conditions of this Contract on **January 1, 2012**, provided the grant agreement for the Community Development Grants Administration program (the "Grant Program") from the U.S. Department of Housing and Urban Development has been executed by the City of Milwaukee or the Common Council of the City of Milwaukee has established other temporary appropriation authority for the City's Grant Program, or subject to the specific limitations set forth in Article III hereof.

WITNESSETH THAT:

WHEREAS, the Common Council of the City of Milwaukee has authorized execution of contracts and allocation of funds for the 2012 Community Development Block Grant Program and related 2012 grant programs (HOME, HOPWA, ESG) as approved under Common Council Files No 110571, 110811, 110812, 110813, 110814, 110815, and 110908; and

WHEREAS, in furtherance of those grant programs, the CONTRACTOR represents itself as being capable, experienced and qualified to undertake and perform those certain services, as hereinafter set forth, as are required in accomplishing fulfillment of the obligations under the terms and conditions of this Contract as an independent contractor and not as an employee of the CITY.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

I. RETENTION OF SERVICES AND REQUIREMENTS. The CITY hereby agrees to engage the CONTRACTOR and the CONTRACTOR hereby agrees to personally perform, as an independent contractor and not as an employee of the CITY, the services hereinafter set forth, all in accordance with the terms and conditions of this Contract. CONTRACTOR agrees time is of the essence and will meet all deadlines, any schedules as herein set forth, and is required to:

A. Do, perform, and carry out in a satisfactory, timely, and proper manner, the services delineated in **Attachment A** to this Contract.

B. Comply with requirements listed in this Contract, and all attachments hereto, with respect to reporting on progress of the services, additional approvals required, and other matters relating to the performance of the services.

C. Comply with time schedules and payment terms.

II. SCOPE OF SERVICES. A specific description of services relating to the approved CDGA Project Activity Report and the approved Organization Budget Forecast is delineated in the approved **Attachment A** attached to and made part of this Contract.

A. CONTRACTOR will adhere to the Administrative Policies and Procedures for the City of Milwaukee's Community Development Grants Administration Program as adopted by the CITY's Community and Economic Development Committee attached to and made a part of the Contract as **Attachment B**.

B. Any Budget Amendment or Activity Report amendment to be considered by the CITY from the CONTRACTOR must be submitted no later than 4:00 P.M. on September 30, 2012.

C. The CONTRACTOR shall comply with the CITY's Performance-Based Measurement System for Grant-funded agencies. Documentation and the data sources on outcome measurements shall be reported to the Community Development Grants Administration on June 1, 2012, and again on January 11,2013 (to be submitted with the CONTRACTOR's final cost report). **(See Attachment L).**

D. The CONTRACTOR certifies that throughout the term of this Agreement, neither the CONTRACTOR nor any of its principals are, or will be, debarred, suspended, or proposed for debarment for federal financial assistance (e.g., General Services Administration's List of Parties Excluded from Federal Procurement and Non-Procurement Programs), and that the CONTRACTOR will not enter into any transactions with any sub-recipients, contractors, or any of their principals who are debarred, suspended or proposed for debarment. The CONTRACTOR further certifies that it will verify that no suspended or debarred entities are under contract or participating in activities under this agreement by reviewing the federal General Services Administration's Excluded Parties List System (EPLS), which is available in electronic format and can be accessed on the internet at www.epls.gov. Prior to signing this agreement, the CONTACTOR has reviewed EPLS to verify the status of any sub-recipients, contractors, and their principals.

III. AVAILABILITY OF FUNDS

A. This contract award is 100% funded under the Grant Program. Thus, should the availability of federal funds be reduced, the CITY and the CONTRACTOR agree that the City of Milwaukee's Community and Economic Development Committee can modify and

reduce either the CONTRACTOR's compensation (as listed on page 1 as the "Total Amount of Contract") or the CONTRACTOR's program year or both. The Community and Economic Development Committee will notify the CONTRACTOR of any such reduction. In the event of such a modification or reduction, the parties shall agree upon the portions of the contract to be reduced or modified.

B. The CITY and CONTRACTOR further acknowledge that payments under this Contract are subject to either (1) actual receipt by the CITY of funding by the Grant Program or (2) the ability of the CITY to finance its payment obligations hereunder with other City funds pending receipt of the federal grant monies.

IV. NOTICES. Any and all notices shall be in writing and deemed served upon depositing same with the United States Postal Services as "Certified Mail, Return Receipt Requested," addressed to the CONTRACTOR at:

Name:
Address:
City:

Attention:

and to the CITY at:

Community Development Grants Administration
City Hall - Room 606
200 East Wells Street
Milwaukee, Wisconsin 53202

Attention: Steven L. Mahan, Director

All other correspondence shall be addressed as above, but may be sent "Regular Mail" and deemed delivered upon receipt by the addressee.

V. TIME OF PERFORMANCE. The services to be performed under the terms and conditions of this Contract shall be in force and shall commence on January 1, 2012 and shall be undertaken and completed in such sequence as to assure its expeditious completion in light of the purposes of this Contract, but in any event all of the services required hereunder shall be completed as indicated on page 1 under "Time of Performance", which is the termination date of this Contract. In addition to all other remedies inuring to the CITY should the Contract not be completed by the date specified in accordance with all of its terms, requirements and conditions therein set forth, the CONTRACTOR shall continue to be obligated thereafter to fulfill CONTRACTOR's responsibility to amend, modify, change, correct or expand thereon until the Contract is fully completed.

VI. CONDITIONS OF PERFORMANCE AND COMPENSATION.

A. Performance and Standard of Care. The CONTRACTOR agrees that the performance of CONTRACTOR's work, services and the results therefore, pursuant to the terms, conditions and agreements of this Contract, shall conform to such recognized high professional standards as are prevalent in this field of endeavor and like services.

B. Place of Performance. The CONTRACTOR shall conduct CONTRACTOR's services in the City of Milwaukee.

C. Compensation. The CITY agrees to pay, subject to the contingencies herein, and the CONTRACTOR agrees to accept for the satisfactory performance of the services under this Contract, amounts not to exceed, in the aggregate, the maximum as indicated on page 1 under "Total Amount of Contract", inclusive of all expenses, it being expressly understood and agreed that in no event will the total compensation to be paid hereunder exceed said maximum sum for all of the services required, and that such compensation is subject to the terms, conditions and limitations on funding amounts for specific activities set forth in **Attachment A** hereto.

D. Taxes, Social Security, and Government Reporting. Personal income tax payments, income tax withholding, social security contributions, FICA, FUTA, insurance and all other governmental reporting and contributions required as a consequence of the CONTRACTOR receiving payment under this Contract shall be the sole responsibility of the CONTRACTOR, and, as more specifically provided in Section XIII of this Contract, the CONTRACTOR shall indemnify and save harmless the CITY and its officers, agents and employees from all losses, damages, costs, expenses, judgments, decrees, and fees, including attorney's fees, arising out of the performance of (or failure to perform) such obligations.

VII. REMEDIES FOR NONCOMPLIANCE. If a CONTRACTOR materially fails to comply with any term of an award, whether stated in a Federal statute or regulation, an assurance, in a CITY plan or application, a notice of award, or elsewhere, the CITY may take one or more of the following actions as appropriate in the circumstances pursuant to 24 C.F.R. 85.43:

A. Temporarily withhold cash payments pending correction of the deficiency by the CONTRACTOR;

B. Disallow (that is, deny both use of funds and matching credit for) all or part of the activity or action not in compliance;

C. Wholly or partially suspend or terminate, pursuant to Article VIII, the current award for the CONTRACTOR's program;

D. Withhold further awards for the program; or

E. Take other remedies that may be legally available.

VIII. TERMINATION OF CONTRACT FOR CAUSE. In addition to the procedures set forth in 24 CFR § 85.43, if, through any cause, the CONTRACTOR shall fail to fulfill in timely and proper manner his obligations under this Contract, or if the CONTRACTOR shall violate any of the covenants, agreements or stipulations of this Contract, the CITY shall thereupon have the right to terminate this Contract by giving written notice to the CONTRACTOR of such termination and specifying the effective date thereof, at least five days before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, reports or other materials related to the services prepared by the CONTRACTOR under this Contract, and all equipment purchased

with federal funds administered by the City of Milwaukee Community Development Grants Administration shall, at the option of the CITY, become the property of the CITY. Notwithstanding the above, the CONTRACTOR shall not be relieved of liability to the CITY for damages sustained by the CITY by virtue of any breach of the Contract by the CONTRACTOR, and the CITY may withhold any payments to the CONTRACTOR for the purpose of setoff until such time as the exact amount of damages due to the CITY from the CONTRACTOR is determined.

IX. TERMINATION FOR CONVENIENCE - 24 CFR §85.44.

A. The CITY may terminate this Contract in whole or in part with the consent of the CONTRACTOR, in which case the parties shall agree upon termination conditions, including the effective date and in the case of a partial termination, the portions to be terminated, or

B. The CONTRACTOR may terminate this Contract upon written notification to the awarding agency, setting forth the reasons for such termination and the effective date; in the case of partial termination, if the CITY determines in its sole discretion that the remaining portion of the award will not accomplish the purposes for which the award was made, the CITY may terminate the award in its entirety under either Article VIII or paragraph (A) of this article.

X. CHANGES. All project requests for change in performance and/or compensation will be directed in writing to the City as set forth in Article IV. The Community Development Grants Administration will then approve or disapprove the request in accordance with approved City policies and procedures established under Common Council Resolutions governing the administration of the Grant Program.

XI. METHOD OF PAYMENT. The CITY agrees that, subsequent to the full and complete performance of this Contract and satisfactory performance of the services in accordance with the "work schedules" set forth in the **Budget and Activity Forms,** referenced under Article II herein, to pay the amount or amounts as hereinafter set forth. In the event of a dispute as to the services performed or the compensation to be paid, the decision of the Community Development Grants Administration or its designee shall prevail. The conditions of payment are as follows:

A. Compensation and/or reimbursement for services required under this Contract shall be contingent upon each activity being reviewed for approval by the City approving officer (described on page 1) and approved by him or her for payment.

B. All items described in **Attachment C** attached to and made a part of this Contract and such other items as may be directed by the CITY, must be completed and delivered to the CITY, Community Development Grants Administration by the 10th day of each month. The CITY requires ten (10) full working days, after receipt of all required reports, for processing cost reports. These reports must be complete and accurate.

C. The CITY agrees to compensate the CONTRACTOR only for activity undertaken which is reasonable and directly related to activity and completed as described in Article II of this Agreement.

D. If not otherwise restricted by Federal, State or local statutes, regulations or procedures, the CONTRACTOR may incur costs for the activity(ies) described in the Scope of Services set forth in Article II of this Agreement, provided such costs are allowable under federal regulations governing the use of Grant Program funds.

E. It is the policy of the CITY that the CONTRACTOR shall be compensated on a reimbursable basis. However, in the case of funding through Community Development Block Grant funds, advances may be authorized at the discretion of the Community Development Grants Administration Program Director, or his/her designee, in such manner and at such times as prescribed by the City Comptroller. All authorized cash advances must be reported as described in **Attachment B** attached to and made a part of this Contract. Failure to report as described may be cause for forfeiture of the advance.

In addition, the issuance of a two-party check, payable to the order of the CONTRACTOR and a subcontractor, as compensation for services directly related to activity and completed as described in Article II of this contract, may be authorized at the discretion of the Community Development Grants Administration Program Director, or his/her designee and with the concurrence of the Comptroller. Authorization for issuance of a two-party check shall require submission of properly completed forms and any other applicable forms as described in **Attachment B** to this Contract.

In addition, if the CONTRACTOR receives CDBG funds for the purposes of acquiring, rehabilitating and selling affordable housing, or new construction of affordable housing, any reimbursements received pursuant to this Contract shall be subject to the terms and conditions set forth in the Escrow Fund Disbursing Agreement, relating to the specific affordable housing property involved and entered into between the CITY, CONTRACTOR, and a title insurance company selected by the CITY.

F. Neighborhood Improvement Programs and Housing Production Programs shall initially report all program costs, both CDBG and HOME, on a CDBG cost report. Costs related to the HOME Program shall then be reported on a subsequent HOME cost report and credited against the next CDBG cost report submitted. The final 10% of the project development budget shall be withheld until the Certificate of Occupancy" or the "Certificate of Code Compliance" is received by CDGA. Additionally, for **Housing Production** activities, **$1,000** will be withheld from the operating budget until all final closeout documentation is received by CDGA within 30 days of property sales/closing.

G. The CONTRACTOR shall provide the CITY the source and amount of all non-Grant Program funds utilized in the performance of project activities. If a Cost Allocation plan is required under **Attachment A**, it must have the review and approval of the City Comptroller.

H. The CONTRACTOR shall not use any of the Federal funds provided by this Contract for the payment of liabilities or costs incurred prior to January 1, 2012.

I. All property costing $300.00 or more per unit must be listed in the CDGA budget and recorded on the CDGA Property Record Form. The Property Record Form must be submitted with the cost report in order to be reimbursed for the cost of the property.

J. The CITY will only make reimbursement to the CONTRACTOR for sub-contractor expenses provided:

1. The CONTRACTOR has properly procured the sub-contractor under requirements described in this Agreement; and
2. An executed copy of the subcontract is on file with the City Comptroller and the CITY's Community Development Grants Administration.

K. Payment under this Contract is subject to the Prompt Payment Policy established in Common Council File No. 900859.

L. Final Cost Reports

1. Final Cost and Program Activity Reports for 2012, including documentation and data sources on performance outcome measurements, are due no later than 4:00 P.M. on January 11, 2013 at the CDGA office. **(See Attachment C.)**

2. All accrued costs reported on the Final Cost Report must be submitted for reimbursement to CDGA no later than 4:00 P.M. on February 8, 2013.

M. Large Impact Development (LID) projects will be governed by the Policy and checklist appended hereto as **Attachment K**.

N. All Homebuyer Counseling organizations with respect to homebuyer counseling services will be compensated on a Pay-For-Performance basis as follows:

Pay-For-Performance Formula:

a. One-half of the allocated dollars will be available to the organization for administrative costs incurred throughout the program year.

b. The remaining (50%) of funds will be available for reimbursement only upon completion of a mortgage loan closing and will be reimbursed with proper documentation as follows:

1) $750 per loan closing for clients 0- 50% of County Median Income;
2) $500 per loan closing for clients between 51%-80% of County Median Income.

No fees shall be charged by CDBG funded grantees to clients/participants of the Homebuyer Counseling and Youth programs.

