

STATE OF TENNESSEE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) HANDBOOK

PREPARED BY:



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www.tn.gov/ecd/CDBG

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INTRODUCTION

Welcome to the Community Development Block Grant (CDBG) program, a federal program funded through the U.S. Department of Housing and Urban Development (HUD). The Tennessee Department of Economic and Community Development (TNECD) administers the program for the cities and counties in the state that are not entitlement communities, meaning communities that are not eligible for funding directly from HUD. This manual is designed to fully assist you complete every phase of implementation for the Tennessee Small Cities Community Development Block Grant program.

The Community Development Block Grant (CDBG) program is a flexible program that provides communities with resources to address a wide range of unique community development needs. Beginning in 1974, the CDBG program is one of the longest continuously run programs at HUD. The CDBG program provides annual grants on a formula basis to 1209 general units of local government and States. Funds are available for a wide range of activities including economic development, housing rehabilitation, water and sewer projects and projects that improve the health and safety of the community.

All HUD regulations as well as TNECD regulations apply to the grants. The federal and state regulations represent a set of standards which every applicant must follow to qualify for funding. These codified set of standards help to avoid conflicts of interest, waste, fraud and abuse in connection with utilization of public funds. Simultaneously, they mitigate negative environmental impacts and guarantee workers are paid a fair wage, while also guaranteeing equal benefit regardless of race, income, national origin or disability.

TNECD staff recognizes that the number of federal requirements may seem excessive. Please remember that we have made a concerted effort to keep them to a minimum and continue to emphasize administrative simplification and reduction of paperwork, alongside the provision of technical assistance to grantees.

Grantee Responsibilities

It is the responsibility of the grantee to maintain compliance with: financial management, preparation of an environmental review record, labor standards, civil rights laws, acquisition and relocation laws (if applicable), audits, monitoring, and the closeout process. State requirements include the establishment of local project control, reporting, monitoring requirements, time frames, and contract execution.

Manual and Training Format

The material is organized based on the chronological flow for the grantee. Instructions and forms are included. The handbook discusses execution of the contract. Actual pages of the contract are included as a reference so that you will know where to start. The manual also includes instructions on how to complete the other various requirements. The material is designed so that you can reference the information continuously throughout the life of the project. These resources will help remind you what, when and how to administer this grant successfully.

TNECD's Role

TNECD has the responsibility for program development, threshold eligibility and compliance monitoring. The State desires to help each grantee comply with the varied program requirements so that auditors, the State and HUD are all satisfied that each project follows the regulations and statutes. Our procedures are designed to serve several purposes:

1. Allow the State to meet its responsibility for ensuring grantee compliance with all federal and state laws governing the use of CDBG funds.

2. Provide a management system to assist the grantee and state staff in performing the following:
 - a. Determine project
 - b. Request and release grant funds
 - c. Formally close the completed project
3. Make grantees aware of the entire range of documentation needed to ensure compliance and avoid potential audit or monitoring problems.

NATIONAL OBJECTIVE

All CDBG projects must meet one of three national objectives:

1. Activities benefiting low and moderate income persons (LMI),
2. Activities which aid in the prevention or elimination of slums or blight, or
3. Activities designed to meet community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available to meet such needs.
(24 C.F.R. § 570.483)

To qualify as principally benefiting LMI persons, the project must:

1. Be carried out in an LMI area or community and provide services for such persons,
2. Involve facilities designed for use predominately by such persons, or
3. Employ a majority of such persons.

For projects to qualify as aiding in the elimination or prevention of slums or blight, they must meet the following requirements:

1. The area must meet the definition of slum/blighted area under state or local law
AND
2. Must meet A or B below:
 - A. At least 25% of properties throughout the area experience one or more of the following conditions
 - Physical deterioration of buildings or improvements;
 - Abandonment of properties;
 - Chronic high occupancy turnover rates or chronic high vacancy rates in commercial/industrial buildings;
 - Significant declines in property values or abnormally low property values relative to other areas in the community; or
 - Known or suspected environmental contamination
 - B. At least two public improvements (streets, sidewalks, water, sewer, etc.) in the area are in a general state of deterioration.

Projects qualify as meeting community development needs having a particular urgency if:

1. The activity alleviates existing conditions which pose a serious and immediate threat to the health or welfare of the community,
2. The activity addresses a problem which has occurred within the last 18 months, and
3. The recipient is unable to finance the activity on its own and other sources of funding are not available

Additionally, projects should not be submitted as urgent need if the activity addresses a problem of deferred maintenance or addresses a future problem. These types of projects do not meet the qualifications.

Refer to the TNECD website for the Imminent Threat application, <http://tn.gov/ecd/CDBG/> and contact TNECD if an urgent need arises which may qualify as an imminent threat project.

BENEFICIARIES

If a project qualifies for funding under the low and moderate income (LMI) benefit national objective of the Housing and Community Development Act, documentation must be maintained to verify that at least 51 percent of the beneficiaries are low- and moderate-income persons. This requirement pertains to all benefits associated with the program, whether they are direct or indirect. Persons of low- and moderate-income are families or individuals whose incomes do not exceed 80% of the median income of the area benefitting from the project.

A direct/limited clientele benefit project is an activity which requires the beneficiary to apply or complete a personal record as an integral part of receiving the benefit of that activity. Some examples of direct benefit projects are:

1. Housing rehabilitation
2. Utility services provided by the program
3. Relocation
4. Program generated employment

An indirect/area benefit project is an activity that will benefit the entire community or neighborhood. Some examples of indirect benefits are:

1. Water or sewer plant or system improvements
2. Street paving
3. Water storage tank

Grantees must keep a record of the number of people who are receiving either direct or indirect benefits from the CDBG project. Each project will be monitored during the project and checked at closeout for beneficiaries and files will be inspected for proper documentation.

DIRECT BENEFICIARIES

Documentation of any direct beneficiary is essential and should be kept in the project files. The application lays out the expected beneficiaries and the information contained therein is incorporated into the contract. The beneficiary information will document both the low- and moderate-income benefit and the equal opportunity provided to the protected classes of persons as described on the form. Each project will be monitored for benefits to low- and moderate-income persons and for equal opportunity as well as compliance with the application and contract.

Water and sewer grantees with hook-ups are required to document that the project will serve at least 51 percent low- and moderate-income persons. As hook-ups begin, documentation shall be kept on the family size and household income by using the target area survey forms and sign-up documentation to verify who received service. Target area survey forms should be signed by the beneficiary for proof of residence.

Housing rehabilitation beneficiaries are all required to be low- and moderate-income households. The target area survey forms are used for these beneficiaries too, and should be signed by the beneficiary. Refer to Chapter J: Housing for further requirements and guidance on housing activities.

INDIRECT BENEFICIARIES

A random sampling of beneficiaries for indirect beneficiary projects such as projects that benefit an entire water or sewer district or fire protection service area, is required to show documentation of the LMI national objective. Target area surveys must be kept on file at the community, or census data provided by HUD or TNECD must be on file.

CONTRACTS

The contract start date is typically the date of the announcement by the Governor's office, or award letter. However, choice-limiting work cannot begin on a project until the Environmental Review is complete and approved by TNECD. The only activities that can begin before the Environmental Review is cleared are administration, the process of completing the Environmental Review, and some engineering design work. The scope of the contract outlines the project and must be adhered to. Contracts are for a 3-year period, and extensions will only be given in extreme and unpredictable circumstances.

SCOPE CHANGES

Projects are approved based upon the information in the application. Changes in the scope of the project must be approved by TNECD before any work is done. A scope change is defined as anything that expands or alters the original design, intent, cost, or area of service of a project. (Examples of scopes changes are: altering the size of a water tank from 300,000 gallon to 500,000 gallon, changing sewer treatment plant rehabilitation to inflow/infiltration work, reducing the number of housing rehabilitations, etc.).

Additionally, if the combined change orders for the project total 25% or more of the cost of construction, the result will be a scope change, and the project or additional work may have to be rebid.

A formal, written request from the grantee must be submitted to TNECD for all scope changes. The request should include a map showing the change, a summary of the households to be served, including LMI households, a cost estimate with justification from the engineer explaining why the change is necessary, and information detailing how the changes will be funded. TNECD will review the request, and if it determines the changed project would have been funded under the application criteria, the change will likely be approved. Grantees must never proceed with the requested changes until written approval from TNECD is received.

Scope changes may require an additional environmental review or an addendum to the environmental review as well as the possibility of a contract amendment. When communities request a scope change, the contract should be referenced to see if an amendment is required. If required, work cannot begin until the amendment is approved.

Major reductions in the scope of the proposed work can result in adverse State action: grant reduction or termination or a finding of ineligibility for subsequent funding.

CHANGE ORDERS

Change orders are alterations from previously approved documents that require a modification (an increase or decrease) in project cost, engineering charges, quantity, or schedule. For example, if the number of linear feet installed on a water line is greater or less than estimated, a change order is needed to adjust the quantities. If an unanticipated increase or decrease in cost occurs, this would result in a change order.

Change orders should be used sparingly and only when necessary. Additionally, changes cannot increase the original contract amount for the project. The project must remain within the contracted amount or additional non-CDBG funds should be allocated to the project.

Change orders with justification for the needed change by the engineer must be submitted to TNECD for approval. TNECD prefers that change orders be submitted by the grant administrator but will accept them from the grantee or engineer. If submitted by the grantee or engineer, ensure the administrator aware of the changes being requested and the documentation presented. Approval must be granted by TNECD prior to work being done. A budget revision must be submitted to the TNECD fiscal office after the change order is approved. If a change order results in a scope change, the required scope change documentation must be submitted with the change order documentation.

Final adjusting change orders are submitted near the completion of a project to reconcile final quantities installed. If the changes in quantities are not significant and there are no new items, this change order does not need to be approved by TNECD before the work is completed. If a grantee plans to request payment before completion of a project, a change order approving any increase in installed quantities must be approved or the request cannot be paid.

Change orders that require more than one funding agency's approval must be approved by all agencies before the work can begin. It is important to remember that if CDBG funds are any part of a project, then CDBG rules and regulations apply to the entire project. Therefore, change orders for any part of a project, even a part not funded by CDBG must be approved by TNECD.

FORCE ACCOUNT

Force account labor occurs when municipal or county employee's complete construction work rather than the work being completed by a contractor. For force account labor to be approved, the municipality must own the equipment and the municipality's forces must do the work. For information and details on using force account labor refer to "Chapter I: Labor".

NOTE: *In order to perform force account work, the grant recipient must own the equipment, use city or county forces, and obtain State approval by submitting the following information.*

1. Names and engineering qualifications of personnel performing the work and their capabilities for design, supervision, planning, inspection, testing, etc. as applicable.
2. Details of experience with projects of like or similar nature.
3. Information on workload (as it may affect capacity to do the work within timeframe or work scheduled).
4. Justification for doing the work by force account rather than by contract.

5. A complete breakdown showing:
 - a. the number of work hours and cost per hour for each category of labor, and
 - b. a list of non-salary costs such as materials, supplies, equipment, etc.
6. Certification from the above-mentioned personnel's supervisor that they are full time city/county employees and have not been hired just for this project.
7. Certification that the equipment to be used is owned by the county/city and is not rental equipment.
8. Project Engineer certification of force account utilization. (signature on force account request).

BUDGET

CDBG grants fund a specific activity, and each grant is to be used solely for that purpose. If a project exceeds the original contract budget, the grantee is responsible for the difference. Please refer to the "Chapter G: Bidding and Procurement" for developing procedures for high bids. If less is spent than originally anticipated in the project budget, TNECD will reduce the grant proportionally.

The budget is approved during the application process and included in the contract. Any changes to the budget must be approved by TNECD's fiscal office.

RECORDKEEPING/ADMINISTRATION

The grantee is ultimately responsible for the project progress and contract compliance. Coordination is critical when using a consultant or development district to administer the project. The roles and responsibilities of each party should be determined early in the grant process to ensure all areas of the grant are properly addressed. The community must be able to fully document compliance with all applicable regulations of the CDBG program. CDBG records must be maintained for a period of not less than five years after the closeout of the grant, and should provide a historical account of the project for examination and review by the State, HUD, auditors, and local staff. Grantees must have one complete set of files **on site** at the city or county. A file checklist, included in this introduction chapter, will help ensure the grantee has all needed files in place.

TNECD exclusively communicates via electronic documentation with grantees. All documents including, but not limited to, award letters, approval letters, and contract documents will only be distributed electronically. Equally TNECD will only accept documentation related to CDBGs electronically, including plans and specifications, recommendation for bid awards, environmental review documents, etc. Documents and records may be stored electronically by the grantee if they are regularly backed up and are readily available to TNECD staff or any other auditors for review.

PERFORMANCE MEASURES

Grantees are required to report performance measures on all projects. These performance measures will take the form of outputs or outcomes. Outputs are the quantitative measures of the project, i.e. linear feet of water line installed, number of ambulances purchased, etc. Outcomes are the qualitative measures of the project, i.e. number of people will clean drinking water, reduction in water loss, reduction in emergency response time, etc. Outcomes will often be connected to and the result of an output. For instance, a grantee may list an output of purchase 2 new ambulances and an outcome of 10% reduction in average emergency response time.

The performance measures for each grant are set forth in the application, and if awarded, the grantee will report on these set of measures with each annual report and at closeout.

CLOSEOUT

The closeout report is submitted to TNECD at the end of the grant and provides a summary of the entire grant. This report will provide a description how the completed project compares to the project as proposed in the application. Other data, such as the amount and source of leveraged funding, wage compliance, and how any findings and concerns were addressed and resolved, etc. will be captured at this time. Refer to “Chapter L: Grant Closeout” for more detailed information and forms to complete the closeout package at the end of the project

ADDITIONAL RESOURCES

Below are additional resources (regulations, laws, etc.) that apply to the Tennessee Small Cities CDBG program. Each grantee is responsible for familiarizing themselves with the rules and regulations guiding the CDBG program; many of these are listed in the Statement of Assurances document included as a part of the contract.

