

SECTION C - CDBG CONTRACT

1. CONTRACT EXECUTION

All grantees must attend one of the 2 grantee workshops held in March or April. Afterwards, grantees must hold their second public hearing and make final edits/additions to their application in the WebGrants system. (<http://webgrants.community.utah.gov>) **The final edits must be completed and SUBMITTED by May 6, 2010.** The state staff will review all applications for accuracy and completeness. Grantees are responsible for logging into WebGrants and printing their own contracts for signature (After May 6). It is vital that the contract be signed and returned to the CDBG office in a timely manner. The jurisdiction's **chief elected official must sign three copies** and **All** copies should be returned to HCD for state signatures. A copy of the fully executed contract will be returned to the locality. Additional copies may be made and maintained but the original contract should be maintained in the grantee's CDBG files. The jurisdiction's attorney may wish to review the contract for accuracy to ensure that it is consistent with local powers and authorities. Any discrepancies should be addressed to HCD.

There are specific penalties stipulated in the application guidebook for grantees that return contracts late. **All contracts should be returned by July 1, 2010.** Under special circumstances, the local Rating and Ranking Committee (RRC) may give jurisdictions until August 1, 2010. **The state reserves the right to reallocate un-contracted funds to any region if the RRC fails to reallocate its funds by September 1, 2010!** Any contracts not properly completed will be returned to the grantee. No costs may be charged against a CDBG contract until the contract has been completed in accordance with these instructions and signed by the appropriate state officials. No work should be performed or costs incurred until such time as a fully executed contract is received. Any such costs will be considered ineligible and become the responsibility of the grantee.

2. REQUESTING AN AMENDMENT

The CDBG process allows grantees to request amendments to their contracts under certain circumstances. A request for an amendment must be submitted in letter form to your state program specialist (Section A, page 2), explaining the reason for the request. The request must include all necessary information i.e.:

- 1- The proposed date for an extension needed (see also Attachment B of the Contract, Additional Terms and Conditions, subparagraph 8),
- 2- The proposed change in the scope of work; and/or
- 3- The proposed budget revision.

The state program specialist will review the request. Upon approval, relatively small changes (less than 10 percent of contract total) may not require a formal amendment document. Staff will use the following criteria in determining the rationality of the request.

- 1- Has the grantee demonstrated consistent and acceptable performance during the contract period?
- 2- Has the grantee demonstrated diligent project development?
- 3- What has been the grantee's performance on prior grants, if any?
- 4- Is there good probability of completion within a reasonable time frame?
- 5- Has the grantee maintained good communication with HCD during the length of the contract (phone, letter, e-mail, progress reports)?

EXTENSION:

Grantees must adhere to the following timelines or risk losing their funding. Extensions will not be considered if these timelines are not followed:

1. Engineer/Architect design and bid ready, specifications were completed by January 31, 2011.
2. Advertisements for bids were published prior to February 28, 2011.
3. A Bid Award was issued by April 15, 2011.
4. A Notice to proceed was issued by May 31, 2011.
5. Environmental Review was completed within 90 days of contract execution.

SCOPE:

1. Would a change in the scope alter the original project to such an extent that the National Objective may be affected, i.e. the completion of a smaller area of work that would result in reducing the percentage of low/moderate beneficiaries?
2. Would a change in the scope result in a reduction in the original rating/ranking position of the application that would place it below the final point of funding for that region?

BUDGET:

1. Grantees may shift up to 10 percent of the total project budget—EXCLUDING ADMINISTRATIVE COSTS- without submitting an amendment. The grantee should contact their program specialist to make them aware of this change, however, prior to submitting a cash request.
2. Does the revised budget demonstrate that the entire project, as originally proposed, will be accomplished?

If warranted, an amendment form(s) for the requested change will be sent to the grantee completion. All three copies of the form are to be returned to HCD for final execution in the same manner that the contract is processed. After execution of the amendments, a completed copy will be returned to the jurisdiction to be attached to the contract document.

No requested amendment changes may be initiated until the grantee has received a fully executed copy of the amendment.

3. POLICY ON CONTRACT RENEWALS:

1. All contracts should be renewed prior to the contract expiration date.
2. Contract renewals 30 to 60 days after the contract expiration date require (a) a justification statement and time line explaining why the renewal is being processed after the contract expiration date and (b) approval signature by the Agency Division Director.
3. Contract renewals 61 to 90 days after the contract expiration date require (a) a justification statement and time line explaining why the renewal is being processed after the contract expiration date and (b) approval signature by the Agency Department Director.
4. Contract renewals 91 days after the contract expiration date will not be processed by State Purchasing.