Documentation Required for Reimbursement and Pay-For-Performance compensation under the Homebuyer Counseling category:

Cost Reports (due by the 10th day of every month) are required and must include the following supporting documentation for reimbursement/payment:

1. Cost Report and Schedule of Paid Costs
2. Project Activity Report
3. Direct Benefits Status Report
4. Client Information (name, address, zip code, phone) for clients receiving counseling and credit counseling and loans closed.
5. Homebuyer Counseling Payment Invoice
6. Homebuyer Counseling Certificate.
7. Copy of HUD-I

Documentation required for reimbursement:

Cost reports (due by the 10th of every month) are required and must include the following supporting documentation for reimbursement/payment:

1. Cost Report and Schedule of Paid Costs
2. Project Activity Report
3. Direct Benefits Status Report
4. Client Information (name, address, zip code, phone) for clients receiving counseling and credit counseling and loans closed.
5. Homebuyer Counseling Payment Invoice
6. Homebuyer Counseling Certificate.
7. Copy of HUD-I

A first-time homebuyer is an individual who meets any one of the following criteria:

1. A first-time homebuyer is an individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase (closing date) of the property. This includes a spouse (if either meets the above test, they are considered first-time homebuyers).

2. A single parent who has only owned with a former spouse while married.

3. An individual who is a displaced homemaker and has only owned with a spouse.

4. An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations.

5. An individual who has only owned a property that was not in compliance with State, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.

O. **Employment Services.** Organizations funded under the category of Employment Services which have been selected by the City pursuant to a competitive selection process in compliance with 24 CFR § 85.36 will be compensated for eligible activities on a pay-for-performance basis The applicable pay-for-performance reimbursements for such activities are:

Public Service:

Employment Services – Job Placement
Employment Services - Job Training & Placement

P. **Employment Services - Job Placement**: Organizations will be reimbursed for eligible activities under Job Placement on a Pay-for-Performance basis.

1. **Required Documents for Reimbursement:**

   a. Cost Reports (due by the 10th of every month), must have the following supporting documentation for reimbursement:

      (1) Cost Report and Schedule of Paid Costs
      (2) Project Activity Report
      (3) Direct Benefits form (CDA-35)
      (4) Employee Data Form (submit once for each employee)
      (5) 45-Day CDGA Verification of Employment form
      (6) CDGA Payment Invoice

2. **Pay-for-Performance Formula:**

   a. One-half (50%) of the total funding allocation is available to the organization for administrative costs incurred during the year (i.e. $50,000 grant would allow up to $25,000 for administrative costs).

   b. The remaining one-half (50%) of total funding allocation is reimbursable according to the pay-for-performance scale *(see below)*.

3. **Pay-for-Performance Scale:**

   a. Job Placement reimbursed as follows:
      - 50% for administrative costs.
      - $375 for each full-time placement; $375 for each 45-day retention;
      - $187.50 for each part-time placement; $187.50 for each 45-day retention.

NOTE: Part-time = 20 hours per week; full-time = 35+ hours per week.

4. **Reimbursement Procedure:**

   a. 50% administrative cost

   b. Job Placement requirements:

      (1) All individuals trained and placed will be low/moderate income persons.

      (2) The organization must submit for each placement an Employee Data form. Proof (wage statements, employee generated letters) of employee's income at the time of employment must be kept on file

by the CDGA funded agency for a minimum of 5 years for review by CDGA and/or HUD.

c. The CDGA 45-Day Verification of Employment form must include the following information:

(1) Employee Wage Statement (i.e., pay stub); or, an employer-generated document on Company letterhead; or, CDGA generated Verification of Employment form
(2) Rate of pay at retention date
(3) Average hours worked per week
(4) Benefits available
(5) Current employment status
(6) Reason for leaving (if applicable)

Note the Following:

1. All documents must contain signatures.

2. Businesses provided assistance must be located in the City of Milwaukee. All employees submitted for reimbursement must reside within the City of Milwaukee CDBG target area.

3. Individuals placed through temporary staffing agencies will only qualify for job placement credit if the individual is hired permanently by the business and the permanent placement is verified.

4. The 45-day retention period commences the date hired by the business, not the temporary staffing agency.

5. Reimbursement for training requires a CDGA approved curriculum prior to contract and documentation that clients received the approved training.

Q. **Employment Services – Job Training and Placement**: Organizations will be reimbursed for eligible activities under Job Training & Placement on a Pay-for-Performance basis.

1. **Required Documents for Reimbursement:**

a. Cost Reports (due by the 10th of every month), must have the following supporting documentation for reimbursement:

(1) Cost Report and Schedule of Paid Costs
(2) Project Activity Report
(3) Direct Benefits form (CDA-35)
(4) Employee Data Form (submit once for each employee)
(5) 45-Day CDGA Verification of Employment form
(6) CDGA Payment Invoice

2. **Pay-for-Performance Formula:**

a. One-half (50%) of the total funding allocation is available to the organization for administrative costs incurred during the year (i.e. $50,000 grant would allow up to $25,000 for administrative costs).

b. The remaining one-half (50%) of total funding allocation is reimbursable according to the pay-for-performance scale *(see below)*.

3. Pay for Performance Scale:

a. Training and Placement reimbursed as follows:
- 50% for administrative costs.
- $750 for each full-time placement; $750 for each 45-day retention; $375 for each part-time placement; $375 for each 45-day retention.

NOTE: Part-time = 20 hours per week; full-time = 35+ hours per week.

4. Reimbursement Procedure:

a. 50% administrative cost

b. Job Training and Placement requirements:

(1) All individuals trained and placed will be low/moderate income persons.

(2) The organization must submit for each placement an Employee Data form. Proof (wage statements, employee generated letters) of employee's income at the time of employment must be kept on file by the CDGA funded agency for a minimum of 5 years for review by CDGA and/or HUD.

c. The CDGA 45-Day Verification of Employment form must include the following information:

(1) Employee Wage Statement (i.e., pay stub); or, an employer-generated document on Company letterhead; or, CDGA generated Verification of Employment form
(2) Rate of pay at retention date
(3) Average hours worked per week
(4) Benefits available
(5) Current employment status
(6) Reason for leaving (if applicable)

Note the Following:

1. All documents must contain signatures.

2. Businesses provided assistance must be located in the City of Milwaukee. All employees submitted for reimbursement must reside within the City of Milwaukee CDBG target area.

3. Individuals placed through temporary staffing agencies will only qualify for job placement credit if the individual is hired permanently by the business and the permanent placement is verified.

4. The 45-day retention period commences the date hired by the business, not the temporary staffing agency.

5. Reimbursement for training requires a CDGA approved curriculum prior to contract and documentation that clients received the approved training.

R. **Special Economic Development**: Organizations will be reimbursed for eligible economic development activity on a Pay-for-Performance basis, excluding Retail Investment Fund, and Large Impact Developments (LIDs).

1. Required Documents:

a. Cost Reports (due by the 10th of every month) must have the following supporting documentation for reimbursement:

(1) Cost Report and Schedule of Paid Costs
(2) Project Activity Report *(A separate Project Activity Report for each assisted business must be submitted for payment reimbursement. Information regarding the number of new job creations and the name of the assisted business must be included on each activity report)*
(3) Direct Benefits form (CDA-35)
(4) Business Assistance Agreement (submit once for each assisted employer)
(5) Business Assistance Data Form (submit once for each assisted employer and must include the business DUNS number)
(6) Employee Data Form (submit once for each employee)
(7) 45-Day CDGA Verification of Employment form
(8) CDGA Payment Invoice form

2. Pay-for-Performance Formula:

a. One-half (50%) of the total funding allocation is available to the organization for administrative costs incurred during the year (i.e. $50,000 grant would allow up to $25,000 for administrative costs).

b. The remaining one-half (50%) of total funding allocation is reimbursable according to the pay-for-performance scale *(see below)*.

3. Pay-for-Performance Scale:

a. Special Economic Development Job Creation:
- 50% for administrative costs.
- $2,500 for each full-time job created; $2,500 for each full-time job retained for at least 45 days.
-$1,250 for each part-time job created; $1,250 for each part-time job retained for at least 45 days.

NOTE: Part-time = 20 hours per week; full-time = 35+ hours per week.

4. Reimbursement Procedure:

a. 50% administrative cost

b. Job creation requirements:

(1) The organization must submit from each assisted business a CDGA Business Assistance Agreement form indicating 1) All new job

creations will be held by low/moderate income persons; 2) For-profit business will provide business assistance organization with DUNS number.

(2) The organization must submit for each job created an Employee Data form. Proof (wage statements, employee generated letters) of employee's income at the time of employment must be kept on file by the CDGA funded agency for a minimum of 5 years for review by CDGA and/or HUD.

c. The CDGA 45-Day Verification of Employment form must include the following information:

(1) Employee Wage Statement (i.e., pay stub); or, an employer-generated document on Company letterhead; or, CDGA generated Verification of Employment form
(2) Rate of pay at retention date
(3). Average hours worked per week
(4) Benefits available
(5) Current employment status
(6) Reason for leaving (if applicable)

Note the Following:

1. All documents must contain signatures.

2. Businesses provided assistance must be located in the City of Milwaukee. All employees submitted for reimbursement must reside within the City of Milwaukee CDBG target area.

S. **Community Development Grants Administration - 2012 Pay-for-Performance Reimbursement Scale**

For Special Economic Development: CDGA will reimburse at the rate of $5,000.00 per placement, from January I, 2012 thru December 31, 2012, using the following formula:

CDGA will reimburse at $2,500 per full time job created and $2,500 per full time job retained for 45 days, or $1,250 per part time job created and $1,250 per part time job retained at 45 days.

For Job Training & Placement: CDGA will reimburse at the rate of $1,500 per full time job training & placement, from January I, 2012 thru December 31, 2012, using the following formula:

CDGA will reimburse at $750 per full time job placement and $750 per full time job placement at 45 days; and $375 per part time job placement and $375 per part time job placement at 45 days.

For Job Placement: CDGA will reimburse at the rate of $750 per full time job placement, from January I, 2012 thru December 31, 2012, using the following formula:

CDGA will reimburse at $375 per full time job placement and $375 per full time job retention at 45 days; and $187.50 per part time job placement and $187.50 per part time job retention at 45 days.

T. **Housing Accessibility Program.** Payment for costs under the Housing Accessibility Program are contingent upon compliance with the requirements set forth in **Attachment M.**

U. **Neighborhood Improvement Program (NIP) Supplemental Repair Program.** Funded agencies must adhere to the requirements set forth in the NIP Supplemental Repair Program manual which will be supplied to agencies by CDGA as well as requirements contained in this contract.

XII. REVERSION OF ASSETS. The CONTRACTOR's obligations with respect to reversion of assets are the following:

A. Upon expiration or termination of this Contract, CONTRACTOR shall transfer to the CITY:

1. All Grant Program funds not expended or incurred by the CONTRACTOR in accordance with the approved original/amended Budget;

2. All Accounts Receivable attributable to the use of Grant Program funds;

3. Within five days after receiving written notice to return certain property, all equipment and supplies purchased using Community Development Block Grant funds that are in the possession or under the control of the CONTRACTOR at a location designated by the CITY. At the CITY's option, the CONTRACTOR will reimburse the CITY at the then fair market value, allowing for depreciation, the cost of all equipment and supplies in the possession or under the control of CONTRACTOR that were purchased using CDBG funds.

B. In the case of Grant Program funds attributable to Community Development Block Grant funds, any real property acquired or improved in whole or in part with Grant Program funds in excess of $25,000 must either be:

1. Used to meet one of the national objectives in 24 C.F.R. § 570.208 (formerly § 570.901) until five years after expiration of the agreement, or such longer period of time as determined appropriate by the CITY; or

2. Disposed of in a manner which results in the CITY being reimbursed in the amount of the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for the acquisition of, or improvement to the property. Such reimbursement is not required after the period of time specified in accordance with the preceding paragraph 1 above and consistent with **Attachment B** - Administrative Policies and Procedures for the City of Milwaukee's Community Development Block Grant Program.

XIII. DEFENSE OF SUITS. In case any action is brought against the CITY or any of its officers, agents or employees for any act or omission of the CONTRACTOR to perform any of the covenants, acts, matters or things by this Contract undertaken, or for injury or damage caused by the alleged acts or omissions of the CONTRACTOR, its officers, agents or employees, whether intentional or by negligence, the CONTRACTOR shall indemnify and save harmless the CITY and its officers, agents and employees from all losses, damages,

costs, expenses, judgments, decrees, and fees, including attorney's fees, arising out of such action. The CITY shall tender the defense of any claim or action at law or in equity to the CONTRACTOR or CONTRACTOR's insurer, and upon such tender, it shall be the duty of the CONTRACTOR and CONTRACTOR's insurer to defend such claim or action without cost or expense to the CITY or its officers, agents or employees. The CONTRACTOR shall be solely responsible for the conduct and performance of the services required under the terms and conditions of this Contract and for the results therefrom.

XIV. PERSONNEL.

A. The CONTRACTOR represents that it has or will secure all personnel required in performing the services under this Contract. Such personnel shall not be employees of nor have any contractual relationship with the CITY.

B. All of the services required hereunder will be performed by the CONTRACTOR or under its supervision. Such personnel engaged in the work shall be fully qualified and shall be authorized or permitted under state and local law to perform such services.

C. If any work or services are subcontracted, it shall be specified by written contract or agreement and shall be subject to each provision of this Contract. The CONTRACTOR shall be as fully responsible to the CITY for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by it, as it is for the acts and omissions of persons directly employed by it.

XV. ASSIGNABILITY. To the extent permitted by law, the CONTRACTOR shall not assign any interest in this Contract nor shall it transfer any interest in same (whether by assignment, substitution of parties or any other manner), without the prior written consent of the CITY, provided, however, that claims for money due or to become due the CONTRACTOR from the CITY under this Contract may be assigned to a bank, trust company or other financial institution without such approval. Notices of any such assignment or transfer shall be furnished promptly to the CITY.

XVI. REPORTS. The CONTRACTOR agrees to submit reports as may be required by the CITY at such times as may be scheduled for submittal as described **Attachment C** hereto. These data-collection instruments will be a part of CDGA's monitoring and evaluation of the CONTRACTOR's activities. Reimbursement requests will be held until specific report deadlines are met.

A. All reports, studies, analyses, memoranda and related data and material as may be developed during the performance of this Contract shall be submitted to and be the exclusive property of the CITY, which shall have the right to use same for any purpose without any further compensation to the CONTRACTOR other than hereinafter provided. All of the aforesaid documents and materials prepared or assembled by the CONTRACTOR under this Contract are confidential and the CONTRACTOR agrees that he/she will not, without prior written approval from the CITY, submit or make same available to any individual, agency, public body or organization other than the CITY, except as may be otherwise herein provided.

B. The aforesaid documents and material prepared in whole or in part under this Contract shall not be made the subject of any report, book, writing or oral dissertation by the CONTRACTOR other than as herein specifically provided. If this Contract is terminated for cause or for any other reason, all finished or unfinished documents or materials prepared under this Contract shall be immediately transmitted to the CITY at the effective date of such termination.