- U.S. Code Title 42 – The Public Health and Welfare, Ch. 69 (42 USC §§ 5301 – 5321)
http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/rulesandregs/laws
- Code of Federal Regulations Title 24: Housing and Urban Development, Part 570: Community Development Block Grants (24 C.F.R. Part 570)
- <http://www.eC.F.R..gov/cgi-bin/text-idx?rgn=div5;node=24:3.1.1.3.4>
- HUD Exchange website <https://www.hudexchange.info/cdbg-state/>

**CHAPTER A:
GRANT AWARD AND
FINANCIAL MANAGEMENT**

A.1 CONTRACT & FINANCIAL OVERVIEW

The contract between the community and the State is an essential document throughout the life of the project. It identifies the description of the activities funded, budgeted costs (total and CDBG), general terms and conditions, and any special conditions which must be met before the State will release funds.

CDBG funds will be spent as a percentage of total costs according to the line item budget for all contracts with funding from other sources. The match rate that is required for all communities is determined by the community's ability to pay percentage. TNECD distributes the ability to pay information, and it is available on the CDBG website.

If CDBG funds are any part of a project, then CDBG rules and regulations apply to the entire project.

A.2 PREPARATION OF ACH (AUTOMATED CLEARING HOUSE) CREDITS FORM AND AUTHORIZED SIGNATURE FORMS

Four forms must be completed before CDBG funds can be requested and should be completed when the contract is submitted. These forms are the "ACH (Automated Clearing House) Credits Form" (Exhibit A-1), the W-9 form (Exhibit A-2), the "Signature Authorization Form" (Exhibit A-3), and the Grant Pre-Reimbursement Form (Exhibit A-9) these forms must be completed carefully.

The Grant Pre-Reimbursement Form allows the State to know whether an organization has received funds from the State before.

The "ACH (Automated Clearing House) Credits Form" indicates to the State where to send the transfer of CDBG funds. CDBG deposits may not draw interest. If interest is accumulated, TNECD must be notified so the interest can be collected by the State for return to the U.S. Treasury. Cities have the option of establishing a separate bank account for CDBG funds, but counties must deposit funds into the Trustee's account.

The "Signature Authorization Form" designates who is permitted to sign the community's "Request for Payment."

If these forms need to be changed (e.g., using a different financial institution or staff members change), simply provide the State with copies of revised forms with original signatures.

A.3 REQUESTS FOR PAYMENT

The "Final Notice of Removal of Contract Conditions" (Exhibit A-8) must be received before any CDBG funds may be drawn. After that time, TNECD expects grantees to request funds once per month. Funds are requested by using the invoice template that will be sent to the grantee upon execution of the contract and after any subsequent revisions to the grant budget. This form must be completely and accurately filled in or it cannot be processed. Incomplete forms and documentation slow down the process for reimbursement and cause more work for all involved. Questions about the form should be directed to a staff person in the financial section of TNECD. Administrators who are responsible for submitting payment requests should submit them to TNECD as soon as possible once the requests are received.

If the request is in order and can be approved, the funds will be transferred to the designated bank account through the Automated Clearing House. If the request is not in order, TNECD will contact the community/administrator to correct the deficiencies.

Drawdowns should be made only in amounts necessary to meet current disbursement needs (defined as the funds that will be expended in three days). This "three day rule" means that all drawdowns must be expended within three working days of the date of deposit. For example, if a CDBG check is deposited on Friday, checks totaling the entire amount must be written by close of business Wednesday. In order to disburse this money promptly, grantees should arrange for their financial institution to notify them the day a CDBG deposit is received. If money is remaining in the account after three working days, these funds must be returned to the State or an additional "Request for Payment" must be submitted, the total requested amount of which is equal to the total billing for this request minus the amount of the remaining funds. The easiest way to meet this requirement is to use local government funds to pay CDBG invoices; then reimburse the community for these payments with CDBG funds. If the community's cash flow will not permit this, inform contractors of the time period between receipt of their invoice and payment.

The "Invoice Request for Payment" should be prepared and submitted to ecd.invoices@tn.gov . Retain a copy for the grantee records.

Section A of the request provides general information needed in processing the request. Section B provides information about the status of the funds on hand. Section C provides a detail of actual costs by line item. Detailed support for each line item (actual invoices) must be attached. Exhibit A-5 is an example of a completed form.

Each invoice template received will contain instructions detailing how to complete the form and what documentation should be provided. Below is a brief summary of acceptable documentation to back up costs associated with specific line items.

Construction

This line item is documented with an invoice detailing description, quantity, unit price and total amount for each of the items as approved in the construction contract. The engineer must certify that the work has been completed. Five percent (5%) retainage must be deducted from the contractor's invoice. When the grantee is ready to submit the final invoice, the "Notice of Completion" for the project should be publicly advertised. This notice should request anyone having a claim against the project to notify the City or County. If no claims are made within ten days from the date of advertisement, a "Release of Liens" from the contractor may be accepted and submitted to the State with the contractor's final pay estimate so that final retainage may be released. A copy of the advertisement of the "Notice of Completion" should also accompany the final "Request for Payment."

*Construction Inspection,
Engineering, Design,
Other Engineering
Services*

This line item is documented with an invoice from the firm stating specific tasks completed, the date of these services, and a detail of their costs. These items should be billed on a cost plus fixed fee or lump sum basis. Payment of engineering design costs cannot exceed seventy-five percent (75%) of the budgeted amount until plans and specifications have been approved by TNECD.

Legal Services

This line item is documented with an invoice stating specifically the service performed and the date of service.

<i>Appraisals</i>	This line item is documented with an invoice from the appraiser stating the date the appraisal was done and the address of and/or a description of the appraised property.
<i>Acquisition</i>	This line item is documented with a written "Offer to Purchase" (Located in the "Acquisition Chapter") accepted by the property owner.
<i>Relocation</i>	<p>Voluntary: This line item is documented with the applicable claim form(s) (Located in the Relocation Chapter).</p> <p>All <u>new</u> housing is billed to the Relocation line item.</p> <p>Involuntary: This line item is documented with the applicable claim form(s).</p>
<i>Housing Rehabilitation</i>	<p>If an escrow account is to be used, this line item is documented with the following (Periodic reports will be required to document disbursement of escrowed funds.):</p> <ul style="list-style-type: none"> - Bid tabulation summary - Copy of housing rehabilitation contract - Copy of City's estimate - Certification of escrow by appropriate local official or administrator (one needed for each contract to be escrowed) - If the rehabilitation funds are not escrowed (requires TNECD approval), this line item is documented with the following. <ul style="list-style-type: none"> - Bid tabulation summary - Copy of housing rehabilitation contract - Copy of City's estimate - "Certificate of Completion and Final Inspection" (Located in the "Housing Chapter") <p>New construction is not billed to housing rehabilitation</p>
NOTE:	<i>Whether funds are escrowed or not, payment requests for change orders must include a copy of that change order that has been approved by the homeowner, contractor and a local official.</i>
<i>Housing Inspection</i>	This line item is documented with an invoice detailing the name of the homeowner and address of the property that was inspected. Costs should be billed on a per unit basis.
<i>Clearance</i>	This line item is documented with an invoice describing the work performed and the location of the property cleared.
<i>Capital Purchase</i>	This line item is documented with an invoice for the purchase of equipment or supplies. Capital purchases are considered to be any single item that equals at least \$5,000 in price.

<i>Professional Fee</i>	<p>Detail of administrative costs must be included in "Section D." Any salaries being charged to the grant must be listed with inclusive payroll dates, name of employee, percentage of time spent on CDBG and amount of each salary charged. Time and effort reports should be maintained at the locality to support these costs. Do not submit them with the "Request for Payment." In addition, any salaries or consultant billings must be further documented by task performed. A suggested format is included as Exhibit B-5. Claims for time spent on administrative activities will not be paid without this documentation.</p> <p>Other documentation of administrative costs must be submitted (e.g., telephone bills, supply invoices, travel claims).</p> <p>All travel and per diem costs to be charged to CDBG must conform to the Comprehensive Travel Regulations of the State of Tennessee. If a copy of the current travel regulations is needed, one may be obtained from TNECD.</p>
<i>Tap Fees</i>	<p>Documentation must be submitted to show what population is benefitting from the service. This can include target area surveys, household income verification form or utility sign up form.</p>
<i>Environmental Review</i>	<p>Invoice from the environmental review preparer.</p>

A.4 ESTABLISHING PROCEDURES FOR FINANCIAL MANAGEMENT OF CONTRACT FUNDS

A.4.a Overview

The following accounting procedures should be followed in order to comply with State and Federal requirements under the CDBG program. The accounting systems described provide a means for tracking and reporting CDBG funds that flow into and out of the community, funds that are controlled by the community and against which claims will be made. The established accounting procedures should systematize the collection, processing, evaluation, and reporting of these funds.

CDBG project funds should be accounted for separately within a community's accounting system. This separate fund should be established similar to a street or water fund.

A.4.b Accounting Records

Management systems are required to provide the following.

- Accurate, current and complete disclosure of the financial results of each grant program.
- Records that adequately identify the source and application of funds for grant-supported activities.
- Effective control over and accountability for all funds, property, and other assets.
- Comparison of actual outlays with budget amounts for each grant.
- Accounting records that are supported by source documentation, such as invoices, bills of lading, purchase vouchers and payrolls.
- A systematic method to assure timely and appropriate resolution of audit findings and recommendations.

The following accounting records are suggested to fulfill these requirements.

<i>Cash Receipts Journal</i>	All receipts of cash which are deposited into the CDBG fund are recorded initially in this journal.
<i>Cash Disbursements Journal</i>	All expenditures are recorded in this journal. In order to facilitate completion of the "Request for Payment," accounts for all line item expenditures need to be established here (i.e., separate columns for recording of administration costs, construction costs, etc.)
<i>Journal Entry Voucher</i>	The accounts to be debited and credited, together with a description of the transaction are recorded in this journal. Accrual information may be recorded through the use of a journal entry voucher.
<i>General Ledger</i>	The status of all accounts is summarized in this book of final entry. All journal accounts should be posted monthly to the general ledger.
<i>Fixed Asset Ledger</i>	All fixed assets acquired using CDBG funds are recorded in this ledger. Include the date of purchase, cost of item, etc.

Additionally, the following general guidelines are presented to assist communities in establishing procedures for financial management:

- In all financial recordkeeping, grantees should account for administrative costs separately.
- Grantees should never make payment without invoices and vouchers physically in hand. All vouchers/invoices should be on vendor letterhead.
- All employees paid in whole or in part from CDBG funds should prepare a timesheet indicating the hours worked on CDBG projects for each pay period. Based on these time-sheets and the hourly payroll costs for each employee, a distribution of payroll charges should be prepared and placed in the appropriate files.
- All financial records are to be retained for a period of five years after closeout with access guaranteed to State, HUD or Treasury officials or their representatives.

Accounting requirements for local government are established by the Comptroller of the Treasury, State of Tennessee. Project Representatives can assist communities with any questions relating to their system, CDBG requirements and State accounting requirements by referring them to the proper source of information.

As of December 26, 2014 the Office of Management and Budget (OMB) has consolidated all previous financial circulars (i.e. A-87, A-102, A-110, etc.) into one “super-circular”, 2 C.F.R. § 200 entitled “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).”

A.4.c Allowable Costs

The “Super-Circular” in 2 C.F.R. § 200 addresses what costs are allowable for federal grants. Please reference the provisions of 2 C.F.R. § 200, specifically “Subpart E-Cost Principles “for allowable and unallowable costs. Generally, an allowable cost must be necessary and reasonable for proper and efficient administration of a grant program.

A.4.d Unallowable Costs

The following costs are specifically unallowable under the provisions of 2 C.F.R. § 200 Subpart E. This list is not exhaustive of all unallowable costs or cost scenarios, and the Super Circular should be specifically consulted for greater detail and explanation.

<i>Bad Debts</i>	Any losses arising from uncollectible accounts and other claims, and related costs.
<i>Contingencies</i>	Contributions to a contingency reserve or any similar provision for unforeseen events.
<i>Contributions and Donations</i>	Costs related to contributions and donations including (but not exhaustive) cash, property, services, are unallowable.
<i>Entertainment</i>	Costs of amusements, social activities, and incidental costs relating thereto (i.e., meals, beverages, lodgings, rentals, transportation, and gratuities).
<i>Fines and Penalties</i>	Costs resulting from violation of or failure to comply with Federal, State and local laws and regulations.
<i>Interest and Other Financial Costs</i>	Interest on borrowings (however represented), bond discounts, cost of financing and refinancing operations, and legal and professional fees paid in connection therewith, except when authorized by Federal legislation.
<i>Legislative Expenses</i>	Salaries and other expenses of the State legislature or similar local governmental bodies such as county supervisors, city councils, school boards, etc., whether incurred for purposes of legislation or executive direction.
<i>Underrecovery of Costs Under Grant Agreements</i>	Any excess cost over the Federal contribution under the grant agreement, is unallowable under other grant agreements.

A.4.e Costs Allowable with the Approval of the Grantor Agency

The following costs are allowable only with TNECD approval:

- Automatic Data Processing
- Building Space and Related Facilities
- Capital Expenditures
- Insurance and Indemnification
- Management Studies
- Professional Services
- Proposal Costs
- Pre agreement Costs

A.5 PROPERTY MANAGEMENT STANDARDS

Unless acquisition of property is an approved part of the State contract, prior approval must be obtained from the State for any real or personal property to be acquired using grant funds.

A.6 PROGRAM INCOME

Program income includes, but is not limited to, the following:

- Proportional shares of proceeds of the sale of real property to the extent to which the original purchase was funded with CDBG monies.
- Payments of principal and/or interest on loans made from CDBG funds.
- Interest earned from investment of program income.

Program income must be returned to the State unless approval is obtained to retain it at the local level.

Any program income which the State has approved to be retained at the local level must be accounted for and, to the maximum feasible extent, disbursed prior to requesting additional CDBG funds from the State. Any program income generated prior to closeout of the project must be used following all Federal requirements which apply to CDBG funds.

A.7 BUDGET REVISIONS AND PROGRAM AMENDMENTS

If the line item budget needs a revision, a letter detailing the reason for any changes and a copy of the revised line item budget (Exhibit B-7) must be submitted to TNECD. If contingency funds are to be used, a budget revision is required.

NOTE: *The contingency funds line item must always match the grant rate. If some of the contingency funds are moved to a different line item, the remaining contingency funds in the CDBG costs column and other columns should match the grant rate for the project.*

For all construction projects, once a bid has been accepted a budget revision should be submitted to adjust the construction budget to actual dollars required. A copy of the bid tabulation should be submitted with this budget revision. If the lowest bid exceeds the amount available in the budget for construction, a revised total cost budget must be submitted with a verification of the source of the additional funds.

