

MEMORANDUM**CDBG Policy Guidance**

This Policy remains effective until it is amended, superseded, or rescinded.

MEMO: 16-02

Date: December 1, 2016

Nebraska Department of Economic Development, 301 Centennial Mall South, Lincoln, NE 68509, opportunity.nebraska.gov

SUBJECT: Construction Management Activity (Davis-Bacon and Related Acts [DBRA] compliance)

This policy memorandum serves to provide information regarding a new Community Development Block Grant (CDBG) activity to assist grantees in completing construction projects. Activity 0380 – Construction Management is intended for costs associated with Davis-Bacon and Related Acts (DBRA) compliance. This notice provides guidance on the procedures for grantees to access and utilize the Construction Management activity on CDBG projects that include a construction component. This activity has been added to address concerns voiced by CDBG Certified Administrators about the time and costs associated with DBRA compliance.

This policy memorandum updates the CDBG Program and the CDBG Application Guidelines for the following categories:

- Comprehensive Development (CD),
- Downtown Revitalization (DTR),
- Economic Development (ED)
- Public Works (PW),
- Tourism Development (TD), and
- Water/Waste Water (WW).

This activity is available for funded project applications, within the categories noted above, that involve construction activities that have recently received or will receive a “Notice of Approval” letter for applications submitted in 2016, or later. Such Applicants have the opportunity to revise their Part II. Budget Summary and Part III. Budget sections of their applications as submitted in order to include Activity 0380 – Construction Management as it applies to their project. This activity will not increase the total CDBG grant award for a project, but will decrease other non-General Administration activities.

Only those categories explicitly listed above are eligible to utilize the Construction Management Activity. Funding allocated to this activity may not exceed \$8,000 per project. Matching funds are not required under Activity 0380 – Construction Management.

The Construction Management Activity may be added to additional categories in future program years, and these requirements are subject to change. Please consult the most current application guidelines regarding maximum allowable costs, eligible costs, and matching requirements.

Procurement and Eligible Costs

Construction Management can be procured as part of general administrative services. However, the contract scope of services must include a designated Construction Management activity line item with description and costs. The budgeted amount for this activity is not part of the overall budget for General Administration costs, but comparable to the Housing Management Activity. Construction Management costs will be submitted on the "Request for Funds – Project Only" drawdown form and not submitted on the "Request for Funds – General Administration Only" drawdown form.

The Construction Management budget may include those project costs related to the development and execution of a labor standards compliance and enforcement program. Activities include, but not limited to, the following:

- Securing applicable general wage determination;
- Ensuring all applicable wage rates and labor standard provisions are included in the bid specifications and contract documents;
- Monitoring contractor compliance, including but not limited to:
 - Verification that all project contractors and/or subcontractors are registered and active in the System for Award Management (SAM) prior to award;
 - Site visits to ensure all required federal and state informational posters are properly displayed throughout the project;
 - Payroll verifications, or the receipt and review of signed weekly payrolls submitted by all project contractors and/or subcontractors.; and
 - Completion of employee interviews under all identified wage classifications.

When the maximum allowable costs for Construction Management are not used during a project's time of performance, a contract budget amendment may be used in order to move funds to other project activities, but cannot be used for increasing the General Administration activity.

This policy memorandum becomes effective immediately unless otherwise stated. The program documents located on the Nebraska Department of Economic Development website has the most up to date policies for the CDBG program.