C. Agencies must acknowledge the receipt of Federal funds awarded and administered by CDGA in literature and promotional materials in the following manner: "THIS PROJECT IS FUNDED IN PART THROUGH A CITY OF MILWAUKEE GRANT OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS", or similar acknowledgement.

XVII. RECORDS.

A. Establishment and Maintenance of Records. Records shall be maintained in accordance with requirements prescribed by the CITY with respect to all matters covered by this Contract. Except as otherwise authorized, such records shall be maintained for a period of five (5) years after receipt of the final payment under this Contract.

B. Documentation of Costs. All costs shall be supported by properly executed and approved payrolls, time records, invoices, contracts or vouchers, or other official documentation evidencing in proper detail the nature and propriety of other accounting documents pertaining in whole or in part to this Contract and shall be clearly identified and readily accessible.

C. Client/Beneficiary records. CONTRACTOR shall maintain records of all individuals and families served. This information shall include name, address, income level, racial makeup, and these shall be made available upon request.

XVIII. REPORTS AND INFORMATION. In addition to the reports and information provided for in **Attachment C** hereto, at such times and in such forms as the CITY may require, there shall be furnished the CITY such statements, records, reports, data and information as the CITY may request pertaining to matters covered by this Contract.

XIX. AUDITS AND INSPECTIONS. At any time during normal business hours and as often as the CITY (or if federal or state grants or aids are involved, the appropriate federal or state agency) may deem necessary, the CONTRACTOR shall make available to the CITY or such agency for examination all of its records with respect to all matters covered by this Contract and will permit the CITY or such agency and/or representatives of the Comptroller General to audit, examine and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Contract.

XX. FINDINGS CONFIDENTIAL. Except as required by section 19.35, Wisconsin Statutes (the Pubic Records law), all of the reports, information, data, etc., prepared or assembled by the CONTRACTOR under this Contract are confidential and the CONTRACTOR agrees that they shall not be made available to any individual or organization, other than an appropriate

agency of the United States government, without the prior written approval of the CITY. The City shall comply with the Public Records Law (Section 19.35 Wis. Stats) in connection with such records and the Contractor shall cooperate with the City in responding to any such requests.

XXI. CONFLICT OF INTEREST (pursuant to 24 CFR 570.611, 24 CFR 85.36 and OMB Circular A-110).

A. Interest in Contract. No officer, employee or agent of the CITY who exercises any functions or responsibilities in connection with the carrying out of any services or requirements to which this Contract pertains, shall have any financial interest, direct or indirect, in this Contract.

B. Interest of Other Local Public Officials. No member of the governing body of the locality and no other public official of such locality who exercises any functions or responsibilities in the review or approval of the carrying out of this Contract, shall have any financial interest, direct or indirect, in this Contract.

C. Interest of Contractor and Employees. The CONTRACTOR covenants that no person described in Article XXI, A and B above, who presently exercises any functions or responsibilities in connection with the Contract has any financial interest, direct or indirect, in this Contract. The CONTRACTOR further covenants that he/she 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 his/her services hereunder. The CONTRACTOR further covenants that in the performance of this Contract no person having any conflicting interest shall be employed. An interest on the part of the CONTRACTOR or his/her employees must be disclosed to the CITY. Provided, however, that this paragraph shall be interpreted in such a manner so as not to unreasonably impede the statutory requirement that maximum opportunity be provided for employment of and participation by residents of the area.

D. HUD Conflict of Interest Regulations with respect to CDBG Funds – 24 CFR § 570.611

1. The CONTRACTOR covenants and agrees that:

a. In the procurement of supplies, equipment, construction, and services by recipients and by subrecipients, it shall comply with the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively.

b. In all cases not governed by 24 CFR 85.36 and 84.42, it shall comply with the provisions of this section and 24 CFR §570.611. Such cases include the acquisition and disposition of real property and the provision of assistance by the CITY or the CONTRACTOR to individuals, businesses, and other private entities under eligible activities that authorize such assistance (e.g., rehabilitation, preservation, and other improvements of private properties or facilities pursuant to § 570.202; or grants, loans, and other assistance to businesses, individuals, and other private entities pursuant to §§ 570.203, 570.204, 570.455, or 570.703(i)).

2. Conflicts prohibited. The CONTRACTOR covenants and agrees that no persons described in paragraph (c) below of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, shall obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

3. Persons covered. The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the CITY, of any designated public agencies, or of the CONTRACTOR.

E. LOBBYING

1. The CONTRACTOR agrees that no Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, 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.

2. The CONTRACTOR agrees that 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, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

XXII. DISCRIMINATION PROHIBITED; FAITH-BASED ORGANIZATION PROVISIONS.

A. EXECUTIVE ORDER 11246 - AFFIRMATIVE ACTION. The CONTRACTOR agrees that it will be bound by the Equal Opportunity Clause as set forth in its entirety in **Attachment D** hereto, with respect to its own employment practices when it participates in federally assisted construction work. However, if the CONTRACTOR so participating is a state or local government, the Equal Opportunity Clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on, or under the this Contract.

B. AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES. The CONTRACTOR agrees to comply with the provisions of the Rehabilitation Act of 1973, 29 USC §§793 and 794), as set forth in **Attachment E** hereto.

C. The CONTRACTOR agrees to comply with the provisions of the Americans With Disabilities Act, 42 U.S.C. 12101, et. seq., and agrees to require the same of any subcontractor.

D. The CONTRACTOR will cause the foregoing provisions to be inserted in all subcontracts, if any, for any work covered by this Contract so that such provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

E. FAITH-BASED ORGANIZATIONS. In providing services under this Agreement:

1. The CONTRACTOR shall not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the services provided and funded under this agreement. Any such activities must be offered separately, in time or location, from the services performed and funded under this agreement, and participation must be voluntary for the beneficiaries of the services performed and funded under this agreement.

2. The CONTRACTOR shall not, in performing services under this agreement, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief.

F. SEXUAL ORIENTATION, GENDER IDENTITY AND MARITAL STATUS. In providing services under this agreement:

1. All determinations of eligibility for housing shall be made in accordance with the eligibility requirements provided for the CDBG program by HUD, and such housing shall be made available without regard to actual or perceived sexual orientation, gender identity, or marital status.

2. The CONTRACTOR is prohibited from inquiring about the sexual orientation or gender identity of an applicant for, or occupant of, HUD–assisted housing or housing whose financing is insured by HUD, whether renter- or owner-occupied, for the purpose of determining eligibility for the housing or otherwise making such housing available. This prohibition on inquiries regarding sexual orientation or gender identity does not prohibit any individual from voluntarily self-identifying sexual orientation or gender identity. This prohibition on inquiries does not prohibit lawful inquiries of an applicant or occupant's sex where the housing provided or to be provided to the individual is temporary, emergency shelter that involves the sharing of sleeping areas or bathrooms, or inquiries made for the purpose of determining the number of bedrooms to which a household may be entitled.

XXIII. WORKER'S COMPENSATION INSURANCE. The CONTRACTOR, and all subcontractors, if any, shall provide to the CITY an affidavit or other satisfactory proof which the CITY may require evidencing that the CONTRACTOR and all subcontractors have obtained Worker's Compensation insurance for all persons performing any work or services under the Contract or subcontract as is required by the Worker's Compensation Act of the State of Wisconsin.

No payments or disbursements under the Contract shall be made if such proof has not been furnished.

XXIV. WITHHOLDING OF SALARIES. If in the performance of this Contract there is any underpayment of salaries by the CONTRACTOR or by any subcontractor thereunder, the CITY shall withhold from the CONTRACTOR out of payments due to it an amount sufficient to pay to employees underpaid the difference between the salaries required hereby to be paid and the salaries actually paid such employees for the total number of hours worked. The amounts withheld shall be disbursed by the CITY for and on account of the CONTRACTOR or subcontractor, if any, to the respective employees to whom they are due.

XXV. INSURANCE. The CONTRACTOR must provide the CITY with proof of insurance coverage as prescribed by the City Attorney of the City of Milwaukee and set forth in **Attachment F**. Also, The CONTRACTOR must also notify the CITY when their insurance expires. Should the CONTRACTOR's insurance expire at anytime during the term of this Contract, the CITY will terminate the contract as prescribed in Article VIII of this Contract.

XXVI. PROGRAM INCOME. Program income means gross income, received by the CONTRACTOR directly generated from the use of CDBG funds and as further detailed in 24 CFR 570.500, with respect to CDBG funds. When such income is generated by an activity that is only partially assisted with Grant funds, the income shall be prorated to reflect the percentage of CDBG funds used:

A. Unless otherwise agreed to in writing by the CITY, all program income generated from the use of CDBG funds under any contract with the City of Milwaukee is the sole property of the CITY. Any reuse of program income is governed by the authority granted by the Community and Economic Development Committee under its current Revolving Fund Policies (referred to in **Attachment G**, attached to and made a part of this Contract).

B. During or upon expiration of this Contract, all program income, as defined in 24 CFR 570.500, must be returned to the CITY within five days unless otherwise authorized by the CITY.

XXVII. EQUIPMENT. The CONTRACTOR shall grant the City a first priority security interest in any item of equipment costing $1,000.00 or more per unit for which reimbursement of the purchase price is requested pursuant to this agreement. Documentation of the grant of such security interest and the filing of a UCC financing statement with respect thereto shall be provided to the City at the time reimbursement is requested. The CONTRACTOR may not assign or otherwise encumber in any way the equipment and supplies purchased using CDBG funds without prior written consent of the CITY. This provision shall be binding upon respective successors or assignees.

XXVIII. AUDITS. If the CONTRACTOR expends $500,000 or more in total Federal Funds during the CONTRACTOR's fiscal year, the CONTRACTOR is required to have an audit conducted in accordance with the requirements of OMB Circular A-133, as in effect at the close of the calendar year in which this Contract is awarded. All audits are required to be completed and delivered to the CITY-CDGA no later than six (6) months following the end of the

CONTRACTOR's fiscal year. In the event the CONTRACTOR is not funded for a subsequent year, the CONTRACTOR must provide the CITY with a signed commitment from a Certified Public Accounting firm to conduct such an audit. This commitment must be provided prior to the expiration of the current Contract. Failure to provide this commitment will result in the CITY withholding from the current Contract a sum sufficient in the CITY's judgment to enable the completion of such an audit.

Pursuant to OMB Circular A-133, the CITY hereby gives notice that the U.S. Department of Housing and Urban Development is providing the grant funds subject to this agreement. The Catalog of Federal Domestic Assistance (CFDA) number for CDBG Funds is 14.218.

XXIX. FEDERAL MANAGEMENT AND BUDGET REQUIREMENTS AND PROCUREMENT STANDARDS - (RE: OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-102, AS AMENDED August 29, 1997.) The CONTRACTOR will comply with all applicable provisions of OMB Circular A-102, and 24 CFR §§ 85.36 and 84.48, as the same may be amended from time to time, relating to procurement procedures with federal grant funds, as more specifically set forth in Attachment I hereto

A. **Required City Procurement Policy Procedures**. In addition to federal procurement requirements, proper City procurement procedures must be followed in order to secure any goods and services to be purchased (or reimbursed) with City funds, including the selection of contractors, suppliers and related vendors. As such, City of Milwaukee funded agencies, including all housing production agencies must adhere to the following procurement procedures:

1. Contracts and Purchases under $1,000 - An agency shall select the source that provides the most appropriate product, at a price most reasonable for the project. In addition, a Property records form must be completed and submitted to CDGA for all purchases of $300 or greater.

2. Contracts and Purchases From $1,000 to $10,000- An agency must document that it has contacted at least three bonafide sources and has selected the source that provides the most appropriate product, at a price most reasonable for the project.

3. Contracts and Purchases From $10,001 to $50,000 - Agencies must request proposals from at least three bonafide sources. Requests for proposals must be in writing and provide all contractors, vendors, and suppliers the same information and opportunity to "walk-through" a project, if appropriate. Additionally, copies of all bids received and a bid tabulation sheet that justifies contractor selection must be maintained for each project. In order for a bid to be acceptable, it should be from bonafide contractors, licensed in the City of Milwaukee, be signed and dated, and include a complete list of activities to be performed, and/or materials and services to be provided.

4. Contracts and Purchases Greater than $50,000 - All Requests for Proposals greater than $50,000 must be advertised in either the Milwaukee Journal Sentinel or the Daily Reporter. Additionally, copies of all bids received and a bid tabulation sheet that justifies contractor selection must be maintained for each project. In order for a bid to be acceptable, it must be from bonafide contractors, licensed in the City of Milwaukee, be signed and dated, and include a complete list of activities to be performed, and or materials and services to be provided. Failure to follow these procurement procedures will result in a Finding during a

CDGA monitoring visit and may require the agency to "payback" all Federal funds disbursed using non-Federal funds.

5. Any deviation from these standards will/shall result in non-payment of costs reported unless written documentation adequate in the sole judgment (discretion) of CDGA, to establish compliance with HUD federal procurement standards is submitted to and approved by CDGA.

B. **Contractor Award Criteria**. City of Milwaukee funded housing agencies should adhere to additional criteria when selecting contractors to perform production activities:

1. Contracts may not be awarded to debarred, suspended, or otherwise ineligible contractors. Agency must comply with all Federal, State, and Local laws, rules and regulations in addition to the provisions of Section II.D. of this Agreement. The City of Milwaukee will not pay for work performed by any firm that is debarred or not otherwise eligible to be awarded work. The Agency is responsible for reviewing the HUD debarred and suspended list, and for rejecting bids from ineligible contractors. The list is updated regularly and can be accessed via the internet at: http://epls.arnet.gov/ Only the eligibility of the prime contractor must be verified and documented. Subcontractor clearance is the responsibility of the prime contractor.

2. The contractor/vendor will provide products and service that meet the appropriate specifications, including start and completion time requirements.

3. The firm is a bona fide business with experience in the work they are proposing to do.

4. The company has a good record of doing business and/or a good reputation with customers, peers, and suppliers.

5. The business has all required licenses, certifications, and qualifications.

6. The price is competitive, reasonable and market-based (as explained in paragraph 8 below).*

7. Utilize to the greatest extent possible, a Minority, Women-Owned, or Disadvantaged Business Enterprise.

8. Purchase from local (i.e. City of Milwaukee-based) vendors/contractors. ***Unless there are extenuating circumstances, a lower quote may not be "reasonable and market-based" if it deviates from staff's cost estimate and/or the average of the other bidders' prices by 15% or more.***

9. Any deviation from these standards will/shall result in non-payment of costs reported unless written documentation adequate, in the sole judgment (discretion) of CDGA, to establish compliance with HUD federal procurement standards, is submitted to and approved by CDGA.