If there are any change orders on construction contracts, these must be approved by TNECD prior to work being done. If necessary, a budget revision must be approved after the change order is approved.

In the case of projects funded jointly with funds from the Department of Environment and Conservation, change orders should be submitted to them for their approval. Once their approval is received, a copy should be sent to TNECD. If the change order involves any change in scope, however, your Project Representative should be contacted prior to submitting it to Environment and Conservation.

NOTE: *Any change in the scope of the project requires prior written approval by the State. See the Introduction Chapter for a more detailed description of change orders and scope changes. You are strongly urged to contact your Project Representative if problems emerge which might lead to program modifications.*

A.8 GRANT AWARD & FINANCIAL MANAGEMENT EXHIBIT LIST
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- A-1 ACH (AUTOMATED CLEARING HOUSE) CREDITS
- A-2 FORM W-9
- A-3 SIGNATURE AUTHORIZATION FORM
- A-4 SAMPLE REQUEST FOR PAYMENT AND STATUS OF CDBG FUNDS REPORT
- A-5 DETAIL OF ADMINISTRATIVE COSTS
- A-6 STANDARDS OF CONDUCT
- A-7 LINE ITEM BUDGET
- A-8 FINAL NOTICE OF REMOVAL OF CONTRACT CONDITIONS
- A-9 PRE-REIMBURSEMENT FORM

CHAPTER B:

ENVIRONMENTAL REVIEW

B.1 GLOSSARY

Categorically Excluded Not Subject To Federal Environmental Regulations (CENST) - TN CDBG does not use this category, currently.

Categorically Excluded Not Subject To Federal environmental regulations projects are activities that the Department of Housing and Urban Development has determined will not alter any conditions that would require a review or compliance under the environmental Federal laws and authorities. These projects are still required to comply with other Federal requirements.

Categorically Excluded Subject to Federal Environmental Regulations (CES)

Categorically Excluded Subject to Federal environmental regulations projects are excluded from NEPA reviews, but are still subject to other Federal environmental laws and authorities.

Certifying Officer (CO)

The *Certifying Officer* refers to the official who is authorized to execute the Request for Release of Funds and Certification and has the legal capacity to carry out the responsibilities 24 C.F.R. § 58.13. This is typically the mayor.

Concurrent Notice

The *Concurrent Notice* includes the Finding of No Significant Impact (FONSI) and Notice of Intent to Request Release of Funds (NOI/RROF).

Consultation

Consultation means the process of seeking, discussing and considering the views of other participants, and where feasible, seeking agreement with them regarding matters arising in the section 106 process. The Secretary's "Standards and Guidelines for Federal Agency Preservation Program as pursuant to the National Historic Preservation Act" provide further guidance on consultation.

Department of Economic and Community Development (TNECD)

The *Department of Economic and Community Development* is the Tennessee authority that administers the Department of Housing and Urban Development (HUD) grants for the Community Development Block Grant (CDBG) program.

Environmental Assessment (EA)

The *Environmental Assessment* is an environmental review which requires a more detailed analysis than for projects that are exempt or categorically excluded.

Environmental Impact Statement (EIS)

The *Environmental Impact Statement* is the most detailed level of analysis.

Early Notice and Public Review (ENPR)

The *Early Public Notice* is the first notice which is required for all projects located in a floodplain and is published prior to any other notice. This notice must be sent to all interested parties identified on the distribution list.

Environmental Review Record

The *Environmental Review Record* contains all documents, public notices, and written determinations issued during the environmental review process.

Finding of No Significant Impact (FONSI)

The *Finding of No Significant Impact* is published and sent to all interested parties on projects that require an environmental assessment. It is included in the Concurrent Notice.

Historic Property

Historic property means any prehistoric or historic district, site, building, structure, or object included in, or eligible for inclusion in, the National Register of Historic Places maintained by the Secretary of the Interior. This term includes artifacts, records and remains that are related to and located within such properties. The term includes properties of traditional religious and cultural importance to an Indian tribe or Native Hawaiian organization and that meet the National Register criteria.

Letter of Removal of Environmental Condition (LOREC)

The *Letter of Removal of Environmental Condition* will be sent to the recipient after the environmental requirements have been satisfied.

National Environmental Policy Act (NEPA)

The *National Environmental Policy Act* establishes national environmental policy and goals for the protection, maintenance, and enhancement of the environment and provides a process for implementing these goals within the federal agencies.

Final Notice and Public Explanation (FNPE)

The *Notice of Explanation* is the second notice required for all projects located in a floodplain. It can be published concurrently with other publications 15 days after the Early Public Notice is published. This notice must also be sent to all interested parties.

Notice of Intent to Request a Release of Funds (NOI/RROF)

The *Notice of Intent to Request a Release of Funds* is published and sent to all interested parties on projects that are categorically excluded or require an environmental assessment. It is also included in the Concurrent Notice.

Final Notice of Release of Contract Conditions (FNORCC)

The *Notice of Release of Contract Conditions* is received after environmental conditions and contract conditions have been satisfied.

Responsible Entity

The *Responsible Entity (RE)* means: (i) with respect to environmental responsibilities under programs listed in 24 C.F.R. § 58.1(b)(1), (2), (3), (4), and (5), a recipient under the program.

Request for Release of Funds and Certification (RROFC)

The *Request for Release of Funds and Certification* certifies that all environmental activities have been covered or adhered to. The Request for Release of Funds and Certification, along with the ERR and proof of publication of the appropriate notice(s), must be sent to the Department of Economic and Community Development.

State Historic Preservation Officer (SHPO)

The *State Historic Preservation Officer* means the official appointed or designated pursuant to section 101(b)(1) of the act to administer the State historic preservation program or a representative designated to act for the State historic preservation officer.

Tribal Historic Preservation Office (THPO)

The *Tribal Historic Preservation Office or Officer* means the tribal office/official appointed by the tribe's chief governing authority or designated by a tribal ordinance or preservation program who has assumed the responsibilities of the SHPO for purposes of section 106 compliance on tribal lands in accordance with section 101(d)(2) of the act.

B.2 ENVIRONMENTAL OVERVIEW

In order to proceed with a CDBG award, the project must comply with the National Environmental Policy Act (NEPA) and the environmental requirements of other Federal laws covering historic properties, noise, air quality, floodplains, wetlands, water quality, solid waste management, man-made hazards, farmlands protection, wild and scenic rivers, coastal areas, endangered species and environmental justice.

Environmental responsibilities have both legal and financial ramifications. As part of the grantee assurances, the mayor or county mayor/executive must assume the role of the responsible Certifying Officer (CO) under the provisions of NEPA. This person is the environmental CO and must sign all environmentally related material. This means that if someone sues a project in Federal court on environmental grounds, the mayor or county mayor/executive acting as the environmental CO, will be named as the responsible party.

Communities cannot obligate or expend block grant funds until the environmental requirements have been completed and all contract conditions satisfied. After the environmental requirements have been completed, the community will receive a Letter of Removal of Environmental Conditions (LOREC).

Even after receipt of this letter stating environmental requirements have been completed, funds cannot be obligated or expended until all contract conditions have been satisfied and the community receives a Final Notice of Release of Contract Conditions (refer to Chapter A).

Any and all public comments must be considered before the Request for Release of Funds. The comments should be submitted to the State with the response that was given to the concerned citizen(s).

Allowable Activities Prior to Receipt of Final Notice of Release of Contract Conditions

The only activities that may be undertaken prior to receiving the LOREC are the following:

- Eligible administrative costs
- Preliminary Engineering design
- Environmental review

In order to follow all the requirements, rules, regulations, etc., an Environmental Review Record (ERR) must be maintained. The ERR describes the project and its environmentally related activities, and contains all original documents, public notices and written determinations issued during the environmental review process. A copy of the ERR must be available at the city or county for public review, and another ERR must be sent to the State.

Time Frame for submittal of Environmental Review Records

- Exempt project ERR is due to ECD 15 days after award announcement.
- Categorically Excluded converting to Exempt project ERR is due 45 days after award announcement.
- Categorically Excluded project ERR is due 60 days after award announcement.
- Environmental Assessment project ERR is due 90 days after award announcement.

If an incomplete ERR is received, the State's 15-day comment period will not begin until all required information is received.

The following link can be used to calculate wait times and comment periods.

<http://www.timeanddate.com/date/dateadd.html>

B.3 ENVIRONMENTAL REVIEW PROCESS

The environmental review process can be divided into four basic steps.

Step 1: To determine into which of the five environmental review categories your project should be placed based on the definition of each category. The environmental review category should be based on the aggregate project scope. Regardless if a different funding source is being utilized in addition to, the environmental review category to be selected will be reflective of the entire project. Projects may be categorized into one of the following NEPA categories:

1. Environmental Impact Statement (EIS)
2. Environmental Assessment (EA)
3. Categorically Excluded Subject to Federal Environmental Laws (CES)
4. Categorically Excluded Converting to Exempt
5. Exempt

Step 2: To complete all the environmental requirements based on the category selected in the first step. The grantee must maintain a written record of the environmental review undertaken for each project. This document shall be designated the Environmental Review Record (ERR) and shall contain all original documents, public notices, and written determinations issued during the environmental review process. The ERR must be available for public review.

Step 3: To submit the entire ERR to the Department of Economic and Community Development (TNECD). At that time, TNECD will review the ERR for completeness and compliance, and initiate a 15-day comment period so that interested parties may respond to the project.

Step 4: Upon clearance of the 15-day period, TNECD will issue a Letter of Release of Environmental Conditions (LOREC). However, no obligation or spending of money to implement the project can occur until the Final Notice of Removal of Contract Conditions (FNORCC) has been issued.

B.4 ENVIRONMENTAL IMPACT STATEMENTS

An Environmental Impact Statement (EIS) is required under any of the following circumstances:

1. The project is determined to have a potentially significant impact on the human environment;
2. The project would provide a site(s) for hospitals and nursing homes containing a total of 2,500 or more beds;
3. The project would remove, demolish, convert, or substantially rehabilitate 2,500 or more existing housing units; or
4. The project would provide enough additional water and sewer capacity to support 2,500 or more additional housing units.

Contact TNECD for assistance if any of the above conditions are met.

B.5 ENVIRONMENTAL ASSESSMENT PROJECTS

NOTE: Due to ECD 90 days after award announcement

Projects that involve new construction or substantial improvements to existing facilities will require an Environmental Assessment (EA). Examples of these projects include:

1. New Construction
 - New building on vacant site
 - Water/sewer line construction to an area not serviced
 - New water storage tank

2. Substantial Improvements
 - Doubling the size of an existing building
 - Increasing employment by more than 20%
 - Changing the land use
 - Increasing the capacity of public facilities by more than 20%
 - Major rehabilitation

B.5.a Environmental Assessment Requirements

Early in the environmental assessment of a project, the grantee must initiate coordination and consultation with concerned Federal Agencies and with designated State Agencies responsible for administering State programs. The grantee must also complete all procedures and take other actions required under the provisions of applicable laws. Any such actions shall be integrated into the EA as compliance documentation.

B.5.b Environmental Assessment Narrative

The primary purpose of the Narrative is to discuss in detail any adverse impacts and mitigating measures that were identified in the Environmental Assessment Checklist. The following areas are included on the form:

1. Grant Data including items such as project identification, preparer, project name/location, cost, administering agency, contact person, etc.
2. Conditions for Approval and FONSI
3. Statement of Need for Proposal
4. Description of the Proposal – Alternatives to the project MUST be listed.
5. Positives and negatives should be listed with each alternative including a no action alternative.
6. Existing Conditions and Trends

B.5.c Project Area Map(s)

A project map(s), delineating the location of the project site(s), must be included in the ERR. The Federal Emergency Management Agency (FEMA), Flood Boundary maps, and/or FIRM maps must also be included in the ERR. The project site must be marked/outlined on the map(s). New water and/or sewer line extensions must be demonstrated precisely on map(s).

B.5.d Statutory Worksheet

The Statutory Worksheet documents compliance with Federal laws, regulations and Executive Orders. It includes a listing of applicable statutes and regulations by fourteen areas of compliance. A specific source must be documented for each area. Statutory Directions gives direction on who to consult and how to complete the Statutory Worksheet, as well as the HUD thresholds for each category. All documentation should be included in the ERR.

B.5.e Historic Preservation Office Letters (SHPOs & THPOs)

Many projects will require consultation with the State Historic Preservation Officer (SHPO) to ensure that the proposed activities will not damage sites of significant historical importance. If SHPO is consulted, Tribal Historic Preservation Offices (THPO) requesting to be consulting parties must be consulted. A SHPO letter and THPO letter/email is the only acceptable documentation. All correspondence with SHPO should be done via submission of hard copies. It is suggested (*although not required*) that all correspondence with SHPO/THPO be accompanied by some form of delivery confirmation or certified mail to prove the SHPO/THPO did receive the consult request and failed to respond within the thirty/thirty-five-day comment period.

State of Tennessee SHPO contact information:

Mr. Patrick McIntyre, Jr., Executive Director,
SHPO ATTN: Section 106 Review and Compliance
2941 Lebanon Road
Nashville, TN 37243-0442
Phone: 615-532-1550
Fax: 615-532-1549
E-mail: patrick.mcintyre@tn.gov

Tribal Consultation exhibits give directives and specific information for THPO and Consulting Agency requirements.

REVIEW THESE EXHIBITS AND ABIDE BY ALL DIRECTIONS CONCERNING TRIBAL CONSULTATION OR YOU COULD BE LIABLE.

B.5.f NEPA Environmental Assessment Worksheet

The Environmental Assessment Checklist contains impact categories within four major areas. The four impact areas represent categories with related and overlapping issues. Some of these areas are also included on the Statutory Worksheet.

A project may comply the laws, regulations and Executive Orders stipulated on the Statutory Worksheet yet still have an impact on the environment as listed on the NEPA Environmental Assessment Checklist. For example, no statutes or regulations pertaining to Air Quality may be present on the Statutory Checklist; however, during construction, short-term dust levels may need proper mitigation. The appropriate code (1-4) should be listed on the NEPA Environmental Assessment Checklist with reference to supporting documentation that is included in the ERR.