C. Bonding and Insurance (RE: OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-110, as amended 09-30-1999.)

1. A state or local unit of government which requires contracting for construction or facility improvement shall follow its own requirements relating to bid guarantees, performance bonds and payments bonds except for contracts exceeding $100,000, the minimum requirements shall be as follows:

   a. A bid guarantee from each bidder equivalent to five percent of the bid price. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.

   b. A performance bond on the part of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

   c. A payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

D. CONTRACTOR shall comply with all applicable provisions of the **Standards for Grantee Financial Management System.** (Subpart C.21) RE: OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-110, as amended 09-30-1999.

E. CONTRACTOR shall comply with all applicable provisions of the **Property Management Standards** (Subpart C.32). RE: OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-110, as amended 09-30-1999.

F. CONTRACTOR shall comply with all applicable provisions of **the Cost Principles for State and Local Government**. RE: OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-87, as amended.

G . CONTRACTOR shall comply with all applicable provisions of the **Cost Principles for Nonprofit Organizations**. RE: OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-122, as amended May 10, 2004.

XXX. OTHER PROVISIONS.

A. COPYRIGHTS. If this Contract results in book or other copyright-able materials, the author is free to copyright the work, but the appropriate federal agency involved reserves a royalty-free nonexclusive and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use all copyrighted material and all materials which can be copyrighted.

B. PATENTS. Any discovery or invention arising out of or developed in the course of work aided by this Contract shall be promptly and fully reported to the appropriate federal agency involved for determination by it as to whether patent protection on such invention

or discovery shall be sought and how the rights in the invention or discovery, including rights under any patent issued thereupon, shall be disposed of and administered, in order to protect the public interest.

C. LEAD-BASED PAINT. 24 CFR Section 570.608 - If the Contract involves construction or rehabilitation of residential structures with assistance provided under this agreement, it is subject to the lead-based paint regulations set forth in 24 CFR Part 35.

D. "SECTION 3" OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968 (12 U.S.C. 1701(u)). The CONTRACTOR agrees to comply with the provisions set forth in **Attachment H** hereto relating to Section 3 of the Housing and Urban Development Act of 1968.

E. COMPLIANCE WITH AIR AND WATER ACTS. With respect to non-exempt transactions to carry out the purposes of the Housing and Community Development Act of 1974, the CONTRACTOR shall be required to provide:

1. A stipulation by the CONTRACTOR or subcontractor that any facility to be utilized in the performance of any non-exempt Contract or subcontract is not listed on the list of Violating Facilities issued by the Environmental Protection Agency (EPA) pursuant to 40 CFR 15.20.

2. Agreement by the CONTRACTOR to comply with all the requirements of Section 114 of the Clean Air Act, as amended (42 U.S.C. 1657c-8) and Section 308 of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1318), relating to inspection, monitoring, entry, reports and information, as well as all other requirements specified in said Section 114 and Section 208, and all regulations and guidelines issued thereunder.

3. A stipulation that as a condition for the award of the Contract prompt notice will be given of any notification received from the Director, Office of Federal Activities EPA, indicating that a facility utilized or to be utilized for the Contract is under consideration to be listed on the EPA list of Violating Facilities.

4. Agreement by the CONTRACTOR that it will include or cause to included the criteria and requirements in paragraphs A through D of this section in every non-exempt subcontract and requiring that the CONTRACTOR will take such action as the government may direct as a means of enforcing such provisions.

XXXI. FAIR HOUSING. The CONTRACTOR will comply with all requirements of 24 CFR Part 14, dated January 23, 1989 and the CITY's ordinance, Common Council file 892540, adopted October 16, 1990, with regard to all Fair Housing issues.

XXXII. COMPLIANCE WITH ALL APPLICABLE REQUIREMENTS OF THE GOVERNMENT. In addition to the requirements set forth herein, the CONTRACTOR shall comply with the provisions set forth in **Attachment D** hereto and required pursuant to federal regulation. In addition to the requirements as set forth herein, any contractor or subcontractor performing any work or furnishing any materials hereunder shall comply with all applicable federal and

state laws and regulations and all applicable ordinances of the City of Milwaukee with respect to equal employment opportunities, minimum wage, anti-kickback regulations, federal labor standards, the Hatch Act (5 U.S.C. §§1501 - 1508), and any other requirements imposed by the Secretary of HUD or the Secretary's representative. Contractors and subcontractors shall be required to furnish performance bonds, non-collusion affidavits, affidavits of no interest, indemnity agreements or any other protective legal instruments or other protective documents which may be required under applicable laws, ordinances, resolutions or regulations. CONTRACTOR further acknowledges and agrees to the following:

A. Uniform Administrative Requirements. The CONTRACTOR shall comply with applicable Uniform Administrative Requirements as described in 24 CFR §570.502.

B. Other Program Requirements. The CONTRACTOR shall carry out each activity in compliance with all Federal laws and regulations described in Subpart K of 24 CFR Part 570, except that the CONTRACTOR does not assume the City's environmental responsibilities described at 24 CFR § 570.604, and the CONTRACTOR does not assume the City's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

C. FEDERAL LABOR LAWS.

1. Contract Work Hours and Safety Standards Act. All contracts in excess of $2,000 for the construction and in excess of $2,500 for other contracts which involve the employment of mechanics or laborers shall include a provision mandating compliance with sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-330).

2. Copeland Anti-Kickback Act. All contracts for construction and repair shall include a provision mandating compliance with the Copeland Anti-Kickback Act (40 U.S.C. §22276c) as supplemented by Department of Labor Regulations (29 CFR Part 3).

3. Davis-Bacon Act. Except with respect to the rehabilitation and/or new construction of residential property designed for residential use for less than eight families, the CONTRACTOR and any subcontractors engaged under contracts in excess of $2,000 for the construction, execution, completion or repair of any building or work financed in whole or in part with CDBG funds under this Contract shall comply with the Davis-Bacon Act (40 U.S.C. §276a) governing the payment of minimum wages, as supplemented by the regulations of the Department of Labor (29 CFR Part 5); however, if wage rates higher than those required under such regulations are imposed by State or Local law, nothing hereunder is intended to relieve the CONTRACTOR of its obligations, if any, or require payment of higher rates.

XXXIII. **ATTACHMENTS AS PART OF CONTRACT.** In addition to the requirements as set forth herein, the CONTRACTOR shall comply with the terms and provisions of each and every Attachment appended hereto as if such provisions were fully set forth herein.

CITY OF MILWAUKEE,
A Municipal Corporation

COMMUNITY DEVELOPMENT GRANTS ADMINISTRATION

By: _____
(Steven L. Mahan, Director)

Date: _____

CONTRACTOR:

_____

DUNS Number:_____

By:_____ Title:_____ Date:_____

By:_____ Title:_____ Date:_____

Countersigned:

_____
(City Comptroller)

Date: _____

Examined and approved as to form
and execution this _____ day of
_____, 201____.

_____
Assistant City Attorney

CERTIFICATE REGARDING CORPORATE AUTHORITY

The undersigned hereby certify, represent and warrant that they are a duly elected Board Officer or member of the Board of Directors of _____, a corporation organized and existing under the laws of the State of _____ (the "Corporation"), incumbent in the offices set forth below their respective signatures, and as such officers they are familiar in general with the Corporation's affairs, properties and records and in particular with the contract to which this Certificate relates.

Reference is made to that certain Contract for Services ("Contract"), dated as of _____, 201____, between the Corporation and the City of Milwaukee, Wisconsin (the "City").

As an inducement for the execution and delivery of the Contract by the City, the undersigned, on behalf of the corporation, do hereby certify to the City as follows:

1. The Corporation is a corporation duly organized and validly existing in good standing under the laws of the State recited in the first paragraph of this Certificate.

2. The Corporation is licensed or authorized to do business in Wisconsin.

3. The Corporation has full corporate right, power and authority to enter into, execute and deliver the Contract and to perform its obligations thereunder.

4. The execution, delivery and performance by the Corporation of the Contract has been authorized by all necessary corporate action on the part of the Corporation.

5. The person named below was on the date hereof, and was on the dates of the execution of the Contract, the duly elected (or appointed) and qualified incumbent of the office of the Corporation set for below with his/her signatures:

Name	Title	Signature
_____	_____	_____
_____	_____	_____

The Contract has been duly executed and delivered on behalf of the Corporation by such person, who is authorized so to do, and the Contract constitutes a legal, valid and binding obligation of the Corporation in accordance with its terms.

6. No authorization, approval, consent or license of any regulatory body or authority, not already obtained, is required on the part of the Corporation for the valid and lawful authorization, execution and delivery of the Contract and the assumption by the Corporation of the obligations represented thereby.

7. The execution and delivery of the Contract and the assumption by the Corporation of the obligations represented thereby will not conflict with, violate or constitute a breach of, or default under the Corporation's Articles of Incorporation or Bylaws or any commitment, indenture, agreement, instrument or court or regulatory order to which the Corporation is a party or by which it or any of its properties are bound.

8. On the date hereof, the Corporation has delivered to the Parties certain Resolutions of its Board of Directors. These Resolutions were in full force and effect on the dates of the execution and delivery of the Contract and continue to be in full force and effect on the date hereof.

Dated this _____ day of _____, 201_____.

(NAME OF CORPORATION)

By: _____

Title: _____

By: _____

Title: _____

(CORPORATE SEAL)

LIST OF ATTACHMENTS

Attachment A: Scope of Services

Attachment B: Administrative Policies and Procedures for the City of Milwaukee's Community Development Grant s Program

Attachment C: Required Reports

Attachment D: Executive Order 11246; Equal Opportunity Clause

Attachment E: Rehabilitation Act of 1973

Attachment F: Insurance Requirements

Attachment G: Revolving Fund Policy (Program Income)

Attachment H: Section 3 of the Housing and Urban Development Act of 1968 - 12 USC §1701(u)

Attachment I: Federal Management and Budget Requirements and Procurement Standards

Attachment J: Cash Advance Policy

Attachment K: Policies applicable to Large Impact Development (LID)

Attachment L: Performance – Based Measurement System

Attachment M: Housing Accessibility Program Guidelines

ATTACHMENT A

SCOPE OF SERVICES

In accordance with the CITY's Final Statement of Community Development Objectives and projected use of funds for the Community Development Block Grant Program as approved under Common Council Files; 110571, 110811, 110812, 110813, 110814, 110815, and 110908; which are incorporated herein by reference, and all applicable Community Development Program Regulations promulgated by the U.S. Department of Housing and Urban Development (hereinafter referred to as "HUD") under Title I of the Housing and Community Development Act of 1974 (as amended), the CONTRACTOR shall in a satisfactory, timely and proper manner, undertake and complete the following project

ATTACHMENT B

ADMINISTRATIVE POLICIES AND PROCEDURES FOR THE CITY OF MILWAUKEE COMMUNITY DEVELOPMENT CONTRACTS

DEFINITIONS:

CDGA	The City of Milwaukee Community Development Grants Administration.
CD Funds	As applicable, the following federal funds received by the City of Milwaukee from the U.S. Department of Housing and Urban Development: Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), American Dream Downpayment Assistance (ADDI), Emergency Shelter Grant (ESG), and/or Housing Opportunities for Persons with AIDS (HOPWA).
CD Committee	The City of Milwaukee Community and Economic Development Committee, or successor body.

GENERAL CRITERIA

The following criteria will apply to **all projects receiving grant funds through Community Development Grants Administration**. Waivers from any of these rules require a specific exemption from CDGA.

1. **Residency**. All directly funded staff hired after *January 1, 1990* shall be and remain City of Milwaukee residents. If Contractor employs non-residents hired prior to January 1, 1990, it may be granted a hardship exemption by the Community Development Grants Administration (CDGA) Director and the Chairperson of the Community and Economic Development Committee. The CDGA Director and the Community and Economic Development Committee Chairperson shall have complete discretion regarding the granting of hardship exemptions, and exemptions may be for any term or subject to any conditions approved by the CDGA Director and the Community and Economic Development Chairperson. A memo regarding any decisions will be forwarded to the Community and Economic Development Committee members. *(Approved by the Community Development Committee October 9, 2001.)*

   Organizations receiving funding from Grant Programs administered by the Community Development Grants Administration must have adopted a written policy that effective January 1, 1990, all persons holding grant-funded staff positions shall be and remain residents of the City of Milwaukee.

2. **Acknowledgment of CD Funding.** Contractor must acknowledge the receipt of grant funds in literature and promotional materials in one of the following manners:
   a. Use of CDBG logos (obtainable from CDGA); or
   b. Use of a stamp bearing the CDBG logo (obtainable from CDGA); or
   c. Inclusion of specific language as follows: "This project is funded in part through a City of Milwaukee grant of federal community development funds."

3. **Empowerment & Participation.** The City of Milwaukee is committed to supporting organizations which promote the empowerment and participation in the governance of organizations by population groups who are intended to be the primary beneficiaries of the Grant Programs; i.e. low/moderate income persons, residents of the CDBG target area and members of racial minorities. As a recipient of CD Funds, Contractor shall show how this goal is achieved (e.g. through board participation, advisory board, etc.).

4. **Equal Opportunity.** Contractor shall provide equal employment and promotional opportunities to all present and prospective employees without regard to race, religion, color, age, handicap, sex, national origin, sexual orientation, marital status, creed or ancestry. A policy of equal employment opportunity shall apply to all

personnel transactions, including, but not limited to, recruitment, hiring, compensation, promotion, transfer, demotion, recall from lay-off and educational opportunity. Grantees shall maintain a positive, continuing affirmative action program to eliminate barriers to employment which have had the effect, although unintentional, of denying equal employment opportunities to the above groups. Contractor shall monitor certain key indicators to measure positive progress in this area such as minority composition of staff and boards of directors.

5. **Non-English Speaking Clienteles.** If Contractor serves a large non-English speaking population, it shall demonstrate how language needs are met, either by having translation capacity available or having multilingual staff.

6. **Board of Directors Membership**. If Contractor is a non-governmental entity, it shall maintain a board of directors of not fewer than five members. The Board of Directors is to be independent and separate from the paid staff (except for the chief executive officer may serve as a board member). Board members may not profit from CD-funding and shall be subject to Conflict of Interest regulations pursuant to 24 CFR 570.611, 24 CFR 85.36 and OMB Circular A-100 and the HUD Conflict of Interest Regulations with respect to CDBG funds 24 CFR 570.611 and HOME funds, 24 CFR 93.356.

7. **Participation by City Officials.** Contractor must disclose participation of elected or appointed city officials in their organizations.

8. Grantees may be required to submit affirmative action reports and plans to show good faith efforts in this area. CDGA shall monitor certain key indicators to measure positive progress in this area such as minority composition of staff and boards of directors.

9. If a project is a membership organization, the organization must demonstrate significant financial support from members, either in the form of dues, fund-raising efforts (i.e. at least 5% of total budget or $5,000 whichever is less) or through equivalent sweat equity contributions.

10. Except for projects which rely almost completely on CDBG funding, such as housing rehab, funded agencies must demonstrate that they are "financially viable". In other words, the agency would be able to maintain a minimal level of program activity even without funding administered through the Community Development Grants Administration. The Community and Economic Development Committee will handle this on a case-by-case basis.

11. All grant-funded agencies with annual expenditures of $500,000 or more in federal funds must provide a certified audit to CDGA annually. The audit shall be conducted in accordance with the requirements of OMB Circular A-133. Organizations must disclose all sources of funds used in project and agency budgets. Specifically the use of other federal dollars must be detailed as required by federal law.

12. Continuing projects must meet various programmatic and financial quality standards in order to receive further funding.

13. Continuing projects must demonstrate movement toward greater self-sufficiency and organizational efficiency.

14. One Year Fiscal Agency Rule. Projects with fiscal agency arrangements must be able to deal with internal accounting policies and procedures in-house. An alternative to in-house fiscal management is an alternative source of funding to pay for a continued fiscal agency arrangement. If an agency needs to extend the fiscal relationship for more than one year, due to extenuating circumstances, approval must be obtained from the Community and Economic Development Committee. Evidence of fiscal autonomy shall be provided to the office of the Community Development Grants Administration.

Administrative Policies and Procedures

15. Applicant's principal organization or business address must be listed. Post office boxes are not acceptable except for legitimate security reasons surrounding the organization and its programs. Also unacceptable are home addresses and organizations or businesses located in residences or domiciles.

FISCAL PROCEDURES

1. **Ninety-Day Rule.** An award of funds remaining 90 days after award shall be subject to revocation by the Community and Economic Development Committee if the grantee has not, within ninety days of the final approval of the award, provided all documentation necessary for contract execution.

2. **Timely Expenditure.** If Contractor has not expended or encumbered at least sixty percent of the contract amount prior to the beginning of the tenth month of the contract term, this Contract shall be subject to full or partial termination by the Community and Economic Development Committee.

3. **Final Cost Report.** The final cost report for this Contract must be filed no later than 4:00 P.M. on the fifteenth day after the end of the contract term (e.g., for January 1 - December 31 contracts).

4. **Payment of Accrued Costs.** All accrued costs reported on the final cost report must be paid no later than the forty-fifth-day after the end of the contract term (e.g., for January 1 - December 31 contracts, not later than February 15 of the succeeding year). Accrued cost is any cost incurred (goods or services ordered, in transit, or received) but not yet paid and/or recorded as such on the financial records of the project.

5. **Fiscal Year Close Out.** Costs submitted to the City for reimbursement after the close out date of the close of the fiscal year, CDGA is authorized to charge the amount in question to the project's current year contract, unless the cost reimbursement was delayed through some fault of the City, in which case the reimbursement shall be taken from the Contingency fund.

6. **Recovery of Unexpended Funds.** All budget balances remaining sixty days after the end of the contract term shall revert to the CDGA Contingency Account.

7. The CDGA Director may approve additional expenditure up to 25% or $25,000 of a subrecipient's budget without further authorization by the Community and Economic Development Committee. This authority will include Extension requests and Special Requests that may occur during the program year. CDGA will bring amounts greater than 25% or $25,000 to the Community and Economic Development Committee for action. *Approved by Policy Committee 4/10/00.*

8. The CDGA Director may approve for a period of one year, up to $15,000 for unique, one time administrative objectives of the office of Community Development Grants Administration. Additional funds must be brought to the Community and Economic Development Committee for action. *Approved by Policy Committee 4/10/00.*

9. **Contract Extensions.** The Director of Community Development Grants Administration has the discretion to consider contract extensions based on the following criteria:

    1. Groups which received funds out of cycle to finance individual programs as they are approved by Common Council Resolution. An extension will allow the project to operate at a full 12 month period.

    2. Groups which have met productivity goals and have extenuating circumstances. (Organizations/Departments must provide extensive reasons to meet this criteria and why these funds should not be reprogrammed.)

    3. All work has been completed but final payment must be made. (City Departments only).

4. To pay a specific outstanding commitment or obligation which has been encumbered prior to the end of the fiscal year. (City Departments only).

5. Capital Projects - A specific construction project, usually of a one-time nature.

6. Large Impact Developments (LIDS) - Specific LID criteria will apply.

Extension requests must be submitted to the office of Community Development Grants Administration for approval in November, before the start of the new program year. All Contract Extensions shall extend to December 31st of the applicable program year.

For work-in-progress as of December 31st, this work should be completed and reported under the extension contract. *Contract Extension policy approved by Policy Committee 9/13/99.*

10. **Reprogramming Funds**. Request for new projects or additional activity in already funded projects will be considered by the Community and Economic Development Committee. Under the following circumstances, unallocated funds may be disbursed in the following manner:

1. The CDGA Director may approve additional expenditures of up to $10,000 or 10% of a sub-grantee's original allocation without further authorization by the Community and Economic Development Committee (this is already allowed under Common Council resolution 74-92-5v).

2. Other requests for funding will be considered by the Community and Economic Development Committee provided the following conditions exist:
   a. The request is for a one-time only project
   b. The request requires prompt action which cannot await a normal funding cycle
   c. The request has one or more of the following characteristics:
      - Meets an urgent community need;
      - Presents a unique opportunity to address some broad policy objective of the City's Community Development program;
      - Will provide an opportunity to leverage significant new resources for the City's neighborhood revitalization efforts.

For City Departments, any allocated funds not disbursed by January 25 of the succeeding year or encumbered by December 31 of the current year will automatically revert to the Contingency account for reprogramming. However, if significant project costs were incurred but not paid by January 25, the Comptroller will accrue known costs to the project consistent with grant regulations.

A Contract extension will be given automatically for funds properly encumbered but not disbursed prior to the end of the project year and shall be for one year (to the next December 31st).

Encumbrances from previous CDBG years not liquidated by the end of the next CDBG year will be subject to review by the Community and Economic Development Committee.

Revolving loan projects will be re-authorized consistent with Community and Economic Development Committee action during the Entitlement Allocation Period.

All budget balances remaining sixty days after February 15, of the succeeding year, will be available for re-allocation by the Community and Economic Development Committee.

Administrative Policies and Procedures

11. **Partial year's funding and annual goals.** Most proposals for grant funding are for activity over a full twelve month program year. Since approved funding generally is less than the amount requested, project operators need to determine how best to budget their grant appropriation to meet approved objectives.

It is the general policy of the Community Development Grants Administration that projects should operate for a full program year, and that reduced funding may require reduced activity goals or objectives, or the elimination of one or more project elements, but the term of the project contract will be for twelve months, or to the end of the program year.

Projects that request to budget their grant appropriation for a period of less than twelve months, or to terminate prior to the end of the program year established for the Grant Program, shall be governed by the following policies:

1. Projects will be authorized for a period of less than a full program year if that was specifically stated at the time funding was approved by the Community and Economic Development Committee, the Zoning, Neighborhoods and Development Committee, or the Common Council.

2. Projects that request a budget to run less than a full program year, without prior specific authorization, must be approved by the Community and Economic Development Committee before the project contract is signed, and must either:

   a. Agree by contract to meet program objectives to the end of the program year; or

   b. Provide satisfactory evidence that the approved activity will be continued after the term of the project contract using non-grant from CDGA resources.

12. **Policy on changes in salary levels of Grant-funded positions.** Salary levels for positions within an organization. Each Contractor has the responsibility for establishing salary levels according to procedures defined by board of directors for that organization. However, the required minimum salary for all grant-funded positions is $7.25 per hour, full time. In addition, if salary levels seem excessive given job duties and responsibilities, then overall grant funding may be similarly affected. Clearly, many factors go into CDGA's funding recommendations and this is one of many, performance being the primary factor.

13. **Complaints.** The Director of the Community Development Grants Administration has the authority to hear appeals to all complaints involving administrative policies and procedures of all Grant-funded programs administered by CDGA. Exceptions to administrative policies and procedures shall be granted only when in the opinion of the Director of the Community Development Grants Administration, extenuating circumstances prevented a project, an individual funded with grant funds, or a citizen from reasonably complying with the letter and intent of Administrative Policies and Procedures.

ADDITIONAL DEFINITIONS AND CRITERIA

Close Out - Expeditious payment of all costs accrued through December 31*, preparation and submittal of final cost report to CDGA, and reconciliation of any variance between budgeted and actual costs. (*End of the Program Year for all projects, unless an extension has been authorized by the Director of Community Development Grants Administration, or a project contract specifies a termination date other than December 31.)

Examples of uncompleted objectives eligible to be extended would be determined on a case by case basis, giving consideration to:

2. The legitimacy of the reason(s) an objective was not achieved during the program year,

3. The extent to which the same or similar objectives are adequately funded in the new program year,

4. The demonstrated capacity of the project to complete all objectives (currently authorized plus extension) within the new program year, and

5. The extent to which not allowing the extension for completion of a previously approved objective would diminish or jeopardize the effectiveness of other community development activity already completed.

Reprogramming - Funds added to current year project budgets for ***new or additional activity*** or for significant ***unexpected costs*** related to authorized activity, and funds used to initiate new projects approved by the Community and Economic Development Committee and Common Council that were not included in the annual CDBG Program Statement submitted to HUD.

Reprogramming funds originate from budget amounts remaining after project close outs, including budget surpluses not eligible for or approved for extensions; program income received during the year that is not already allocated to approved revenue accounts; and any increase in the City's CDBG letter-of-credit received after the annual entitlement grant from HUD.

Conflict of Interest Regulations Applicable to CDBG and HOME Funding

Persons Covered

1. Employees of the City of Milwaukee
2. Employees of the subrecipient organizations (Including Board members)
3. Agents of the City
4. Consultants of the City
5. Officers of the City
6. Elected officials of the City
7. Appointed officials of the City
8. State Recipients (HOME regulations)

No Persons (identified above)

- who exercise any functions or responsibilities with respect to CDBG or HOME activities, or
- who have exercised any functions or responsibilities with respect to CDBG or HOME activities, or
- who are in a position to participate in a decision making process, or
- who are in a position to gain inside information with regard to such activities.

Prohibition

- may obtain a *financial interest* from a CDBG or HOME assisted activity, or
- obtain a *benefit* from a CDBG or HOME assisted activity, or
- have a *financial interest* in any contract, subcontract, or agreement with respect to a CDBG or HOME assisted activity, or with respect to the proceeds of the CDBG or HOME assisted activity
- either for themselves, or
- those with whom they have business or immediate family ties,
- during their tenure or for one year thereafter.

Employees of both the City and Employees of Subrecipient Organizations that receive CDBG or HOME funds:
Before any employee who exercises or has exercised any functions or responsibilities with respect to CDBG or HOME activities, or who is in a position to participate in a decisionmaking process or gain inside information with regard to CDBG or HOME activities, is permitted to avail himself or herself of a financial interest or benefit from programs funded with those grants, or is permitted to enter into any contract or agreement relating to such activities, the City, on behalf of the employee, is required to first seek an exception to the conflict of interest regulations from HUD.

City Employees: Any City employee who exercises or has exercised any functions or responsibilities with respect to CDBG or HOME activities, or who is in a position to participate in a decisionmaking process or gain inside information with regard to CDBG or HOME activities, and who wishes to participate in a program funded with CDBG or HOME funds, should first seek a confidential advisory opinion from the Ethics Board. In order to seek an exception from the HUD conflict-of-interest regulations, an employee must provide an opinion of the City Attorney that the relationship at issue does not violate state or local law

Any other City Employee described above whose position involves activities related to a grant-funded program in which he or she wishes to participate should seek a confidential advisory opinion from the Ethics Board *before* participating in the program.

1052-2002-823:51505

ATTACHMENT C
COMMUNITY DEVELOPMENT GRANTS ADMINISTRATION
2012 REPORTING DATES FOR FISCAL AND PROGRAMMATIC DOCUMENTS

DOCUMENT NAME	FORM	APPLICABILITY	DUE DATES
Activity Report	CDA 62	All Subrecipients	10 days following end of each month Final Activity Report due **January 11, 2013**
Board of Directors Roster	Rosters	All Subrecipients	When there are Board Changes
Organization Budget	CDA 50	All Subrecipients	As indicated in the CDGA Award Letter
Budget Amendment and Amended Cost Allocation Plans (Request must be submitted with *Budget Amendment Request Form*)	Budget-Amendment Form	As Relevant	Budget Amendment & Amended Cost Allocation Plans are due **September 30, 2012**
Cash Advance Status Report	CDA 71	Prior Authorization Required	10 days following end of each month
Contract Extension Request	EXT-REQ	As Relevant	**November 1, 2012**
Computer Purchase Justification Form	Comp.Purch Jus	All Subrecipients	Approval required prior to purchase
Contractor and Subcontract Activity Form For Reporting Periods: October 1, 2011 – September 30, 2012	HUD-2516	All Subrecipients	**October 14, 2012**
Cost Allocation Plan	Generated by Organization	All Subrecipients	**March 31, 2012** All payments will cease if not approved by **August 31, 2012**
Cost Reports **(With schedules of paid cost)**	CDA 70 CDA 70 A	All Subrecipients	10 days following end of each month **Final Cost Report Due January 11, 2013**
Detail Schedule of Accrued Cost	CDA 72	As Relevant	10 days following end of each month **Final report due February 8, 2013**
Direct Benefits/Status Form	CDA 35	All Subrecipients	10 days following end of each month **Final Report Due January 11, 2013**
Outcome Performance Measurements documentation and data source due to CDGA:		All Subrecipients	**June 1, 2012 and January 11, 2013**
Homeownership Assistance Project Completion Report Single - Unit (Hud-400096) Multi - Unit (HUD-40096-M) Rental Unit (HUD-40097)	HUD-40096 HUD-40096-M HUD-40097	HOME Projects	Due upon Project Completion and BI-Sign Off
Monthly Cash Advance Status Report	CDA 71	Prior Authorization Required	10 days following end of each month
Multiple Unit Homeownership Assistance Project Completion Report	HUD-40096-M	HOME Projects	Due upon Project Completion with Final Cost Report

Annual Deadline for completed NIP Projects All required documentation for completed NIP projects must be submitted to CDGA no later than January 31, 2012.	CDGA-36 Form 1a & 1b Lead Certification & Wipe Results	Neighborhood Improvement Projects	**January 31, 2013**
Housing Production Close Out documents to be submitted: - Certificate of Code Compliance - HUD 40096 - Homeownership Completion Report - Certification of Household Size and Income - Tenant Certification of Household Size and Income - Regulatory Agreement and Covenant (Single Family) - Covenant and HOME Program Regulatory Agreement (Rental) - HOME Program Note	Located in Housing Production Handbook	All Housing Production Agencies	Upon Sale of Property See Housing Production Handbook for specific instructions
Out-of-State Travel Request -- (Request must be submitted to CDGA at least 30 days prior to travel)	CDA 78	All Subrecipients	30 days prior to travel
Property Record Form and Invoice (Must be submitted with UCC Financing Statement	CDA 76	As Relevant	Due with Cost Report
Payroll Register	Generated by Organization	All Subrecipients seeking reimbursement for Personnel Cost	Due with Cost Report Claiming Reimbursement for Payroll Cost
Rehabilitation Assistance to Homeowners & Tenants (NIPS)	CDA 36	Neighborhood Improvement Projects	Due upon Project Completion and BI Sign-Off
Section 3 Participation Project Work Force Report Recipients of CDGA funding, HOME funding and Section 108 funding or contractors to recipients of these HUD programs are required to adhere to Section 3 if: * the size of the award exceeds $200,000. Any contractor or sub-contractor whose participation in such a project exceeds a threshold of $100,000 must comply with Section 3. * The funded activity involves housing construction or rehabilitation, and other public construction, including other buildings or improvements, regardless of ownership.	SEC 3	All Housing Programs funded at $200,000 or more (See detail explanation in Column 1)	With Final Cost Report Due **January 11, 2013**
Staff Roster for Staff Funded with Grants Administered by CDGA	Rosters	All Subrecipients	When there are CDGA-funded Staff Changes

Revised 12/09

ATTACHMENT D

EXECUTIVE ORDER 11246 and Executive Order 13279

A. HUD-ASSISTED CONSTRUCTION CONTRACTS. Construction contracts of more that $10,000.00 and all contracts with a CONTRACTOR who has federally assisted construction contracts or subcontracts which in any twelve month period total in excess of $10,000.00 (irrespective of the dollar value of any single contract) which are entered into pursuant to this Contract shall be subject to HUD Equal Employment Opportunity Regulations (24 CFR Part 130) applicable to HUD assisted construction contracts.