NOTE: *If code 4 is listed, please call the ECD environmental staff to discuss.*

Information to include in the “Source of Documentation” column would be: the name of person giving consult, their title, their agency, the date contacted and their assessment. The required experts to consult are listed on the NEPA EA Documentation Directions.

Only use the experts listed there as contacts for each category. TNECD has to approve any other consultants.

NOTE: *Refer to the NEPA EA worksheet documentation directions for a listing of “Experts to Contact” for each category on the NEPA EA worksheet.*

State and Local requirements/regulations are considered in these consultations.

In the Summary section, #1, alternatives to the Proposed Action - ALTERNATIVES TO THE PROJECT MUST BE LISTED. Positives and negatives (short and long-term, concentrated and dispersed), as well as increased cost, loss of life, property, income, vital services, etc. should be listed with each alternative.

B.5.g Publications

EA projects require publication in the grantee's local newspaper* in order to inform the public of the environmental requirements for the proposed project. Required notices must be published a minimum of one time. The number of notices and the amount of time required for the local comment period depend on if the project is located in a floodplain. Sample calendars are listed in the Calendars exhibit.

When copies of publications rather than original publications are included in the ERR, an original publisher's affidavit must be submitted in order to verify the actual date of publication.

- Grantees may post the notices in public places and mail to interested parties. If posting, the Concurrent Notice must be made available for 18 days. Also, posting must occur in a minimum of five (5) public places.
- A memo on letterhead must be placed in the ERR giving details of the posting: date of posting, list of places posted with their addresses, pictures and copy of the posting must be included.
- Grantees may NOT post for floodplain projects. Floodplain projects must be published.

Publications for EA Projects not located in a Floodplain

For projects not located in a floodplain, the grantee must publish the Concurrent Notice which is followed by a fifteen-day local comment period. Publication dates must succeed the dates of the Statutory Worksheet, NEPA Environmental Assessment Checklist, and EA Narrative.

Publications for EA Projects located in a Floodplain

If the project is located within a floodplain or a wetland, the grantee must document completion of the HUD 8-Step Process. Notification to HUD/FEMA occurs when the ERR preparer publishes the Early Notice and Public Review and sends a copy to the required distribution list FEMA contact. Documentation of the 8-Step Process is accomplished by completing 8-Step Process Checklist. The 8-Step Process is as follows:

1. Determine whether the action is located in a 100-year floodplain (500-year floodplain for critical actions)
2. Notify the public for early review of the proposal and involve the affected and interested public in the decision-making process - publish the Early Notice and Public Review and allow fifteen days
3. for public comment
4. Identify and evaluate practicable alternatives
5. Identify potential direct and indirect impacts associated with floodplain development
6. Where practicable, design or modify the proposed action to minimize the potential adverse impacts to lives, property, and natural values within the floodplain and to restore, and preserve the values of the floodplain
7. Reevaluate the alternatives
8. Determination of no practicable alternative - the Final Notice and Public Explanation may be published and run concurrently with the Concurrent Notice. A 7-day comment period is required for the FN&PE, while a 15-day local comment period is required for the Concurrent Notice.
9. Implement the proposed action

B.5.h Distribution List

Whenever a notice is published in the paper, a copy with a cover memo must be sent to all interested parties on or immediately before the date of publication. These include, but are not limited to, those agencies listed on the Distribution List. The Distribution List and copies of all the cover memos must also be included in the ERR as proof that the agencies on the Distribution List were sent the required notices.

B.5.i Flood Insurance

If the project is located in a floodplain and involves the construction or improvement to a structure, the grantee must have flood insurance. Documentation to prove this must be included in the ERR.

B.5.j Request for Release of Funds (RROF) and Certification

The Request for Release of Funds and Certification must be completed and signed by the grantee's Certifying Official (CO). This form certifies that the CO has complied with all Federal/State regulations in the environmental review process. The grantee must consider any comments from the public or agencies in response to the published notices prior to completing this form. The original copy must be included in the ERR.

After all the above activities have been completed, the ERR should be submitted to TNECD. The Environmental Review Requirements Checklist should be completed by the grantee to ensure that all necessary forms have been included in the ERR.

Upon receipt of a complete Environmental Review Record containing all the required information at TNECD, the fifteen-day public comment period for the State will begin. After the completion of this period, TNECD will send the LOREC to the grantee.

NOTE: *Often listed on the LOREC will be clearance conditions required by various agencies. A Clearance of LOREC Notations for Plans and Specs Approval is found in the Exhibits. If the LOREC has notations, this completed form must accompany any plans and specifications (P&S) submitted to TNECD before review of P&S can be completed.*

<h2>B.6 CATEGORICALLY EXCLUDED PROJECTS SUBJECT TO FEDERAL ENVIRONMENTAL LAWS</h2>

NOTE: *Due to ECD 60 days after award announcement*

Categorical exclusion refers to a category of activities for which no Environmental Impact Statement (EIS) or Environmental Assessment (EA) and finding of no significant impact under the National Environmental Policy Act (NEPA) are required. Three types of categorically excluded projects exist – those subject to federal environmental laws (CES), those converting to Exempt status, and those not subject to federal environmental laws (CENST). *TNECD does not currently use the CENST category.*

B.6.a Categorically Excluded Projects Subject to Federal Environmental Laws

Projects not subject to NEPA requirements, but bound by other regulatory considerations and compliances are termed Categorically Excluded Subject to Federal Environmental Regulations (CES) and include:

1. Acquisition, repair, improvement, reconstruction, or rehabilitation of public facilities and improvements when the facilities and improvements are in place and will be retained in the same use without change in size or capacity of more than 20 percent (e.g., replacement of water or sewer lines, reconstruction of curbs and sidewalks, repaving of streets).

2. Special projects directed to the removal of material and architectural barriers that restrict the mobility and accessibility of elderly and handicapped persons.
3. Rehabilitation of buildings and improvements
 - a. Residential, multi-family buildings
 - i. Unit density is not increased by more than 20 percent;
 - ii. The project does not involve changes in land use from residential to non-residential or from one class of residential to another (e.g. from single family attached dwellings to high-rise multiple dwelling units; and
 - iii. The estimated cost of rehabilitation is less than 75 percent of the total estimated cost of replacement after rehabilitation.
 - b. Commercial and industrial (non-residential) rehabilitation activities
 - i. The facilities and improvements are in place and will not be changed in size or capacity by more than 20 percent; and
 - ii. The activity does not involve a change in land use, such as from non-residential to residential, commercial to industrial, or from one industrial use to another.
4. An individual action on up to four dwelling units where a maximum of four units are on any one site. The units can be four one-unit buildings or one four-unit building or any combination in between. A project of five or more units when the units are more than 2,000 feet apart and developed on scattered sites.
5. Acquisition/disposition of an existing structure or acquisition of vacant land provided that the structure or land acquired/disposed of will be retained for the same use.
6. Combinations of the above activities.

B.6.b Rehabilitation work is considered CES unless

1. There is an increase in the ‘footprint’
2. There is any new construction
3. Capacity is increased by over 20% (i.e. changing from 6” to 10” pipe)
4. Land/facility use is changing

If any of these conditions exist, the project will need an Environmental Assessment

B.6.c Categorically Excluded Project Requirements

If the CES project is not in a floodplain and no compliance is triggered on the Statutory Worksheet, the project may convert to Exempt and publication and RROF are not required. The following is required ERR documentation:

1. ERR Checklist
2. Project Area Map
3. The Worksheets with documentation
4. SHPO/THPO consultation letters and responses
5. Exempt Worksheets checking box 12

If the project is determined to be CES and compliance activities are required by the Statutory Checklist, the following is required ERR documentation:

1. ERR Checklist
2. Project Area Map
3. The CES Worksheets with documentation
4. SHPO/THPO consultation letters and responses
5. Flood plain notices and 8-Step Process documentation, if necessary
6. Publication(s)
7. Distribution List(s)
8. NOI/RROF

B.6.d Publications for CES Projects not located in a Floodplain

For projects not located in a floodplain, the grantee must publish the Notice of Intent to Request Release of Funds (NOI/RROF) which is followed by a seven-day local comment period. Publication dates must succeed the date of the Statutory Worksheet.

- Grantees may post the notices in public places and mail to interested parties. If posting, the NOI/RROF must be made available for 10 days. Also, posting must occur in a minimum of five (5) public places.
- A memo on letterhead must be placed in the ERR giving details of the posting: date of posting, list of places posted with their addresses, copy of the posting must be included.
- Grantees may NOT post for floodplain projects. Floodplain projects must be published.

B.6.e Publications for CES Projects located in a Floodplain

If the project is located within a floodplain, the grantee must document completion of the same HUD 8-Step Process used for EA projects in a floodplain. For directions concerning this process, the distribution list to be used for consultation, and requirements regarding flood insurance, refer to sub-sections A.5.g.2 Publications for EA Projects located in a Floodplain, A.5.g Distribution List, and A.5.h Flood Insurance.

B.7 CATEGORICALLY EXCLUDED PROJECTS CONVERTED TO EXEMPT

NOTE: *Due to ECD 45 days after award announcement*

Activities that are listed above and in 24 C.F.R. § 58.35(a) (1)-(6) as categorical exclusions may be converted into exempt activities under the following conditions:

- a. The Grantee completes a compliance determination under the Federal laws and authorities cited in 24 C.F.R. § 58.5 for the proposed activity.
- b. The Grantee concludes that no circumstances exist where any of the Federal laws and authorities requires compliance with its own review procedures.
- c. The Grantee documents its conclusions on the compliance review. A project area map is generated. However, no public notices are published and no request for Release of Funds and Certification is submitted. The Grantee documents that the activity did not trigger compliance with any Federal laws and authorities and consequently, the activity was converted and is certified as an exempt activity. All documents will be placed in the Environmental Review Record.
- d. No publications/comment periods are necessary for CE projects converting to Exempt. The ERR is still sent to TNECD with a completed (ERR Checklist for Environmental clearance.

B.8 CATEGORICALLY EXCLUDED PROJECTS NOT SUBJECT TO FEDERAL ENVIRONMENTAL LAWS (CENST)

Categorically Excluded Projects Not Subject to Federal Environmental Laws (CENST) are not currently utilized by TNECD.

B.9 EXEMPT PROJECTS

NOTE: *Due to ECD 15 days after award announcement*

Exempt projects do not require compliance with any Federal environmental laws or authorities. The basis for qualifying a project or activity as Exempt is the underlying activity. A project, if it consists solely of the activities listed in 24 C.F.R. § 58.34, can be categorized as Exempt.

Purchase of equipment or vehicles falls under the ‘purchase of tools’ section. The Exempt Worksheets must be completed and sent to TNECD for project clearance. (#7 is checked)

B.10 ADOPTION OF ANOTHER AGENCY’S ENVIRONMENTAL IMPACT STATEMENT OR ENVIRONMENTAL ASSESSMENT

If an Environmental Impact Statement (EIS) or Environmental Assessment (EA) has been prepared on the project for another agency, the grantee may adopt this document as part of the environmental review requirements under the Community Development Block Grant (CDBG) program. However, the following must also be included:

1. A copy of the other agency’s EIS/EA
2. Addendum of Validity – Project’s Certifying Officer (CO) must complete this form.
3. Environmental Review Requirement Checklist
4. EA Worksheets
5. 8-Step Process (if applicable)
6. State Historic Preservation Office (SHPO) consult and response letter
7. Tribal Historic Preservation Office (THPO) consult and response letters
8. Map(s)
9. Distribution List and accompanying letters
10. Documentation of flood insurance (if applicable)
11. Request for Release of Funds and Certifications

NOTE: *The Concurrent Notice and the floodplain notices (if applicable) must be published even if a previous notice was published as part of the adopted EIS/EA. The time frame for public comment is the same as for EAs.*

NOTE: *If the project is not in a floodplain, grantees may post the notices in a public place and mail it to interested parties. If posting, the Concurrent Notice must be made available for 18 days. A memo must be placed in the ERR giving details of the posting.*

A.11 PROJECT SCOPE CHANGE

Re-evaluation of Environmental Review Record requiring an Addendum

If size, location, or scope of a project changes, environmental impact must be reassessed and the ERR updated.

If the original scope of a project is changed, an ERR addendum must be completed. Situations that would require reassessment are:

1. Adding new activities not covered in original project scope (e.g., cost savings result in ability to extend water line beyond what was originally planned)
2. New circumstances and environmental conditions that may affect the project
3. Choosing an alternative approach or site not considered in the original assessments

If a change in the scope of the project occurs, the grantee must first request approval from TNECD. Once the scope change is approved, TNECD and the grantee will re-evaluate the original ERR based on the new information to determine whether the ERR is still applicable. If the original ERR is still valid, the grantee will submit an Addendum to the original ERR.

ERR Addendum Requirements

If the project is determined to need an addendum the following is required ERR documentation:

1. Addendum of Validity – Project’s CO must complete this form.
2. If applicable, acknowledgement that the EA Worksheets have been reviewed and are also still valid. However, A current Statutory Worksheet related to the new project are must be completed.
3. A description and map of the new project area
4. A current SHPO consultation and response letter and THPO consultation and response letters, related to the new project area.

The Environmental Review Requirements Checklist column titled “Addendum”

If the original ERR is determined to no longer be applicable, the grantee must prepare a new ERR that includes all the requirements for that type project.

B.12 AGGREGATE

Grantees may reuse an ERR if it is under 5 years old, covers the same project area, and has the same scope. However, a charge cannot be made to the grant for completion of an ERR.

ERR Aggregate Requirements

1. An Addendum of Validity must be signed and dated by the Certifying Officer (CO).
2. A project map delineating the area to be worked
3. An RROF/Certification must also be submitted

ENVIRONMENTAL REVIEW RECORDS ARE VALID FOR FIVE (5) YEARS FROM THE ORIGINAL CLEARANCE DATE

B.13 ENVIRONMENTAL EXHIBIT LIST

- ENVIRONMENTAL REVIEW RECORD CHECKLIST
- ENVIRONMENTAL ASSESSMENT (EA) WORKSHEETS
- CATEGORICALLY EXCLUDED (CES) WORKSHEETS
- EXEMPT WORKSHEETS
- ADDENDUM OF VALIDITY
- TRIBAL CONSULTATION UNDER THE NATIONAL HISTORIC PRESERVATION ACT
- REQUIRED TRIBAL CONSULTATION BY TENNESSEE COUNTY
- STATUTORY WORKSHEET DOCUMENTATION DIRECTIONS & HUD THRESHOLDS
- NEPA EA WORKSHEET DOCUMENTATION DIRECTIONS
- ALL CALENDARS FOR PUBLIC COMMENT PERIODS
- DISTRIBUTION LIST
- REQUEST FOR RELEASE OF FUNDS AND CERTIFICATION

WEB LINKS TO HELP WITH ERR DOCUMENTATION

TDEC contact list for Environmental Review Consultation requests:

<https://www.tn.gov/environment/program-areas/opsp-policy-and-sustainable-practices/opsp-environmental-consultation-requests.html>

ASD Calculator: <https://www.hudexchange.info/environmental-review/asd-calculator/>

Coastal Barriers Resource Act: <https://www.fws.gov/cbra/maps/>

DNL Calculator: <https://www.hudexchange.info/environmental-review/dnl-calculator>

Envirofacts Homepage: <http://www.epa.gov/enviro/>

EPA EJScreen Tool (*Environmental Justice Screening*): <https://www.epa.gov/ejscreen>

EPA NEPAassist Tool: <https://www.epa.gov/nepa/nepassist>

EPA Search for Superfund Sites: <https://www.epa.gov/superfund/search-superfund-sites-where-you-live>

Federal Railroad Administration Office of Safety Analysis:

<http://safetydata.fra.dot.gov/OfficeofSafety/publicsite/crossing/xingqryloc.aspx>

FEMA Flood Map Center: <https://msc.fema.gov/portal>

HUD Environmental Guidance for Tennessee:

<https://portal.hud.gov/hudportal/HUD?src=/states/shared/working/r4/environment/guidancetn>

National Plan of Integrated Airport Systems (NPIAS):

http://www.faa.gov/airports/planning_capacity/npias/ Asset Report by State

http://www.faa.gov/airports/planning_capacity/ga_study/media/2012AssetReportAppB.pdf

TDEC Rare Species by County:

http://environment-online.state.tn.us:8080/pls/enf_reports/f?p=9014:3:10114626496766:::::

USDA Web Soil Survey: <https://websoilsurvey.sc.egov.usda.gov/App/HomePage.htm>

USGS Map Site: <http://www.usgs.gov/pubprod/>

Wetlands Mapper: <http://www.fws.gov/wetlands/Data/Mapper.html>

CHAPTER C:
FAIR HOUSING AND
EQUAL OPPORTUNITY

C.1 FAIR HOUSING & EQUAL OPPORTUNITY OVERVIEW

The CDBG program is a federal program administered by the Department of Housing and Urban Development (HUD). Part of HUD's mission statement is to "build inclusive and sustainable communities free from discrimination", which includes furthering Fair Housing, Equal Employment Opportunities, and Accessibility for disabled persons. Several laws and regulations, along with the issuance of executive orders, have been put into place to prevent discrimination under federally funded programs based on race, color, national origin, religion, sex, disability, and the presence of children. These protections cover housing and employment opportunities. For a full list of laws, regulations, and executive orders, refer to Exhibit C-1, but for quick reference, use the five steps below during the administration of federally funded projects.

1. Affirmative steps must be taken to promote fair and equal access to housing, regardless of the type of grant, or amount of grant.
2. Equal opportunities must be afforded to all persons.
3. No person shall be excluded or denied program benefits on the basis of race, color, religion, sex, national origin, age, or disability.
4. Affirmative steps must be taken to assure that minority- and female-owned businesses are informed of grant funded contracts.
5. To the greatest extent feasible, Section 3 resident and business concerns should be given preference in employment, training, and contracting.

Compliance with Fair Housing & Equal Opportunity requirements is easy if a complete and organized recordkeeping system is instituted at the beginning of the project. Fair Housing & Equal Opportunity activities should occur early in the project timeline, and not at the end. Preferably, activities should be undertaken before the bidding of the project.

The activities which must be performed in order to comply with Fair Housing & Equal Opportunity requirements include the following:

- Fair Housing Activity
- Relocation Documentation
- Equal Opportunity Language in Contracts
- Equal Opportunity Employer Policy
- Section 3 Requirements
- Section 504
- Minority/Female Contractor Involvement
- Contractor/Subcontractor Activity Reports

C.2 FAIR HOUSING LAW

Title VIII of the Civil Rights Act of 1968 prohibits discrimination in the sale, rental, and financing of dwellings based on:

- Race
- Color
- Religion
- Sex
- National Origin

The Fair Housing Amendments Act of 1988 expands the coverage of Title VIII to:

1. Prohibit discrimination in housing on the basis of:
 - a. Disability
 - b. Familial Status
2. Strengthen the administrative enforcement provisions of Title VIII.
3. Provide for the award of monetary damages where discriminatory housing practices are found.

The following actions are considered to be discriminatory under the Fair Housing Law:

- Refusing to sell, rent, deal, or negotiate with any person.
- Discriminating in terms or conditions for buying or renting.
- Advertising that housing is available only to persons of a certain race, color, religion, sex, national origin, or of a specific family size.
- Denying that housing is available for inspection, sale, or rent when it really is available.
- "Blockbusting" - persuading owners to sell or rent housing by telling them that minority groups are moving into the neighborhood.
- Denying or making different terms or conditions for home loans by commercial lenders, such as banks, savings and loans, and insurance companies.
- Denying to anyone the use of or participation in any real estate services, such as broker organizations, multiple-listing services, or other facilities related to the selling and renting of housing.
- Refusing to allow reasonable accommodation to be made for a person with disabilities.

NOTE: *Tennessee's fair housing laws also prohibit discrimination on the basis of "creed", in addition to the protected classes identified by Title VIII (T.C.A. § 4-21-601).*

C.3 FAIR HOUSING ACTIVITIES

As a recipient of CDBG funds, grantees are required to affirmatively further fair housing. At least one TNECD approved fair housing activity must be accomplished within the grant period to inform the community about fair housing, that denial of fair housing rights to the citizens is illegal, and the grantee supports fair housing practices. Fair housing activities must be approved by TNECD before being implemented. Selected fair housing activities should also address the issues outlined within the Analysis of Impediments to Fair Housing Choices (AI).

The AI serves to remind jurisdictions to reflect on the current fair housing situations in their communities. Currently, this document is updated regularly by TNECD and should be referred to before a grantee conducts a fair housing activity.

C.4 FAIR HOUSING ORDINANCES

A Fair Housing Ordinance is an important tool for a county or municipality to protect its citizens against discrimination and unfair housing practices. Not only does this ordinance clearly define prohibited practices and applicability, but it also can be used to address complaint procedures and outline penalties for violations.

C.5 SECTION 3 REQUIREMENTS

Section 3 is a provision of the Housing and Urban Development Act of 1968 which requires that programs of direct financial assistance administered by HUD provide, to the greatest extent feasible, opportunities for job training and employment to lower income residents. Further, to the greatest extent feasible, contracts in connection with these projects are to be awarded to Section 3 business owners.

Section 3 does not require the creation of economic opportunities for low- and very low-income persons simply for the sake of creating economic opportunities.

Section 3 requirements apply to any grantee who receives a grant of \$200,000 or more and to any contractor whose contract is \$100,000 or more. Section 3 requirements are triggered by the need for hiring new employees or for additional training needed to upgrade present employees because of this project.

Section 3 Definitions:

A Section 3 Area Resident is any low-income individual residing within the Section 3 area.

A Section 3 Area is, for the purpose of training and employment a jurisdictional area of the local government in which the project is located. For the purpose of contracting, the Section 3 area is the county in which the project is located.

A Section 3 Business Concern is a business which is 51% or more owned by Section 3 residents; or whose permanent full-time employees include persons at least 30% of whom are currently Section 3 residents, or who, within three years of the date of employment with the business concern were Section 3 residents.

Section 3 recipients (State, unit of local government, or contractor) must include the Section 3 clause (Exhibit C-2) in all contracts awarded (24 C.F.R. § 135.38).

The Section 3 regulations established thresholds and goals for meeting the “greatest extent feasible” requirement (24 C.F.R. § 135.30). Meeting these goals is not statutorily mandated, but in the interests of efficient program administration, constitutes a “safe harbor” for compliance with Section 3. The training and employment goals are 30% of the aggregate number of new hires for each fiscal year. For Section 3 contracts, each covered contract or activity is to commit to Section 3 business concerns at least 10% of the total dollar amount of all covered contracts for building trades work arising in connection with the covered activity, and at least 3% of the total dollar amount of all other covered contracts.

All applicable grantees must prepare and keep a Section 3 file. To fulfill this requirement, the following tasks must be completed:

1. Complete Section 3 questionnaire (Exhibit C-3) and place in file.
2. Insert LMI threshold for grantee into the file.
3. Document all outreach efforts to recruit Section 3 residents or business concerns including efforts of the contractor as well as the grantee. The outreach may include the following:
 - Advertising in the newspaper or other local media;
 - Contacting area churches, labor unions, distributing flyers, etc.;
 - Informing resident groups such as PHA resident councils;
 - Holding workshops to assist Section 3 residents in completing applications for employment and training; and
 - Identifying the businesses within the area and informing them of the upcoming opportunities.

4. Maintain a list of all Section 3 business concerns hired by the grantee or contractor.
5. Maintain a list of all Section 3 employees hired or trained specifically for this project by the grantee or contractor/subcontractor.
6. Complete form HUD-60002 (Exhibit L-2) and submit with the closeout package at the end of the project.
7. Post Policy of Non-Discrimination (Exhibit C-4).

C.6 HOUSING DISCRIMINATION COMPLAINT PROCEDURE

Assistance should be provided in any cases of alleged housing discrimination

The Fair Housing Act provides that any person who believes that he or she has been or will be subject to a discriminatory housing practice because of race, color, religion, sex, disability, familial status, or national origin may file a complaint with the Secretary of Housing and Urban Development.

The aggrieved person or the Assistant Secretary for Fair Housing and Equal Opportunity in the Department of Housing and Urban Development may file a complaint no later than one year after an alleged discriminatory housing practice has occurred or terminated. The complaint may be filed with the help of an authorized representative, including any agency acting on behalf of an aggrieved person.

1. Prepare a complaint letter, including the Housing Discrimination Complaint form (Exhibit C-5).

Complaints may be filed to:

FHEO Headquarters

U.S. Department of Housing and Urban Development

451 7th Street, SW Washington, DC 20410

-or-

Atlanta Regional Office

U.S. Department of Housing and Urban Development Southeast Office

40 Marietta Street

Atlanta, GA 30303

2. Complaints may also be filed in person or by mail to:

Tennessee Human Rights Commission

Housing Section

7175 Strawberry Plains, Ste. 209

Knoxville, TN 37914

3. Each written complaint must be signed and affirmed by the aggrieved person.

4. Complaints may also be filed online through the HUD website at the following address:

https://www.hud.gov/topics/housing_discrimination .

C.7 RELOCATION ACTIVITIES

CDBG grantees may not select sites or locations for housing and housing-related facilities which have an exclusionary or discriminatory effect.

CDBG grantees must take all necessary and appropriate actions to prevent discrimination in housing and housing-related activities.

Records must be kept that will document the following:

- The number of and the racial/ethnic and gender characteristics of displaced persons.
- The location of CDBG-funded activities that caused displacement.
- The type of replacement housing provided to each displaced person.
- The discrimination procedure must be followed in cases of housing discrimination.
- See Chapter E of this handbook for additional guidance on relocation.

C.8 POLICY OF NONDISCRIMINATION OF THE BASIS OF DISABILITY STATUS

The Department of Economic and Community Development, Division of Rural Development, does not discriminate on the basis of disability status in the admission or access to, or treatment or employment in, its federally assisted programs or activities. Please contact TNECD for additional information/complaint process:

Kent Archer
CDBG Director
William R. Snodgrass Tennessee Tower, 27th Floor
312 Rosa L. Parks Avenue
Nashville, Tennessee 37243
(615) 354-3591
kent.archer@tn.gov

TNECD has been designated to coordinate compliance with the nondiscrimination requirements contained in Department of Housing and Urban Development (HUD) regulations implementing Section 504 (24 C.F.R. Part 8).

C.9 GRANTEE EMPLOYMENT

No person shall be denied employment under any federally assisted program on the basis of any of the following protected classes:

- Race
- Religion
- Color
- Age
- National Origin
- Disability
- Sex

The city/county must make available a copy of any written policies and procedures used by the grantee to hire, terminate, promote, or train individuals. If no formal written hiring policies are available, the city/county will need to implement a policy utilizing the format in this manual (Exhibit C-6) and place a copy in the file indicating that the city/county will not deny employment under any federally assisted program on the basis of any protected classes identified above.

C.10 CONSTRUCTION GENERATED EMPLOYMENT

Employment of individuals through construction of a CDBG project may occur. Those responsible for the hiring must be aware of the Equal Employment Opportunity requirement.

Three things must be considered when meeting this requirement.

1. The construction contract must have the proper equal employment opportunity language and correct goals for minority and female employment. (Refer to Exhibits C-2 and C-7 and to the Supplemental and General Conditions of the contract document in the Labor Standards Chapter.)
2. The city/county must document efforts to inform minority or female owned firms, and Section 3 Businesses, of the impending project and invite their participation.
3. Any contractor who intends to use subcontractors must provide documentation that he or she has attempted to use, or is using, minority or female owned firms, and Section 3 businesses. Copies of letters or a memo of the telephone call must be included in the files.

C.11 SECTION 504

Section 504 of The Rehabilitation Act of 1973 requires equal opportunity for persons with disabilities in federally assisted programs. Section 504 states:

"No otherwise qualified individual with disabilities in the United States . . . shall, solely by reason of his or her disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance."

Under Section 504, an individual must be provided the opportunity to participate in, or benefit from, the program that is equal to that provided to other citizens. The opportunity need not be identical in approach, but rather, must afford a person with a disability an equal opportunity to obtain the same result. This is commonly referred to as "program accessibility."

Under Section 504, federal funds recipients must ensure that their programs are accessible to qualified individuals with disabilities. Essentially, this means that when "viewed in its entirety," a program offered by the recipient must be readily accessible to and usable by persons with disabilities. Not every single building or dwelling unit has to be accessible.

The focus of Section 504, for existing facilities, is on programs, not buildings. If accessibility can be ensured through alternative means, such as providing auxiliary aids, relocating programs, or making home visits, structural changes are not required. Only when absolutely necessary to achieve program accessibility are recipients required to retrofit existing facilities.