B. DISBARRED CONTRACTORS. The CONTRACTOR further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a party disbarred from or who has not demonstrated eligibility for government contracts and federally-assisted construction contracts pursuant to Executive Order 11246, and will carry out such sanctions and penalties for violations of the Equal Opportunity Clause set forth below as may be imposed upon contractors and subcontractors by the Department of Labor pursuant of Part II, Subpart D of Executive Order 11246. In addition, the CONTRACTOR agrees that if it fails or refuses to comply with these undertakings, the CITY may take any or all of the following action: cancel, terminate or suspend in whole or in part the grant or loan guarantee; refrain form extending any further assistance to the CONTRACTOR under the program with respect to which failure or refusal occurred until satisfactory assurance of future compliance has been received from the CONTRACTOR; and refer the case to the Department of Justice for appropriate legal proceedings.

C. EQUAL OPPORTUNITY CLAUSE - INCORPORATION OF THESE PROVISIONS. The CONTRACTOR will include the portion of the sentence immediately preceding the following provisions of Paragraphs 1 through 7 in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, as amended by Executive Orders 11375 and 13279, and as supplemented in Department of Labor regulations (41 CFR Part 60), so that such provisions will be binding upon each subcontractor or vendor. The CONTRACTOR will take such action with respect to any subcontract or purchase order as the CITY may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event the CONTRACTOR becomes involved in, or is threatened with litigation with a subcontractor or vendor as a result of such direction by the CITY, the CONTRACTOR may request the United States to enter into such litigation to protect the interest of the United States.

During the performance of this contract (except with respect to a religious corporation, association, educational institution, or society, with respect to the employment of individuals of a particular religion to perform work connected with the carrying on by such corporation, association, educational institution, or society of its activities, as provided in Executive Order 13279) the CONTRACTOR agrees as follows:

1. The CONTRACTOR will not discriminate against any employee or applicant for employment because of race, color, religion, sex orientation, sex, age or national origin. The CONTRACTOR will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, sex orientation, religion, sex or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

2. The CONTRACTOR will, in all solicitations or advertisements for employees placed by or on behalf of the CONTRACTOR, state that all qualified applicants will receive consideration for employment without regard to race, color, sex orientation, religion, sex, age or national origin.

3. The CONTRACTOR will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the Contract Officer advising the said labor union or workers' representatives of the CONTRACTOR'S commitment under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

4. The CONTRACTOR will comply with all provisions of Executive Order 11246 of September 24, 1965, as amended by Executive Order 13279 dated December 12, 2002, and of the rules, regulations and relevant orders of the Secretary of Labor.

5. The CONTRACTOR will furnish all information and reports required by Executive Order 11246 of September 24, 1965, as amended by Executive Order 13279, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records and accounts by the CITY and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

6. In the event of the CONTRACTOR's noncompliance with the non-discrimination clause of this Contract or with any of such rules, regulations or orders, this Contract may be canceled, terminated or suspended in whole or in part and the CONTRACTOR may be declared ineligible for further government contracts or federally assisted construction contract procedures authorized in Executive Order 11246 of September 24, 1965, as amended by Executive Order 13279or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

7. The CONTRACTOR will include the portion of the sentence immediately preceding Paragraph C and the provisions of Paragraphs 1 through 8 in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The CONTRACTOR will take such action with respect to any subcontract or purchase order as the CITY may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event the CONTRACTOR becomes involved in, or is threatened with litigation with a subcontractor or vendor as a result of such direction by the CITY, the CONTRACTOR may request the United States to enter into such litigation to protect the interest of the United States.

8. No person in the United States shall, on the ground of race, color, sex orientation, religion, sex, age or national origin be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity made possible by or resulting from this Contract. The CITY and each employer will comply with all requirements imposed by or pursuant to the regulations of the appropriate federal agency effectuating Title VI of the Civil Rights Act of 1964 and according to the City's anti-discrimination ordinance adopted October 16, 1990 under Common Council file 892540.

ATTACHMENT E

COMPLIANCE WITH THE REHABILITATION ACT OF 1973

A. AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES (Pursuant to Section 503 and 504 of the Rehabilitation Act of 1973, 29 U.S.C. §§793 and 794); Definition: "Individual with disability" means any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such an impairment; or is regarded as having such an impairment, as provided in 29 U.S.C. §706(8)(B). For purposes of employment, this term does not include: Any individual who is currently engaging in the illegal use of drugs, as provided in 29 U.S.C. §706(8)(C), or any individual who is an alcoholic whose current use of alcohol prevents the individual from performing the duties of the job in question, or whose employment, by reason of current alcohol abuse, would constitute a direct threat to property or the safety of others, as provided in 29 U.S.C. §706(8)(C)(v); or any individual who has a currently contagious disease or infection and who, by reason of such disease or infection, would constitute a direct threat to the health or safety of other individuals or who, by reason of the currently contagious disease or infection, is unable to perform the duties of the job (as provided in 29 U.S.C. §706(8)(D)).

1. The CONTRACTOR will not discriminate against any employee or applicant for employment because of disability in regard to any position for which the employee or applicant for employment is qualified. The CONTRACTOR agrees to take affirmative action to employ, advance in employment and otherwise treat qualified individuals with disabilities without discrimination based upon their physical or mental disability in all employment practices such as the following: employment, up-grading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation and selection for training including apprenticeship.

2. The CONTRACTOR agrees to comply with the rules, regulations and relevant orders of the Secretary of Labor issued pursuant to the Act.

3. In the event of the CONTRACTOR's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations and relevant orders of the Secretary of Labor issued pursuant to the Act.

4. The CONTRACTOR agrees to post in conspicuous places available to employees and applicants for employment notices in a form to be prescribed by the Director, provided by or through the contracting officer. Such notices shall state the CONTRACTOR's obligation under the law to take affirmative action to employ and advance in employment qualified handicapped employees and applicants for employment and the rights of applicants and employees.

5. The CONTRACTOR will notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding that the CONTRACTOR is bound by the terms of Section 503 of the Rehabilitation Act of 1973 and is committed to take affirmative action to employ and advance in employment physically and mentally handicapped individuals.

6. The CONTRACTOR will include the provisions of this clause in every subcontract or purchase order of $2,500 or more unless exempted by rules, regulations or orders of the Secretary issued pursuant to section 503 of the Act so that such provisions will be binding upon each subcontractor or vendor. The CONTRACTOR will take such action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

ATTACHMENT F

INSURANCE REQUIREMENTS INFORMATION

To All Community Development Grants Administration Subgrantees:

The following insurance limits and coverage are required of your project(s):

- Insurance coverage must cover the full calendar year; January 1 through December 31.
- A general comprehensive liability broad form insurance policy with a combined single limit B.I./P.D. of $500,000.
- If automobiles are used in the performance of your program descriptions, you are to acquire automobile liability insurance of $250,000/$500,000 for Bodily Injury, $100,000 Property Damage, or a policy having a combined single limit of $500,000 B.I./P.D. Also designate whether or not the vehicles being used in the performance of the project are owned, hired, or non-owned.
- The State of Wisconsin requires minimum statutory limits of Workers Compensation.
- The City of Milwaukee is to be named as an additional insured on all liability coverage. ***The Endorsement Policy along with the Disclaimer notice must be included.***
- An Affidavit of No Interest is to accompany the Certificate of Insurance.
- An Affidavit Regarding Cancellation Provisions and the requested copy must also accompany the Certificate of Insurance.
- If your project is granted a cash advance, then you are required to purchase and maintain forgery and alteration, and fidelity bond insurance in an amount at least equal to the amount of the cash advance. Each of the above insurance dollar amounts must be the same and listed on the Certificate of Insurance.
- Policy numbers are required on the Certificate of Insurance. The City will not accept a binder.

If your parent corporation is receiving more than one grant, then your limits have to match the combined total of the grants received.

If you have any further questions regarding this communication, please contact your Grant Monitor.

Rev. 08/10

ACORD® CERTIFICATE OF LIABILITY INSURANCE

OP ID DS | DATE (MM/DD/YYYY)

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME:
	PHONE (A/C, No, Ext): / FAX (A/C, No):
	E-MAIL ADDRESS:
	PRODUCER CUSTOMER ID #:

INSURED	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A :	
	INSURER B :	
	INSURER C :	
	INSURER D :	
	INSURER E :	
	INSURER F :	

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY [X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [ ] POLICY [ ] PRO-JECT [ ] LOC						EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ $ $ $ $ $
	AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] ALL OWNED AUTOS [ ] SCHEDULED AUTOS [ ] HIRED AUTOS [ ] NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ $ $ $
	[ ] UMBRELLA LIAB [ ] OCCUR [ ] EXCESS LIAB [ ] CLAIMS-MADE [ ] DEDUCTIBLE [ ] RETENTION $						EACH OCCURRENCE AGGREGATE	$ $
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N [ ] N/A (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						WC STATU-TORY LIMITS / OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ $ $

SAMPLE

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

The City of Milwaukee is to be named as an additional issured on all liability coverage.

CERTIFICATE HOLDER	CANCELLATION
City of Milwaukee Community Development Grants Administration 200 East Wells Street, Room 606 Milwaukee, WI 53202	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE

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Sample

AFFIDAVIT OF NO INTEREST

STATE OF _____)
) SS
_____COUNTY)

_____, being first duly sworn, on oath deposes and says that he/she is the agent of the _____, insurer
(Insurance Company)
on the attached Certificate of Insurance issued to _____.
(Insured)

Affiant further deposes and says that no officer, official or employee of the City of Milwaukee has any interest, directly or indirectly, or is receiving any premium commission, fee, or other thing of value on account of the sale or furnishing of said policy.

_____
Signature of Agent

Subscribed and Sworn to before me

this _____ day of _____, 20 ___.

_____

Notary Public, _____ County, Wisconsin

:My Commission expires _____

Sample

AFFIDAVIT REGARDING CANCELLATION PROVISIONS

STATE OF _____)
)
_____ COUNTY)

_____, being first duly sworn on oath, deposes and says that he/she is the agent of _____ _____, the insurer on the attached certificate of insurance issued to _____ (the insured).

Affiant further deposes and says that attached hereto is a true and correct copy of the provisions of said policy governing notice to additional insured(s) in the event of cancellation of said policy prior to its termination date.

_____
Signature of Agent

Subscribed and Sworn to before me

This _____ day of _____, 20____.

_____

Notary Public, _____ County, Wisconsin

My commission expires _____

SAMPLE

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

SAMPLE

POLICY NUMBER: COMMERCIAL GENERAL LIABILIT
NAME OF ORGANIZATION INSURED:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATIO

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

Name of Person or Organization:

City of Milwaukee
Community Development Grants Administration
200 E Wells Street
Milwaukee, WI 53202

(Be sure to include the Policy Number, the Name of the insured organization and the City of Milwaukee as required.)

ATTACHMENT G

Revolving Fund Policy

1. Statement of Policy

Community Development projects authorized to revolve program income shall be handled on a gross budget basis. As part of the annual proposal review process, the Community and Economic Development Committee shall recommend to the Common Council a maximum funding (gross budget) for each such project. Actual (entitlement) funds allocated shall be the difference between the established maximum and an estimate of revenue (program income) to be generated by the project during the program year. Such revenue estimates shall be included in the project proposal and are subject to review and approval by the Community Development Grants Administration and the Office of the Comptroller. Program income generated by the project in excess of the original estimate shall be returned for reprogramming. Requests for additional funds shall be handled in accordance with Common Council File Number 74-92-5v adopted April 10, 1979.

2. Applicability and Scope

All projects authorized to revolve Community Development Grants Administration (CDGA) Program Income shall be handled in accordance with this policy.

3. Authorization

Separate and specific action by the Community and Economic Development Committee shall be required to authorize a project to revolve program income. All projects so authorized shall be subject to an initial and periodic review of operational capacity and procedures relative to the management of these funds. Authority to revolve program income may be withdrawn by the Community and Economic Development Committee at any time.

4. Control

The Community Development Grants Administration shall compare actual and estimated revenues for each project authorized to revolve program income on a quarterly basis. The results of these quarterly reviews shall be reported to the Community and Economic Development Committee with recommendations, if necessary, for adjustments or corrective actions. The deposit and reporting of program income shall be handled in a timely manner in accordance with procedures established jointly by the Community Development Grants Administration and the Office of the Comptroller.

ATTACHMENT H

SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968 - 12 U.S.C. 1701(u).

1. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development act of 1968, as amended, 12 U.S.C. 1701u ("Section 3"). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

2. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

3. The CONTRACTOR agrees to send to each labor organization or representative of workers with which the CONTRACTOR has a collective bargaining agreement or other contract or other understanding, if any, a notice advising the labor organization or workers' representative of the CONTRACTOR's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preferences, shall set forth minimum number and job titles subject to hire, availability of apprentice-ship and training positions, the qualifications for each, and the name and location of the person(s) taking applications for each of the positions, and the anticipated date the work shall begin.

4. The CONTRACTOR agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The CONTRACTOR will not subcontract with any subcontractor where the CONTRACTOR has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

5. The CONTRACTOR will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the CONTRACTOR's obligations under 24 CFR part 135.

6. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

7. With respect to work performed in connection with Section 3 covered Indian Housing Assistance (section 7(b) of the Indian Self-Determination and Education Assistance Act, 25 U.S.C. § 450E), ("section 7b") also applies to the work to be performed under this Contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned economic enterprises. Parties to this contract that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).

ATTACHMENT I

CODE OF FEDERAL REGULATIONS
TITLE 24--HOUSING AND URBAN DEVELOPMENT
SUBTITLE A--OFFICE OF THE SECRETARY, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PART 85--UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE, LOCAL AND FEDERALLY RECOGNIZED INDIAN TRIBAL GOVERNMENTS
SUBPART C--POST-AWARD REQUIREMENTS
CHANGES, PROPERTY, AND SUBAWARDS
Current through February 14, 2005; 70 FR 7608

§ 85.36 Procurement

(a) States. When procuring property and services under a grant, a State will follow the same policies and procedures it uses for procurements from its non-Federal funds. The State will ensure that every purchase order or other contract includes any clauses required by Federal statutes and executive orders and their implementing regulations. Other grantees and subgrantees will follow paragraphs (b) through (i) in this section.

(b) Procurement standards.

(1) Grantees and subgrantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section.

(2) Grantees and subgrantees will maintain a contract administration system which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

(3) Grantees and subgrantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the grantee or subgrantee shall participate in 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. Such a conflict would arise when:

(i) The employee, officer or agent,

(ii) Any member of his immediate family,

(iii) His or her partner, or

(iv) An organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. The grantee's or subgrantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subagreements. Grantee and subgrantees may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee's and subgrantee's officers, employees, or agents, or by contractors or their agents. The awarding agency may in regulation provide additional prohibitions relative to real, apparent, or potential conflicts of interest.

(4) Grantee and subgrantee procedures will provide for a review of proposed procurements to avoid purchase of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

(5) To foster greater economy and efficiency, grantees and subgrantees are encouraged to enter into State and local intergovernmental agreements for procurement or use of common goods and services.

(6) Grantees and subgrantees are encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

(7) Grantees and subgrantees are encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.

(8) Grantees and subgrantees will make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

(9) Grantees and subgrantees will maintain records sufficient to detail the significant history of a procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

(10) Grantees and subgrantees will use time and material type contracts only--

(i) After a determination that no other contract is suitable, and

(ii) If the contract includes a ceiling price that the contractor exceeds at its own risk.

(11) Grantees and subgrantees alone will be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to source evaluation, protests, disputes, and claims. These standards do not relieve the grantee or subgrantee of any contractual responsibilities under its contracts. Federal agencies will not substitute their judgment for that of the grantee or subgrantee unless the matter is primarily a Federal concern. Violations of law will be referred to the local, State, or Federal authority having proper jurisdiction.

(12) Grantees and subgrantees will have protest procedures to handle and resolve disputes relating to their procurements and shall in all instances disclose information regarding the protest to the awarding agency. A protestor must exhaust all administrative remedies with the grantee and subgrantee before pursuing a protest with the Federal agency. Reviews of protests by the Federal agency will be limited to:

(i) Violations of Federal law or regulations and the standards of this section (violations of State or local law will be under the jurisdiction of State or local authorities) and

(ii) Violations of the grantee's or subgrantee's protest procedures for failure to review a complaint or protest. Protests received by the Federal agency other than those specified above will be referred to the grantee or subgrantee.

(c) Competition.

(1) All procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of § 85.36. Some of the situations considered to be restrictive of competition include but are not limited to:

(i) Placing unreasonable requirements on firms in order for them to qualify to do business,

(ii) Requiring unnecessary experience and excessive bonding,

(iii) Noncompetitive pricing practices between firms or between affiliated companies,

(iv) Noncompetitive awards to consultants that are on retainer contracts,

(v) Organizational conflicts of interest,

(vi) Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance of other relevant requirements of the procurement, and

(vii) Any arbitrary action in the procurement process.

(2) Grantees and subgrantees will conduct procurements in a manner that prohibits the use of statutorily or administratively imposed in-State or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts State licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criteria provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

(3) Grantees will have written selection procedures for procurement transactions. These procedures will ensure that all solicitations:

(i) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured, and when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equal" description may be used as a means to define the performance or other salient requirements of a procurement. The specific features of the named brand which must be met by offerors shall be clearly stated; and

(ii) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

(4) Grantees and subgrantees will ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, grantees and subgrantees will not preclude potential bidders from qualifying during the solicitation period.

(d) Methods of procurement to be followed

(1) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the simplified acquisition threshold fixed at 41 U.S.C. 403(11) (currently set at $100,000). If small purchase procedures are used, price or rate quotations shall be obtained from an adequate number of qualified sources.

(2) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in § 85.36(d)(2)(i) apply.

(i) In order for sealed bidding to be feasible, the following conditions should be present:

(A) A complete, adequate, and realistic specification or purchase description is available;

(B) Two or more responsible bidders are willing and able to compete effectively and for the business; and

(C) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

(ii) If sealed bids are used, the following requirements apply:

(A) The invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bids;

(B) The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond;

(C) All bids will be publicly opened at the time and place prescribed in the invitation for bids;

(D) A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

(E) Any or all bids may be rejected if there is a sound documented reason.

(3) Procurement by competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

(i) Requests for proposals will be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals shall be honored to the maximum extent practical;

(ii) Proposals will be solicited from an adequate number of qualified sources;

(iii) Grantees and subgrantees will have a method for conducting technical evaluations of the proposals received and for selecting awardees;

(iv) Awards will be made to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and

(v) Grantees and subgrantees may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

(4) Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate.

(i) Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids or competitive proposals and one of the following circumstances applies:

(A) The item is available only from a single source;

(B) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;

(C) The awarding agency authorizes noncompetitive proposals; or

(D) After solicitation of a number of sources, competition is determined inadequate.

(ii) Cost analysis, i.e., verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profits, is required.

(iii) Grantees and subgrantees may be required to submit the proposed procurement to the awarding agency for pre-award review in accordance with paragraph (g) of this section.

(e) Contracting with small and minority firms, women's business enterprise and labor surplus area firms.

(1) The grantee and subgrantee will take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible.

(2) Affirmative steps shall include:

(i) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

(ii) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

(iii) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;

(iv) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises;

(v) Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce; and

(vi) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (e)(2) (i) through (v) of this section.

(f) Contract cost and price.

(1) Grantees and subgrantees must perform a cost or price analysis in connection with every procurement action including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, grantees must make independent estimates before receiving bids or proposals. A cost analysis must be performed when the offeror is required to submit the elements of his estimated cost, e.g., under professional, consulting, and architectural engineering services contracts. A cost analysis will be necessary when adequate price competition is lacking, and for sole source procurements, including contract modifications or change orders, unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or based on prices set by law or regulation. A price analysis will be used in all other instances to determine the reasonableness of the proposed contract price.

(2) Grantees and subgrantees will negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where 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 its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

(3) Costs or prices based on estimated costs for contracts under grants will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with Federal cost principles (see § 85.22). Grantees may reference their own cost principles that comply with the applicable Federal cost principles.

(4) The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.

(g) Awarding agency review.

(1) Grantees and subgrantees must make available, upon request of the awarding agency, technical specifications on proposed procurements where the awarding agency believes such review is needed to ensure that the item and/or service specified is the one being proposed for purchase. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the grantee or subgrantee desires to have the review accomplished after a solicitation has been developed, the awarding agency may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.

(2) Grantees and subgrantees must on request make available for awarding agency pre-award review procurement documents, such as requests for proposals or invitations for bids, independent cost estimates, etc. when:

(i) A grantee's or subgrantee's procurement procedures or operation fails to comply with the procurement standards in this section; or

(ii) The procurement is expected to exceed the simplified acquisition threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation; or

(iii) The procurement, which is expected to exceed the simplified acquisition threshold, specifies a "brand name" product; or

(iv) The proposed award is more than the simplified acquisition threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or

(v) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the simplified acquisition threshold.

(3) A grantee or subgrantee will be exempt from the pre-award review in paragraph (g)(2) of this section if the awarding agency determines that its procurement systems comply with the standards of this section.

(i) A grantee or subgrantee may request that its procurement system be reviewed by the awarding agency to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews shall occur where there is a continuous high-dollar funding, and third-party contracts are awarded on a regular basis.

(ii) A grantee or subgrantee may self-certify its procurement system. Such self-certification shall not limit the awarding agency's right to survey the system. Under a self-certification procedure, awarding agencies may wish to rely on written assurances from the grantee or subgrantee that it is complying with these standards. A grantee or subgrantee will cite specific procedures, regulations, standards, etc., as being in compliance with these requirements and have its system available for review.

(h) Bonding requirements. For construction or facility improvement contracts or subcontracts exceeding the simplified acquisition threshold, the awarding agency may accept the bonding policy and requirements of the grantee or subgrantee provided the awarding agency has made a determination that the awarding agency's interest is adequately protected. If such a determination has not been made, the minimum requirements shall be as follows:

(1) A bid guarantee from each bidder equivalent to five percent of the bid price. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.

(2) A performance bond on the part of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

(3) A payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

(i) Contract provisions. A grantee's and subgrantee's contracts must contain provisions in paragraph (i) of this section. Federal agencies are permitted to require changes, remedies, changed conditions, access and records retention, suspension of work, and other clauses approved by the Office of Federal Procurement Policy.

(1) Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate. (Contracts more than the simplified acquisition threshold)

(2) Termination for cause and for convenience by the grantee or subgrantee including the manner by which it will be effected and the basis for settlement. (All contracts in excess of $10,000)

(3) Compliance with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60). (All construction contracts awarded in excess of $10,000 by grantees and their contractors or subgrantees)

(4) Compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR Part 3). (All contracts and subgrants for construction or repair)

(5) Compliance with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR Part 5). (Construction contracts in excess of $2000 awarded by grantees and subgrantees when required by Federal grant program legislation)

(6) Compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR Part 5). (Construction contracts awarded by grantees and subgrantees in excess of $2000, and in excess of $2500 for other contracts which involve the employment of mechanics or laborers)

(7) Notice of awarding agency requirements and regulations pertaining to reporting.

(8) Notice of awarding agency requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract.

(9) Awarding agency requirements and regulations pertaining to copyrights and rights in data.

(10) Access by the grantee, the subgrantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.

(11) Retention of all required records for three years after grantees or subgrantees make final payments and all other pending matters are closed.

(12) Compliance with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15). (Contracts, subcontracts, and subgrants of amounts in excess of $100,000).

(13) Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub.L. 94-163, 89 Stat. 871).

CODE OF FEDERAL REGULATIONS
TITLE 24--HOUSING AND URBAN DEVELOPMENT
SUBTITLE A--OFFICE OF THE SECRETARY, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PART 84--UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NON-PROFIT ORGANIZATIONS
SUBPART C--POST-AWARD REQUIREMENTS
PROCUREMENT STANDARDS
Current through February 14, 2005; 70 FR 7608

§ 84.40 Purpose of procurement standards.

Sections 84.41 through 84.48 set forth standards for use by recipients in establishing procedures for the procurement of supplies and other expendable property, equipment, real property and other services with Federal funds. These standards are furnished to ensure that such materials and services are obtained in an effective manner and in compliance with the provisions of applicable Federal statutes and executive orders. No additional procurement standards or requirements shall be imposed by HUD upon recipients, unless specifically required by Federal statute or executive order or approved by OMB.

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Current through February 14, 2005; 70 FR 7608

§ 84.42 Codes of conduct.

The recipient shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to subagreements. However, recipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipient.

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SUBPART C--POST-AWARD REQUIREMENTS
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Current through February 14, 2005; 70 FR 7608

§ 84.43 Competition.

All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The recipient shall be alert to organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bids and/or requests for proposals shall be excluded from competing for such procurements. Awards shall be made to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to the recipient, price, quality and other factors considered. The other factors shall include the bidder's or offeror's compliance with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), hereafter referred to as "Section 3." Section 3 provides that, to the greatest extent feasible, and consistent with existing Federal, State, and local laws, and regulations, economic opportunities generated by certain HUD financial assistance shall be directed to low- and very low-income persons. Solicitations shall clearly set forth all requirements that the bidder or offeror shall fulfill in order for the bid or offer to be evaluated by the recipient. Any and all bids or offers may be rejected when it is in the recipient's interest to do so.

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TITLE 24--HOUSING AND URBAN DEVELOPMENT
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PART 84--UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NON-PROFIT ORGANIZATIONS
SUBPART C--POST-AWARD REQUIREMENTS
PROCUREMENT STANDARDS

Current through February 14, 2005; 70 FR 7608

§ 84.44 Procurement procedures.

(a) All recipients shall establish written procurement procedures. These procedures shall provide for, at a minimum, that paragraphs (a)(1), (a)(2) and (a)(3) of this section apply.

(1) Recipients avoid purchasing unnecessary items.

(2) Where appropriate, an analysis is made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the Federal Government.

(3) Solicitations for goods and services provide for all of the following.

(i) A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features which unduly restrict competition.

(ii) Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals.

(iii) A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.

(iv) The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitation.

(v) The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement.

(vi) Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.

(b) Positive efforts shall be made by recipients to utilize small businesses, minority-owned firms, and women's business enterprises, whenever possible. Recipients of Federal awards shall take all of the following steps to further this goal.

(1) Ensure that small businesses, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.

(2) Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises.

(3) Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.

(4) Encourage contracting with consortiums of small businesses, minority-owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.

(5) Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms and women's business enterprises.

(c) The type of procuring instruments used (e.g., fixed price contracts, cost reimbursable contracts, purchase orders, and incentive contracts) shall be determined by the recipient but shall be appropriate for the particular procurement and for promoting the best interest of the program or project involved. The "cost-plus-a-percentage-of-cost" or "percentage of construction cost" methods of contracting shall not be used.

(d) Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to such matters as contractor integrity; compliance with public policy, including, where applicable, Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u); record of past performance; financial and technical resources or accessibility to other necessary resources. In certain circumstances, contracts with certain parties are restricted by implementation of E.O.s 12549 and 12689, "Debarment and Suspension," at 24 CFR part 24.