Recipients must remember, however, that the program accessibility requirement applies only to existing facilities. New construction and alterations must be fully accessible and designed in accordance with recognized accessibility standards.

Every organization that receives federal financial assistance from HUD, including community development agencies and local governments, is deemed a recipient and must meet the specific requirements of the Section 504 regulations. Requirements include having policies and procedures that do not discriminate against qualified individuals with disabilities and making reasonable accommodations to allow participation by such individuals.

All recipients of federal assistance must conduct self-evaluations as part of their initial Section 504 compliance activities and designate a 504 coordinator and post conspicuously the designee. Any recruitment of informational material published by a recipient must contain a statement regarding the recipient's pledge not to discriminate on the basis of disabilities.

C.12 MINORITY/FEMALE BUSINESS SOLICITATION

Contractors, vendors, and suppliers may not be denied an opportunity for employment under the CDBG programs on the basis of:

- Race
- Religion
- Color
- Age
- National Origin
- Disability
- Sex

Recipients of federal funds must take affirmative steps to ensure minority- and female-owned businesses are afforded opportunities to bid on service, material, and construction contracts. To meet the requirement, grantees must take steps to inform minority- and female-owned businesses about federally funded contracts.

- The grantee should notify minority and female-owned businesses of contracts and bid deadlines. This applies to professional service contracts and materials and equipment purchases, as well as to construction contracts. For construction contracts, notices should be published in the local newspaper and a statewide publication. In addition, notices may also be published in a minority publication.
- The invitation to bid should be sent directly to minority- and female-owned firms in addition to running advertisements. These efforts must be documented.
- Solicit quotes and proposals from minority and female-owned firms. For non-construction contracts, or any solicitation not requiring formal bidding (e.g., small purchases or local procurement contracts), it is a good idea for larger cities and counties to develop a list of local minority and female-owned businesses to use when small purchase and local procurement procedures are followed.
- Invite by phone or letter any minority and female contractors in a reasonable geographic area to bid. For example, a project in Marion County should solicit bids not only from within the county, but also from Hamilton County. Copies of letters and memos of phone calls should be placed in the file (Exhibits C-8 and C-9).
- A contract and subcontract activity report form must be filled out each time a contract or subcontract is awarded. These forms must be sent to the State as soon as contracts have been awarded (Exhibit H-3).
- Databases for Female/Minority-Owned business are maintained by State departments to provide an up-to- date list of qualified contractors.

- The Governor’s Office of Diversity Business Enterprise (GoDBE) acts as *“the central point of contact to attract and assist minority owned, women owned, service-disabled veteran owned and small business enterprises interested in competing in State of Tennessee procurement and contracting activities”*.
<https://tn.diversitysoftware.com/FrontEnd/VendorSearchPublic.asp?TN=tn&XID=1215>
- The TDOT Tennessee Uniform Certification Program (TNUCP) Disadvantaged Business Enterprise (DBE) *“provides a directory of DBE and Airport Concessionaire Disadvantaged Business Enterprise (ACDBE) companies that are certified to conduct business in the state of Tennessee”*.
<https://www.tdot.tn.gov/APPLICATIONS/DBEDirect/>

C.13 RECORDKEEPING

Retention of records for fair housing and equal employment opportunity should follow the requirements outlined in the “Recordkeeping” section of the Introduction. The Equal Opportunity and Fair Housing section of the Project Checklist is also a good resource that details the documents that should be kept.

C.14 FAIR HOUSING AND EQUAL OPPORTUNITY EXHIBIT LIST

- C-1 FAIR HOUSING LAW
- C-2 SECTION 3 CONTRACTING CLAUSE
- C-3 SECTION 3 QUESTIONNAIRE
- C-4 POLICY OF NON-DISCRIMINATION
- C-5 HOUSING DISCRIMINATION COMPLAINT FORM (HUD 903)
- C-6 SAMPLE – HIRING POLICY
- C-7 MINORITY EMPLOYMENT GOALS
- C-8 MEMO FOR MINORITY BUSINESS SOLICITATION
- C-9 LETTER ON MINORITY BUSINESS SOLICITATION

CHAPTER D:
ACQUISITION OF PROPERTY

D.1 GLOSSARY

ACQUISITION

Acquisition is the purchase, donation or partial donation of real property.

APPRAISAL

An *appraisal* is a written statement independently and impartially prepared by a qualified appraiser setting forth an opinion of defined value of an adequately described property as of a specific date, supported by the presentation and analysis of relevant market information.

DONATIONS

Nothing in these regulations shall prevent a person, after being informed of the right to receive just compensation, based on an appraisal of the real property, from making a gift or donation of real property or any part thereof or any interest therein, or of any compensation paid therefore to the agency (city/county). The agency (city/county) is responsible for assuring that an appraisal of the real property is obtained unless the owner(s) release the agency from such obligation.

FAIR MARKET VALUE

Fair Market Value is the price real property will bring in a competitive market under conditions requisite to a fair sale, which would result from negotiations between a buyer and seller, each acting prudently and wisely, and without pressure or undue influence.

JUST COMPENSATION

Just Compensation is a fair and reasonable payment being not less than fair market value.

REVIEW OF APPRAISALS

A qualified reviewing appraiser shall examine all appraisals to assure that they meet applicable appraisal requirements and shall, prior to acceptance, seek necessary corrections or revisions. It must include a recommendation of fair market value of the subject property.

STANDARDS OF APPRAISAL

The format and level of documentation of an appraisal depends upon the complexity of an appraisal problem.

D.2 ACQUISITION OF REAL PROPERTY

D.2.a Background

This chapter includes the sequence of events to move those projects which require acquisition, in a timely and cost-effective manner.

All property acquired by a state agency for any activity that is funded, in whole or in part, with CDBG funds is subject to the Uniform Relocation Assistance and Real Property Acquisition Act of 1970 as amended.

For any project in which CDBG dollars are going to be used that takes place on private property, the Uniform Act applies. If the proposed work/project takes place on State, County or Municipal land, then appropriate written permission must be secured before the project can be bid.

D.2.b Expanded Coverage

Under URA statutory changes and the rule at 49 C.F.R. Part 24, all persons (families, individuals, businesses, non-profit organizations, and farms) displaced (forced to move permanently) on or after April 2, 1989 as a direct result of rehabilitation, demolition, or acquisition (privately undertaken or public) for a HUD-assisted project are entitled to relocation payments and other assistance under the URA. Even a person forced to move before HUD approval of a project may be determined to have been displaced "for the HUD-assisted project." (49 C.F.R. § 24 can be found at <http://eC.F.R..gpoaccess.gov/> and then select Title 49 and then Part 24)

In addition, grantees must meet the Section 104(d) of the Housing and Community Development Act requirements when applicable. For Tennessee's CDBG projects, this is typically when relocation assistance is provided to residents who are displaced by the projects. The grantee is responsible for ensuring whether or not Section 104(d) applies to a specific project. More information on Section 104(d) can be found at: <http://www.hud.gov/offices/cpd/affordablehousing/training/web/relocation/section104d.cfm>.

D.2.c Purpose

The purpose of this chapter is to ensure that:

1. The rules which pertain to the acquisition of real property with federal funds are followed;
2. The owners of real property to be acquired are treated: fairly, consistently, and without intimidation, thus minimizing litigation and congestion in the courts and promoting public confidence in federally assisted land acquisition; and
3. Persons displaced as a result of the project are treated fairly, consistently, and equitably so that each person will not suffer disproportionate injuries as a result of projects designed to benefit the public as a whole.

NOTE: *Before a CDBG project can proceed, all acquisition activities on each parcel for the project must be completed and appropriately recorded.*

Each property owner must be properly informed of his/her rights, as required by law, and grantees must be able to document that this was done. Furthermore, each property owner is entitled to the payment of just compensation for his/her land, even if he or she is a direct beneficiary of the project.

Before requiring the property owner to surrender possession of the real property, the agreed purchase price must be paid to the owner; in the case of condemnation, deposit with the court, for the benefit of the owner, an amount not less than the approved appraisal of the fair market value of such property.

The owner shall be given reasonable opportunity to consider the offer and present material which the owner believes is relevant to determining the value of the property and to suggest modifications in the proposed terms and conditions of the purchase.

NOTE: *FOLLOW THE PROPER PROCEDURES. CITY/COUNTY INSURANCE MAY NOT PROTECT AGAINST DAMAGE CLAIMS IF THE COMMUNITY IS SUED AND THE CORRECT PROCEDURES HAVE NOT BEEN FOLLOWED.*

D.2.d One for One Replacement Unit Requirement

Under this rule, all occupied and vacant, habitable low/moderate income dwelling units which are demolished or converted to a use other than low/moderate income dwelling units, as a direct result of activities assisted under the CDBG program, must be replaced with a like number of low/moderate income dwelling units. Substandard, but still habitable units that have been demolished or converted to non-residential uses must be replaced under this provision; however, more seriously deteriorated units that are deteriorated to the point of being uninhabitable and have been demolished or converted to non-residential uses do not require replacement.

NOTE: *If the project is to be placed on state, county or city right-of-way, then a letter giving permission to use that right-of-way must be on file.*

D.3 ACQUISITION OF DILAPIDATED DWELLING AND VOLUNTARY RELOCATION

D.3.a Overview

If the community is acquiring a dilapidated structure and relocating the homeowner (either to the same site or another) refer to Chapter E: Relocation. The first letter you will send the homeowner will be a general information letter with the Preliminary Acquisition Notice (Exhibit D-1). Next, inform the property owner(s) of their rights and provide documentation.

Once the property owner has been informed you may then:

1. Ask for a donation of the property, or
2. If the owner will not donate, then:
 - a. Offer to pay just compensation based on fair market value determined by appraisals.
 - b. If the owner will not donate, negotiate with the property owner(s) (within limits).
 - c. If the owner(s) will not negotiate, the community may go to court to condemn the property.

The easiest and most cost-effective way to acquire property is through donations. However, each property owner(s) is entitled to just compensation for his/her property even if he or she is a direct beneficiary of the project. The property required for the project may be entirely acquired by donations, or any combinations of the preceding step.

D.3.b Outline of the Acquisition Process

1. Project Funds Released-Determine land to be acquired
2. Basic Preparation: Consult with City/County Attorney and Engineer to obtain property legal descriptions, maps and surveys.
3. Inform the Owners(s): Mail the “Preliminary Acquisition Notice” (Exhibit D-1) and Donation form- “Waiver of Rights and Benefits” (Exhibit D-3)
4. Request Donations: (If owner(s) donate, STOP, go to Step 9)
5. Select Appraiser and Review Appraiser Qualifications: Request Qualifications.
6. Determine the Purchase Offer: Invite the property owner(s) to accompany the appraiser using the document “Invitation to Accompany the Appraiser” (Exhibit D-4)

7. Perform the appraisal (The Appraisal Report).
8. Perform Appraisal Review (Exhibit D-6)
9. Establish Just Compensation: “Written Statement of Just Compensation”.
10. Work with Owner(s): Owners(s) could: donate now; or accept just compensation, or counter-offer, or refuse all offers.
11. Successful Negotiations: Sign a “Purchase Agreement”; and sign a contract for the sale.
12. Complete the Settlement: Execute the deal including a “Statement of Settlement Costs”.
13. If Property is condemned: The City/County Attorney files the paperwork with the courts, Escrow is deposited in an escrow account.
14. Final Follow-up: Obtain the Title.

D.4 THE ACQUISITION PROCESS

D.4.a After Project Funds Are Released

Determine who will be responsible for coordination of acquisition/relocation activities. Next, establish recordkeeping procedures for each parcel of property according to this manual. Include copies of all documents in the files. Attach a checklist inside the file and keep it current throughout the process. An attorney should be utilized to finalize the legal documentation.

D.4.b Basic Preparation

Determine that the parcels to be acquired are all consistent with the scope of the project and with the preliminary engineering plans, surveys and maps. Obtain preliminary title evidence, boundary surveys and legal descriptions. Verify clear and accurate titles. Prepare a map describing the project and showing the proposed acquisitions. Take this map to each property owner or show it at public meetings when asking for donations.

D.4.c Inform the Owner(s)

Send the property owner(s) the following documents by certified mail or hand delivery. Obtain and file a signed receipt for them.

- Send a "Preliminary Acquisition Notice" to each property owner (Exhibit D-1). This indicates an interest in acquiring the property or an easement. It is important to note that it is not a notice to vacate nor does it establish eligibility for relocation payments or assistance. Give the name and phone number of the person to be contacted for further information.
- Send the booklet, *When a Public Agency Acquires Your Property* (Exhibit D-2). Grantees may make photocopies of the booklet to give to each property owner if the supply is inadequate.

- Send a copy of the Donation Form to each property owner - "Waiver of Rights and Benefits of the Uniform Relocation Assistance and Real Property Acquisition Policies of 1970" (Exhibit D-3). Once the property owner(s) has been informed of his rights through the preceding documents, he may waive his right to an appraisal of his property and the payment of just compensation for his property. He is entitled to an appraisal(s) and payment, but he may waive these rights.

NOTE: *Make sure to document in the individual file that each owner has received the "Preliminary Acquisition Notice" (Exhibit D-1) and the booklet, When a Public Agency Acquires Your Property (Exhibit D-2).*

You may also find the HUD Acquisition and Relocation site helpful:

<https://www.hudexchange.info/programs/relocation/>

D.4.d Request Donations

Approach each property owner and request that they donate the land under consideration for acquisition (Exhibit D-3). The owner(s) must understand that he is entitled to an appraisal. The payment of just compensation is based on the "fair market value" of his property. However, the property owner(s) may waive his rights and benefits and make his donation without an appraisal or offer of just compensation.

If the owner(s) agrees to donate his property – **Go to Step 9.**

If the owner(s) declines to donate his property – **Go to Step 5.**

D.4.e Select Appraiser

To perform a proper evaluation of the properties the grantee intends to acquire, select and contract with an independent appraiser. Requests for statements of qualifications from several appraisers should be sent. To meet minimum qualifications, the appraiser must:

- a. Have no interest in the property, nor be related to, nor in business with anyone having an interest, or an apparent interest, in the property to be acquired;
- b. Be qualified, reputable, and professional;
- c. Belong to a professional organization that has a code of ethics; and
- d. Have previous experience in doing similar types of appraisals as will be required by the project.

The city/county must execute a professional services contract with the selected appraiser. The contract must require that race, color, religion or ethnic characteristics of a neighborhood shall not be considered in estimating the value of residential property. The property owner(s) must be invited to accompany the appraiser during the inspection of the property. This must be done in writing with documentation, see (Exhibit D-4) as an example.

D.4.f Determine Purchase Offer

A. First Appraisal:

If property is not donated, then the fair market value of the property must be established through an appraisal. An appraisal is performed on each parcel to be acquired. It should be done in standard form, degree and detail of analysis consistent with the complexity of the appraisal problem. The appraiser must determine a precise fair market value and state this value in writing. Easements can be evaluated on a short form (Exhibit D-5) or equivalent which summarizes the complete documentation that the appraiser must have on file.

NOTE: *A property owner may choose to have an appraisal done, then donate the property. This is because they are simply curious about the value, or they may want it for income tax purposes.*

B. Review Appraisal:

Each appraisal, regardless of value, must be reviewed. If the appraisal is complex, the review should be done by another appraiser; however, if it is simple and of low value, the review appraisal may be done by an independent qualified person.

- The review appraiser must visit the property and should invite the property owner(s) to be present. The review report must be written, signed and dated.
- The reviewer's recommendation of the property's fair market value must be stated in writing.

C. Just Compensation:

Following a review of the appraisal, just compensation must be established. The amount offered for just compensation cannot be less the appraised value of the property

Grantees must prepare a written "Statement of the Basis for the Determination of Just Compensation", to be provided to the property owner(s).

This statement must include:

- A legal description and location identification of the property;
- Interest to be acquired (e.g., fee simple, easement, etc.);
- An inventory identifying the building, structures, fixtures, etc. which are considered to be part of the real property;
- The amount of the offer and a statement to the effect that this offer is:
 - The full amount believed by the community to be just compensation,
 - Not less than the fair market value of the property,
- Disregard as to any increase or decrease in the fair market value attributable to projects for which the property will be acquired, and does not include any consideration or allowance for relocation costs;
- A definition of fair market value;
- A brief explanation of the principal appraisal techniques used in appraising the property;
- Any purchase option agreement (should be attached); and
- A statement apportioning the just compensation between the actual piece to be acquired and an amount representing damages to the remaining portion, if only a part of the parcel is to be acquired. If an "uneconomic remnant" is left, this should be purchased also.

D.4.e Work with Owner(s)

After the just compensation for the property has been determined, the community is ready to present the offer to the owner(s) with the following:

- A written "Offer to Purchase" must be sent to the owner(s). The offer must specify the date on which negotiation for the sale of the property must begin. This date must be the same date as the written offer. As with all notices, its receipt must be documented.
- A written statement of the "Basis for the Determination of Just Compensation" must be included with the Offer to Purchase.
- A written Notice of Displacement must be issued within 30 days of the date specified for the initiation of negotiation, if the property to be acquired is owner or tenant occupied. Refer to the Chapter E: Relocation for more detail.
- The owner(s) has several choices at this point.
 1. The owner(s) may now decide that he/she wishes to donate the property; if so, go to Step 9.
 2. The owner(s) may accept the just compensation as offered; if so, go to Step 9.

3. The owner(s) may make a counter offer that requests more money or terms other than those offered as just compensation; if so, go to Step 8.
4. The owner(s) may refuse or may indicate the refusal of any offer; if so, go to Step 10.

D.4.g Successful Negotiation

With the approval of TNECD, the city/county may accept an owner(s)'s counter offer (which will be higher than the just compensation) on the basis that the cost of condemnation proceedings would be greater than the increase in price requested by the owner(s). Any potential significant delay in the implementation of the project may also provide justification for payment of a larger amount.

NOTE: *If the city/county is negotiating, approval must be obtained from ECD for the amount of just compensation to be paid.*

If the negotiations are successful the grantee would execute a signed written "Offer to Purchase" and an executed contract for the sale.

D.4h Completing the Settlement

- Sign a written "Offer to Purchase" if the negotiations are successful.
- Execute the deed. This should be done by an attorney.
- Complete a "Statement of Settlement Costs" and give to the owner(s). This identifies all settlement costs regardless of whether they are paid at, before, or after closing and must clearly separate charges paid by the owner(s). If a title or escrow company is used, the standard RESPA form is acceptable.
- Obtain a receipt for the purchase price.
- Pay incidental costs. Grantee must reimburse the owner(s) to the extent deemed "fair and reasonable" for incidental costs associated with the transfer of title (i.e., recording fees, transfer taxes, penalty cost or other charges for prepayment of any pre-existing recorded mortgages and the like).
- Pay the net amount. Present the owner(s) with a check for the agreed purchase price.

D.4.i Condemnation

If it has been determined that condemnation is necessary, the following issues must be addressed:

- An attorney must carry out the condemnation proceedings since it is a legal action.
- A resolution authorizing the proceedings must be passed by the city/county.
- File copies of surveys and maps in the office in which instruments affecting real property in the county are recorded.
- Initiation of proceedings in the circuit court of the county in which the property is located.
- A deposit of the amount determined to be just compensation must be placed in an escrow account with the court.

If condemnation proceedings as outlined above have begun, the grantee must complete the purchase in accordance with the verdict of the court. If the court rules that the property value is greater than the amount placed in escrow, the grantee must pay the deficiency. As with any negotiated sale; the grantee must also pay incidental costs and complete a *Settlement Cost Statement* as described above. The court will provide guidance in completing the settlement.

D.4.i Final Follow-Up

- Obtain Final Title evidence acknowledging the city/county as the owner.
- If the property is occupied, execute a short-term lease with the tenant until relocation can be completed.
- Maintain a record on each piece of property acquired

D.5 ACQUISITION EXHIBIT LIST

- D-1 PRELIMINARY ACQUISITION NOTICE
- D-2 WHEN A PUBLIC AGENCY ACQUIRES YOUR PROPERTY
- D-3 WAIVER OF RIGHTS AND BENEFITS OF THE URA
- D-4 INVITATION TO ACCOMPANY AN APPRAISER
- D-5 SHORT APPRAISAL FORM FOR EASEMENT TAKINGS
- D-6 APPRAISAL REPORT REVIEW
- D-7 NOTICE OF INTENT NOT TO ACQUIRE
- D-8 DISPOSITION OF PROPERTY ACQUIRED WITH SMALL CITIES CDBG FUNDS
- D-9 SITE ACQUISITION REPORT

CHAPTER E:

RELOCATION

E.1 GLOSSARY

COMPARABLE REPLACEMENT DWELLING

When a person is relocated whether voluntarily or involuntarily, they are moved to a "comparable replacement dwelling." Based on 49 C.F.R § 24.2(d), a comparable replacement dwelling is generally:

- Decent, safe and sanitary
- Functionally equivalent to the displacement dwelling
- Free from adverse environmental conditions
- In a location no less desirable
- On a site typical of the area
- Currently available on the private market
- Within the financial means of the displaced person

DISPLACED PERSON

Is when any low income family or individual that moves from real property, or moves his or her personal property (a trailer) from real property, permanently and involuntarily as a direct result of the conversion of an occupied or vacant occupiable low/moderate income dwelling unit or the demolition of any dwelling unit in connection with an assisted activity (a person funded with CDBG dollars.)

NOTE: *The CDBG program as operated will not "displace" persons.*

Pursuant to 24 C.F.R. § 42.375, all occupied and vacant occupiable low/moderate income dwelling units that are demolished or converted to a use other than low/moderate income housing must be replaced.

This is also known as the "one for one" requirement. If you demolish one dwelling you must replace it the demolished building with one dwelling. Under the CDBG program, you must adhere to this requirement.

UNIFORM RELOCATION ACT (URA)

All of the policies and procedures concerning the acquisition and relocation are covered by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended, which covers all HUD assisted programs. The URA requirements can be found at 49 C.F.R. § 24 (see 54 FR 8912).

VOLUNTARY RELOCATION

The URA makes a clear distinction between a "displaced person", someone forced to move permanently, and a "non-displaced" person, or not forced to move permanently. The difference translates to different benefits for the person depending on the classification. A person who has voluntarily relocated is a non-displaced person.

A voluntary relocation occurs when "the person is an owner-occupant of the property who moves as a result of an arm's length acquisition (not condemnation) or as the result of voluntary rehabilitation or demolition of the real property". There are three additional requirements:

1. The city/county determines and informs the owner in writing that it will not use its power of eminent domain to acquire the property if the negotiations fail to result in an amicable agreement.
2. No specific site or property needs to be acquired for the project to proceed.
3. The city/county informs the owner its estimate of the fair market value of the property.

NOTE: *The CDBG program meets all three of these conditions. That is why it is voluntary relocation, and the persons are not "displaced."*

E.2 RELOCATION

The Relocation Assistance and Real Property Acquisition Policies Act of 1970 (the URA) applies to all Federal or federally-assisted activities that involve the acquisition of real property or the displacement of persons, including displacement caused by rehabilitation and demolition activities. The URA is intended to ensure implementation of such activities by Federal agencies or other public or non-profit agencies is as uniform and consistent as possible.

Under the URA, all persons (families, individuals, businesses and farms) displaced (forced to move permanently) as a direct result of rehabilitation, demolition or acquisition for a HUD-assisted project are entitled to relocation payments and other assistance. Relocation concerns must be addressed early in a project's process, primarily at the time the project is proposed. After the execution of the agreement is received, the appropriate notices regarding relocation should be disseminated to eligible residents.

When a homeowner or tenant is forced to move from their dwelling against their will, the relocation becomes involuntary and they have become a "displaced person." However, CDBG Policies and Procedures for housing rehabilitation projects using Federal funds in designated target areas does not allow for Involuntary Relocation. When a homeowner does not want to relocate or rehabilitate their dwelling, the city or county cannot force the homeowner to do so or condemn the dwelling.

E.3 VOLUNTARY RELOCATION

When a project is undertaken that will facilitate the acquisition, rehabilitation or demolition of dilapidated dwellings, the affected homeowner(s) must be offered relocation benefits. In some cases, rehabilitation of a dilapidated dwelling is not cost efficient and the homeowner agrees to sell or donate their dwelling to the city or county who then demolishes the dwelling. The homeowner is then voluntarily relocated into a new building on the same site, a more suitable (decent, safe and sanitary) site or to an existing dwelling on another site. This voluntary relocation provides the homeowner with the benefits of receiving a new and/or better dwelling. The homeowner is also entitled to benefits related to the move, including moving and related expenses. The grantee benefits from the removal of an "eyesore" and improves the housing stock in the community.

Homeowners who are voluntarily relocated must be referred to at least one "comparable" replacement unit. The comparable replacement unit must be similar in (1) size (contain the same amount of space as the original unit), and function (performing the same purpose as the original unit), (2) reasonably accessible to the person's employment, (3) located in an equal or better area than the location of the original unit, (4) decent, safe and sanitary, (5) currently available and (6) within the financial means of the homeowner.

E.3.a Processing Relocation Claims

The grantee is responsible for assisting displaced persons (as a result of the activity) in applying for benefits under the URA. Each homeowner affected must receive the appropriate notices/forms relating to voluntary relocation. These may include:

- General Information Notice (GIN) (Exhibit E-1)
- Claim for Replacement Housing Payment (Exhibit E-2)
- Acknowledgement of Services and Payments for Voluntary Relocation (Exhibit E-3)

All Notices must be served at the appropriate time so that adverse actions will not be realized. The files must also indicate the manner in which the Notices are delivered (e.g., personally served or certified mail, return receipt requested) and the date of delivery.

If a claim is denied, or a relocate intends to waive his/her relocation benefits, TNECD should be contacted immediately.

Request for Payment for Relocation Claims

In those cases where a new house is being built or a new manufactured home being purchased, the funds should be requested from the "Relocation" line item in the budget not from the "Housing Rehabilitation" line item.

E.3.b Recordkeeping

Recordkeeping is an integral part of your responsibilities. Refer to the relocation file checklist to ensure all voluntary relocation activities are complete. Separate files must be maintained on each household for 3 years following completion of the project or relocation payment, whichever is later.

E.3.c Areas of Special Concern

Affirmative Action

Efforts must be made and documented that low income and minority homeowners who are displaced have been shown replacement housing in areas not concentrated by low income and minority populations.

Housing Discrimination

The persons being relocated must be assisted in making complaints of housing discrimination (See Exhibit C-6).

Self-Relocatees

It is the decision of the person to be relocated if he/she should desire to move into a housing unit that is not "decent, safe and sanitary" or that does not meet code specifications. They are entitled to receive moving costs, but not a replacement housing payment. Contact TNECD for assistance.

E.3.d Relocation of Farms and Business

Additionally, pay attention to citizen concerns regarding housing and relocation. They may be frightened and suspicious of efforts to refurbish the housing stock. The counseling and assistance required in helping homeowners is significant, and the area in which many programs experience the greatest difficulty.

E.3.e Relocation Policy

When the homeowner agrees to be relocated because he/she will benefit and there is no threat of condemnation, relocation policy is locally determined. Because voluntary relocation occurs in the housing rehabilitation program, a sample "relocation" policy is included under the housing policies and procedures.

E.4 INVOLUNTARY RELOCATION

When a homeowner or tenant is forced to move from their dwelling against their will, the relocation becomes involuntary and they have become a "displaced person." Displaced persons are entitled to all the benefits under the Uniform Relocation Act and/or Section 104(d).

Involuntary relocation benefits are covered in detail by the Uniform Relocation Act and Section 104(d).

If a grantee is considering involuntary relocation, TNECD must be contacted prior to starting the process. In some instances, a new set a set of procedures may need to be developed to accommodate this method of relocation.

NOTE: *The CDBG policies and procedures for Housing Rehabilitation projects using Federal funds in designated target areas does not allow for involuntary relocation. Any city or county considering the involuntary relocation of a homeowner or tenant for any reason must contact ECD before contacting the homeowner or tenant.*

E.5 RELOCATION EXHIBIT LIST

- E-1 GENERAL INFORMATION NOTICE – 180-DAY HOMEOWNER
- E-2 CLAIM FOR REPLACEMENT HOUSING PAYMENT FOR 180-DAY HOMEOWNER
- E-3 ACKNOWLEDGEMENT OF SERVICES AND PAYMENTS
- E-4 RELOCATION FILE CHECKLIST – VOLUNTARY

CHAPTER F:

PLANS AND SPECIFICATIONS

F.1 INTRODUCTION

All CDBG activities to intend to procure equipment, supplies, or construction service must submit a set of specifications to TNECD for approval prior to procurement. In most cases, especially with construction contracts, a set of plans must be submitted as well.