(e) Recipients shall, on request, make available for the Federal awarding agency, pre-award review and procurement documents, such as requests for proposals or invitations for bids, independent cost estimates, etc., when any of the following conditions apply.

(1) A recipient's procurement procedures or operation fails to comply with the procurement standards in HUD's implementation of Circular A-110.

(2) The procurement is expected to exceed $100,000 or the small purchase threshold fixed at 41 U.S.C. 403 (11), whichever is greater, and is to be awarded without competition or only one bid or offer is received in response to a solicitation.

(3) The procurement, which is expected to exceed the small purchase threshold, specifies a "brand name" product.

(4) The proposed award over the small purchase threshold is to be awarded to other than the apparent low bidder under a sealed bid procurement.

(5) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the amount of the small purchase threshold.

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§ 84.45 Cost and price analysis.

Some form of cost or price analysis shall be made and documented in the procurement files in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indicia, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability.

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§ 84.46 Procurement records.

Procurement records and files for purchases in excess of the small purchase threshold shall include the following at a minimum:

(a) Basis for contractor selection;

(b) Justification for lack of competition when competitive bids or offers are not obtained; and

(c) Basis for award cost or price.

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§ 84.47 Contract administration.

A system for contract administration shall be maintained to ensure contractor conformance with the terms, conditions and specifications of the contract and to ensure adequate and timely follow up of all purchases. Recipients shall evaluate contractor performance and document, as appropriate, whether contractors have met the terms, conditions and specifications of the contract.

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§ 84.48 Contract provisions.

The recipient shall include, in addition to provisions to define a sound and complete agreement, the following provisions in all contracts. The following provisions shall also be applied to subcontracts.

(a) Contracts in excess of the small purchase threshold shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms, and provide for such remedial actions as may be appropriate.

(b) All contracts in excess of the small purchase threshold shall contain suitable provisions for termination by the recipient, including the manner by which termination shall be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

(c) Except as otherwise required by statute, an award that requires the contracting (or subcontracting) for construction or facility improvements shall provide for the recipient to follow its own requirements relating to bid guarantees, performance bonds, and payment bonds unless the construction contract or subcontract exceeds $100,000. For those contracts or subcontracts exceeding $100,000, HUD may accept the bonding policy and requirements of the recipient, provided HUD has made a determination that the Federal Government's interest is adequately protected. If such a determination has not been made, the minimum requirements shall be as follows:

(1) A bid guarantee from each bidder equivalent to five percent of the bid price. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder shall, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.

(2) A performance bond on the part of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

(3) A payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by statute of all persons supplying labor and material in the execution of the work provided for in the contract.

(4) Where bonds are required in the situations described herein, the bonds shall be obtained from companies holding certificates of authority as acceptable sureties pursuant to 31 CFR part 223, "Surety Companies Doing Business with the United States."

(d) All negotiated contracts (except those for less than the small purchase threshold) awarded by recipients shall include a provision to the effect that the recipient, HUD, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers and records of the contractor which are directly pertinent to a specific program for the purpose of making audits, examinations, excerpts and transcriptions.

(e) All contracts, including small purchases, awarded by recipients and their contractors shall contain the procurement provisions of Appendix A to this rule, as applicable.

ATTACHMENT I

Appendix A to Part 84--Contract Provisions

All contracts, awarded by a recipient including small purchases, shall contain the following provisions as applicable:

1. Equal Employment Opportunity--All contracts shall contain a provision requiring compliance with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

2. Copeland "Anti-Kickback" Act (18 U.S.C. 874 and 40 U.S.C. 276c)--All contracts and subgrants in excess of $2000 for construction or repair awarded by recipients and subrecipients shall include a provision for compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874), as supplemented by Department of Labor regulations (29 CFR part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. The recipient shall report all suspected or reported violations to HUD.

3. Davis-Bacon Act, as amended (40 U.S.C. 276a to a-7)--When required by Federal program legislation, all construction contracts awarded by the recipients and subrecipients of more than $2000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). Under this Act, contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. The recipient shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The recipient shall report all suspected or reported violations to HUD.

4. Contract Work Hours and Safety Standards Act (40 U.S.C. 327 through 333)--Where applicable, all contracts awarded by recipients in excess of $2000 for construction contracts and in excess of $2500 for other contracts that involve the employment of mechanics or laborers shall include a provision for compliance with Sections 102 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), as supplemented by Department of Labor regulations (29 CFR part 5). Under Section 102 of the Act, each contractor shall be required to compute the wages of every mechanic and laborer on the basis of a standard workweek of 40 hours. Work in excess of the standard workweek is permissible provided that the worker is compensated at a rate of not less than 1 1/2 times the basic rate of pay for all hours worked in excess of 40 hours in the workweek. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

5. Rights to Inventions Made Under a Contract or Agreement--Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by HUD.

6. Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended--Contracts and subgrants of amounts in excess of $100,000 shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251 et seq.). Violations shall be reported to HUD and the Regional Office of the Environmental Protection Agency (EPA).

7. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)--Contractors who apply or bid for an award of $100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal

appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are ***47032** forwarded from tier to tier up to the recipient.

8. Debarment and Suspension (E.O.s 12549 and 12689)--No contract shall be made to parties listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Nonprocurement Programs in accordance with E.O.s 12549 and 12689, "Debarment and Suspension," as set forth at 24 CFR part 24. This list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and contractors declared ineligible under statutory or regulatory authority other than E.O. 12549. Contractors with awards that exceed the small purchase threshold shall provide the required certification regarding its exclusion status and that of its principal employees.

9. Drug-Free Workplace Requirements--The Drug-Free Workplace Act of 1988 (42 U.S.C. 701) requires grantees (including individuals) of federal agencies, as a prior condition of being awarded a grant, to certify that they will provide drug-free workplaces. Each potential recipient must certify that it will comply with drug-free workplace requirements in accordance with the Act and with HUD's rules at 24 CFR part 24, subpart F.

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CITY OF MILWAUKEE CASH ADVANCE POLICY

A cash advance will be provided only to those projects unable to implement the Community Development Program projects on a reimbursable basis. These advances should be sufficient to allow projects to operate for 30 days but under no circumstances will they exceed $100,000. All agencies or departments receiving a cash advance must maintain a financial management system as prescribed by Sub Part C 20 of OMB Circular A-102.

Projects are required to record the advance as a liability and must maintain a separate cash control account or a segregated bank account to account for it. The cash advance must remain intact on a month to month basis (i.e., disallowed costs must be returned to the cash advance within 30 days). All cash advances must be maintained in an interest bearing account.

In addition, the advance recipients must maintain depositor's forgery and fidelity bond insurance at least equal to the amount of the cash advance. Projects having an advance are required to complete the Cash Advance Status Report (CDA-71) monthly in conjunction with the Project Cost Category Report (CDA 70).

Instructions for Project

1. Enter the period covered in the accompanying cost report(s) and the amounts requested for reimbursement.

2. Enter the amount of expenditures that were claimed on Previous Month(s) Cost Report(s) but payment has not been received by the project.

3. Enter the last day of the period covered with the accompanying cost report(s) and the amount of cash remaining per the reconciled bank statement, or per the checkbook if the bank statement is unavailable.

4. Enter any reconciling items, such as disallowed costs that have not been reclaimed, or other reconciling costs with a brief explanation. Total these costs on the line provided in the right hand column. If additional space is needed to fully detail the reconciling items, attach a separate sheet.

5. Add lines 1 through 4 to arrive at the current Cash Advance granted to this project. This amount must agree with line 8 from the previous month Cost Report under the section "Comptroller's Office Review".

6. Indicate the estimated project operating cash needs for the next 30 days. This should be equal to or less than the amount shown in the project budget.

7. Project Director must sign and date the form to certify that all information completed from 1 through 6 is accurate.

General

Send this form in with current cost reports. A copy will be returned after the cost report is processed. This copy will include the "Comptroller's Office Review" on the bottom half of the form. This review will illustrate action taken by the City. A letter will follow explaining any adjustments noted on line 3 of the "Comptroller's Office Review".

Attachment K

CITY OF MILWAUKEE
COMMUNITY DEVELOPMENT GRANTS ADMINISTRATION
LARGE IMPACT DEVELOPMENT FUND POLICY

Minimum Allocation: $ 100,000

Program Description:

The Large Impact Development Fund (LID) is designed to foster new economic development projects in Milwaukee neighborhoods located in the CDBG Target Area. LID funds shall only be awarded for Physical Development Projects sponsored by non-profit (501 (c) (3) corporations. All proposals must show evidence of site control and/or an Offer to Purchase or Letter of Commitment. If the non-profit (501) (C) (3) corporation retains title to the physical development project, proposals will be deemed eligible if an agreement is made to pay a Payment In Lieu Of Taxes (PILOT). All proposals ***must*** meet the following criteria in order to be considered for funding:

Qualifying Criteria:

- Re-use of vacant, blighted property or physical expansion
- Provide New or Increased City Tax Revenues
- Create Jobs

Specific Ineligible Activities: Ineligible activities ***include, but are not limited to***: non-tax producing projects, schools, day care centers, currency exchanges (including check cashing outlets), liquor stores, taverns, gun shops, pawn shops, non-profit agency relocation and/or establishment of non-profit agency headquarters. In addition, the Community and Economic Development Committee may decide to exclude other activities, which they deem does not meet the objectives of the fund.

> **NOTE: LID funds cannot be utilized for activity or costs incurred prior to the approval of funds by the Common Council. All costs incurred by the applicant prior to this approval are incurred at the risk of the applicant.**
>
> ***At the time of application, the project must document that it has secured at least 75% of the total project budget (i.e., bank letters of commitment, cash, and letters of credit. In addition, equity interest must be accompanied by a certified statement from a lending institution indicating the cash value of the equity for the project).***

Per the Community and Economic Development Committee, LID allocations must be spent within twelve months of award or they may be rescinded.

After contracting with the City, organizations funded under the Large ***Impact Development Fund*** will be paid by CBGA on a **Reimbursement** basis.

ALL OWNERS OF PROJECTS DEVELOPED OR ASSISTED WITH LID GRANT FUNDS MUST AGREE TO THE RECORDING OF A LIEN OR ENCUMBRANCE ON THE PROPERTY (in the form approved by CDGA, which may include loan agreements, promissory notes, and/or mortgages and restrictive covenants) WHICH WILL REQUIRE REPAYMENT OF LID GRANT FUNDS IF THE PROPERTY IS SOLD, TRANSFERRED, OR OPERATED IN VIOLATION OF APPLICABLE LAWS AND REGULATIONS GOVERNING PROJECTS FINANCED WITH LID FUNDS.

Reimbursement Procedures:

1. A. Up to 10% of the CDBG award may be drawn down once the project has documented that they have secured at least 75% of the financing for the total project.

   B. Subrecipient may drawn down the remaining CDBG dollars,(up to 75%) of the award for eligible, documented costs once they have documented that they have secured 100% of financing for the total project.

   C. The remaining 25% of funds may be drawn down upon satisfactory completion of all activities and submittal of the following CDGA required documentation:

      a. Final Project Activity Report & Direct Benefits Status Report for jobs created
      b. Business Assistance Agreement
      c. Business Data form
      d. Employee Data form
      e. Employee Retention verification (as applicable)

2. Depending on the nature of the project, there may be requirements relating to Davis Bacon Prevailing Wages, Site Control, Program Income, etc.

3. Request for the draw of CDBG funds necessary for the purchase of property must include the Offer to Purchase or closing statement.

4. Contractor and subcontractor report (if applicable)

5. HUD Section 3 Project Participation Report (New construction, housing, and/or rehabilitation)

6. Lien waiver from all contractors (if applicable)

7. Property Record form and invoices (if applicable for equipment, machinery, etc.)

8. Final City Building Inspection sign-off (Note: This can take the form of an occupancy permit or a Final Certificate of Code Compliance)

Attachment L

City of Milwaukee, Wisconsin-Community Development Grants Administration

Performance – Based Measurement System for Activities Funded by CDBG, HOME, ESG, ADDI and HOPWA

For the past few years, the City of Milwaukee Community Development Grants Administration has required that all funded subrecipients report their accomplishments on a monthly basis and assess their own performance and progress towards addressing the issues facing the low income areas in which they serve.

This is required by HUD and accepted by the City of Milwaukee-Community Development Grants Administration as an attempt to analyze and measure the effectiveness and efficiency of funded programs.

In addition, as part of this ongoing assessment of performance of funded programs, from January 1st - December 31st of the given year, all agencies funded by Community Development Grants Administration, are required to link goals and activities with outcomes and ***collect the data associated with proposed outcomes and submit the data to CDGA.***

As such, funded agencies are required to track the outcomes that they have selected during the program year. They must also include the data source and backup documentation as it pertains to the selected outcome. In addition, a narrative explaining the data source is required, along with an explanation on how the selected outcomes lead and/or contributes to one or more of CDGA's Long Term Outcomes as listed below:

1) **Reduce Crime**
2) **Increase Property Values**
3) **Increase Economic Vitality**
4) **Improve Neighborhood Quality of Life**

These outcomes are consistent with HUD's new Performance Measurement System which includes the following objectives and outcomes:

HUD Objective Categories

1. Decent Housing
2. Suitable Living Environment
3. Economic Opportunity

HUD Outcome Categories

1. Availability/Accessibility
2. Affordability
3. Sustainability

It is understood that the development of a performance measurement system will continue to be an evolving process, in which CDGA will work with funded agencies to identify realistic outcomes that suitably relate to the funded activities.

ATTACHMENT M

Housing Accessibility Program Guidelines

1) The Housing Accessibility Program is a CDBG-funded owner occupied program that constructs removable wheel chair ramps/lifts for eligible clients as well as providing housing accessibility improvements.
2) Applicants for service must have an eligible household member and a gross household income at or below 50% of County Median Income (CMI).
3) Applicant eligibility information (application and back-up documentation) must be maintained by the funded agency in separate files by applicant name and address.
4) Income eligibility will be determined using HUD's Census Long Form definition.
5) Eligible properties must be within the designated Community Development Block Grant area and must be either single family or duplex structures.
6) Agency must have a current City of Milwaukee Home Improvement Contractor's License.
7) Following an inspection of an eligible household, a project staff member will develop a scope of work, cost estimate and site plan.
8) Prior to obtaining a building permit and beginning any construction work, the scope, cost estimate and site plan must be submitted to CDGA for approval.
9) Ramp design shall be a floating design (Minnesota design) that allows simple removal. Any wood members touching the ground must be of pressure treated lumber.
10) Building permits must be obtained before the start of any work.
11) Ramps shall be paid for based upon the final approval of CDGA.
12) All work performed must meet all permit approval conditions and pass a final construction inspection by the DNS NIP Manager before any payments for service may be made to the agency.