Below is a list of procedures to follow for the development of plans and specifications for construction contracts and a list of procedures for equipment contracts. Use these lists to ensure that all appropriate activities are complete and the proper documents are included in the bid contract document. This will avoid having to re-submit the document for approval. Contract documents should be submitted to TNECD in a complete and accurate form with all bid items listed exactly as the bidders will receive them.

F.2 CONSTRUCTION CONTRACTS

Technical bid specifications: Should be prepared by the Engineer and must provide a clear and accurate description of the requirements for the materials and workmanship required by the project. They are to be submitted to TNECD within 90 days of the release of the funds.

Include a note which indicates in the event of conflicts between two sets of documents, the more restrictive shall apply.

A set of plans if the project requires construction. The plans should be consistent with the technical specifications.

A qualified professional registrant's stamp and the date and signature of the engineer, in accordance with state law, must be placed on the first page of the specifications and on each page of the plans.

Include the appropriate cost and pricing format, depending on whether the project is to be bid as a lump sum or unit prices. Cost plus pricing is prohibited for CDBG contracts.

Acquisition of all lands, rights of way and easements necessary to carry out the project must be completed at this time. Acquisition of real property must conform to the procedures outlined by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended. Submit the Status of Land Acquisition document (Exhibit F-3) with the plans and specifications. If the city, county, state, or utility right-of way will be used, TNECD will need a letter from the appropriate entity stating that the right-of-way can be used.

Obtain all permits and notify all utilities about the proposed construction. Obtain all information concerning utilities and include it in the working drawing or plans. If a city, county, state or utility right-of-way will be used, TNECD will need a letter from the appropriate entity stating that the right of way can be used.

A review of the documents by an attorney should be performed to ensure compliance with applicable state and municipal law.

A provision to allow rejection of any or all bids should be included.

Certification that applicable standards of accessibility by the handicapped will be met (Exhibit F-2) must be executed by the qualified professional registrant, co-signed by a local government official and placed in the contract documents file. This document is only required if the project include construction or rehabilitation of a building.

Include all required CDBG documents (Exhibit F-1). These documents contain federal language which is required of block grant projects and cannot be substituted for or altered. For jointly funded RD-CDBG or EPA-CDBG projects, use RD or EPA forms plus the following:

- Advertisement for Bids
- Information for Bidders
- Certification of Bidder Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion
- Certification of Bidder Regarding Equal Employment Opportunity
- Certification of Bidder Regarding Use of Female/Minority Subcontractors
- Certification of Bidder Regarding Section 3 and Segregated Facilities
- Certification by Proposed Subcontractor Regarding Equal Employment Opportunity
- Certification of Proposed Subcontractor Regarding Section 3 and Segregated Facilities
- Drug-Free Workplace Affidavit
- Statement of Compliance Certificate Illegal Immigrants
- Certificate of Owner’s Attorney
- Iran Divestment Act

Include the CDBG Contract General and Supplemental Conditions. (Exhibit F-4)

Determine minority/female goals from the Fair Housing/Equal Opportunity Section of this manual (Exhibit C-8). Complete the appropriate blanks on the supplemental conditions portion as found in the contract document guide.

Review of documents for brand names. Plans and/or specifications cannot specify brands of materials or equipment for bidding. Brand names are allowed as a point of reference but must be accompanied by “or equal” language. Only in rare cases can a brand be specified, and only with TNECD approval.

Submit the documents to TNECD 21 days before advertising. Review by other agencies can occur within the 90 days after the release of funds has occurred. If this deadline cannot be met, an extension must be requested and approved by TNECD. This should also be completed and the bid document approved before advertising. Bid documents should be submitted exactly as the bidders will receive it.

Make all corrections before advertising. If items are missing from the bid document, complete them and send a fully completed, bound copy to TNECD for approval before advertising.

Resubmit the plans and specifications to TNECD for approval if there are any changes made.

If the plans and specifications differ from the application by more than just a clarification of amounts, distances, etc., submit a letter outlining the change with the plans and specifications document. If the change involves different direct beneficiaries, note that new target area surveys will need to be completed.

Submit Addenda to our TNECD for approval BEFORE issuance to bidders. Addenda must be approved by TNECD and then communicated to potential bidders at least 48 hours (excluding weekends and holidays) before bids are due according to state law. It is best practice to set a firm deadline for contractors to submit questions or to hold a pre-bid conference to ensure enough time for approval of the addendum by TNECD and for communication to the potential bidders.

NOTE: *ADVERTISEMENT OF THE PROJECT BEFORE TNECD APPROVAL OF PLANS AND SPECIFICATIONS OR ADDENDA MAY RESULT IN REBIDDING.*

F.3 EQUIPMENT CONTRACTS

Technical bid specifications: Should be prepared in coordination with the appropriate personnel. For instance, if the grant is to purchase a fire truck, the fire chief should be included in the development of the specifications. The specifications must provide a clear and accurate description of the requirements for the equipment or materials required by the project. They are to be submitted to TNECD within 90 days of the release of the funds.

Include a note which indicates in the event of conflicts between two sets of documents, the more restrictive shall apply.

Include the appropriate cost and pricing format, depending on whether the project is to be bid as a lump sum or unit prices. Cost plus pricing is prohibited for CDBG contracts.

A review of the documents by an attorney should be performed to ensure compliance with applicable state and municipal law.

A provision to allow rejection of any or all bids should be included.

Include all required CDBG documents (Exhibit F-1). These documents contain federal language which is required of block grant projects and cannot be substituted for or altered. For jointly funded RD-CDBG or EPA-CDBG projects, use RD or EPA forms plus the following:

- Advertisement for Bids
- Information for Bidders
- Certification of Bidder Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion
- Certification of Bidder Regarding Section 3 and Segregated Facilities
- Drug-Free Workplace Affidavit
- Statement of Compliance Certificate Illegal Immigrants
- Certificate of Owner’s Attorney
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Make all corrections before advertising. If items are missing from the bid document, complete them and send a fully completed, bound copy to TNECD for approval before advertising.

Resubmit the plans and specifications to our TNECD for approval if there are any changes made.

If the specifications differ from the application by more than just a clarification of amounts, distances, etc., submit a letter outlining the change with the specifications document. If the change involves different direct beneficiaries, note that new target area surveys will need to be completed.

Submit Addenda to TNECD for approval BEFORE issuance to bidders. Addenda must be approved by TNECD and then communicated to potential bidders at least 48 hours (excluding weekends and holidays) before bids are due according to state law. It is best practice to set a firm deadline for contractors to submit questions or to hold a pre-bid conference to ensure enough time for approval of the addendum by TNECD and for communication to the potential bidders.

NOTE: *ADVERTISEMENT OF THE PROJECT BEFORE TNECD APPROVAL OF PLANS AND SPECIFICATIONS OR ADDENDA MAY RESULT IN REBIDDING.*

F.4 PLANS AND SPECIFICATIONS EXHIBIT LIST
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- F-1 CDBG BID AND CONTRACT DOCUMENTS
- F-2 CERTIFICATION OF COMPLIANCE WITH ACCESSIBILITY STANDARDS
- F-3 STATUS OF LAND ACQUISITION
- F-4 CDBG CONTRACT GENERAL AND SUPPLEMENTAL CONDITIONS

CHAPTER G:

BIDDING AND PROCURMENT

G.1 PREFACE

This chapter a guide to the various procurement and bidding processes that may be used for CDBG projects. The sections include preparation of the bid package, bidding procedure, and procurement requirements. The sections are set up to be utilized as checklists enabling the grant administrator to easily ascertain which activities have been completed and which are left to complete.

G.2 PRE-BID/PROCUREMENT CONSIDERATIONS

G.2.a Conflicts of Interest and the Code of Conduct

During the procurement goods or services instances may arise where competition can be restricted by organizational conflict of interest or non-competitive practices among contractors. Communities should be alert to issues of this nature which may adversely affect procurement practices.

Each community must have a written Code of Conduct which specifically prohibits elected officials, staff or agents from personally benefiting from CDBG procurements. The code must prohibit the solicitation or acceptance of favors or gratuities from contractors or potential contractors, and it must provide sanctions or penalties for violations of the code of conduct by local government officials, staff or agents, or by contractors or their agents. "Standards of Conduct" prescribed by HUD's Office of Inspector General is included as Exhibit A-6 of this manual. A copy of these standards of conduct must be placed in your CDBG files. If the community already has a code of conduct, a copy of that code must be made and placed in the CDBG files in addition to the HUD Standards of Conduct.

G.2.b Other Requirements

- Procurements should be reviewed by staff to avoid unnecessary and duplicative purchases and to insure costs are "reasonable".
- Invitations for bids or requests for proposals must be clearly written and must describe the technical requirements of the equipment or services without requesting a certain brand.
- Positive efforts must be made to use small and/or minority-owned businesses. (See the "Equal Opportunity Chapter" for minority bid solicitation requirements)
- The method of contracting (fixed price, cost plus fixed fee, purchase orders, etc.) should be appropriate. Cost plus percentage of cost contracts are specifically prohibited if CDBG funds are involved.

G.2.c Procurement Procedures

All cities, towns, and counties in the State of Tennessee are governed by some sort of procurement policy. Policies vary from community to community. If a town or county does not have a specific procurement policy or law, the County Purchasing Law of 1983, or the Municipal Purchasing Law of 1983 will apply. Both laws require formal bidding for all purchases of \$2,500 or greater. Some cities and counties in Tennessee have procurement policies that require formal bidding for purchases less than \$2,500.

NOTE: *The grantee is responsible to ascertain whether the local procurement policies or federal procurement policies apply. The stricter standard must always be used.*

G.3 SMALL DOLLAR PROCUREMENT REQUIREMENTS

Informal methods that are sound and appropriate are allowed for the procurement of supplies and other property whose total cost is not more than the local bidding limit (\$2,500 in most cases).

G.3.a Small Dollar Purchases of Equipment, Supplies, And Non-Professional Services

Price or rate quotations must be obtained from at least three qualified sources. These quotations may be obtained over the telephone (maintain written record of calls in the grant files). The contract should be awarded to the offeror with the lowest price quotation.

G.3.b Professional Service Contracts

Prior to the performance of any professional services, a written request for statements of qualifications must be sent to at least three firms that offer the type of service the community wishes to procure. Copies of these letters must be on file. Advertising for statements of qualifications is not required. The contract must be awarded solely on the basis of qualifications, not price. Stating “this is the firm the community has always used” is not sufficient reason for award. Often a method of scoring applications based on history, experience, price, qualifications, etc. is conducted.

G.4 PROCUREMENTS THAT REQUIRE FORMAL BIDDING

Procurements of equipment, non-professional services and construction contracts where the total cost is more than the local bidding limit (\$2,500 in most cases) must formally advertise for sealed bids and a public bid opening in a newspaper of general circulation.

G.4.a Advertisement Requirements

The invitation to bid must be published in a daily newspaper of general circulation at least **14 days prior** to the public bid opening.

NOTE: *The Environmental Protection Agency (EPA) requires the invitation to bid to be published in a newspaper of entitlement city at least 30 days prior to the bid opening; grantees must follow EPA's advertisement requirements if EPA funds are in the project. Entitlement communities are Bristol, Chattanooga, Clarksville, Hendersonville, Jackson, Johnson City, Kingsport, Knoxville, Memphis, Murfreesboro, Nashville, Oak Ridge, Morristown, and Cleveland.*

One method to increase the circulation of an invitation to bid is to advertise in the Dodge Report. While this advertisement is free of charge, TNECD will not accept it as a substitute for an advertisement in a newspaper of general circulation.

G.4.b Deductive and Additive Alternates

The use of alternates in bidding is recommended to allow for flexibility in the case the bids greatly differ from the estimated costs of the project. A bid package may include additive and/or deductive alternates. The use of bid alternates may not alter the scope of the project.

A deductive alternate is a portion of the project that can be deleted to bring construction costs within the budget if all bids received exceed the funds available for construction. When deductive alternates are applied, they must be done so in the order in which they are listed in the bid specifications.

If using additive alternates, the alternates are applied in the order they are listed in the bid specifications to the base bid until the budget is reached.

G.4.c Bid Opening Requirements, Rejection and Award to Low Bidder

Formal bidding of goods and services requires for bids to be sealed and submitted in the manner detail in the bid documents distributed or acquired by potential bidders. Potential bidders are instructed to submit the sealed bids to a specific address by a specific time. Bids that are not received in the appropriate manner as directed should be disallowed and not opened. Sealed bids must be opened publicly at the time and place specified in the invitation to bid.

Rejection of Improper Bids

Any and all bids may be rejected when sound business reasons are documented for rejecting bidders.

Award to Low Bidder

A firm fixed-price contract must be awarded to the lowest responsive and responsible bidder whose bid conforms to all bid specifications. If the lowest cost bid is not accepted, justification should be presented in writing to TNECD for approval before accepting the bid. For construction projects the justification may be submitted by the project engineer with a letter of concurrence from the mayor or county executive.

Prohibition Against Negotiation with Bidders

If all bids received exceed the amount of the construction budget, a grantee may not negotiate the contract price with any bidder, especially the low bidder. Negotiation solely with the low bidder is a violation of CDBG policies and procedures.

NOTE: *NEGOTIATION OF THE CONTRACT PRICE SOLELY WITH THE LOW BIDDER WILL RESULT IN THE DISALLOWANCE OF CONSTRUCTION COSTS FOR REIMBURSEMENT WITH GRANT FUNDS.*

G.4.d Allowable Alternatives If All Bids Exceed the Amount of the Construction Budget

If all bids received are over-budget the grantee has three alternatives for next steps:

1. Provide the additional funds needed to pay for the contract from local funds. (May require a resolution for the commitment of additional local funds.)
2. Rebid the project.
3. Alter the project as follows:
 - a. Consult with the project engineer and decide which items would be feasible to eliminate from the construction bid specifications.
 - b. Submit a letter detailing all requested changes in the bid specifications to TNECD for approval.
 - c. After receiving written approval of these changes, contact all bidders who submitted bids for the initial bidding by certified mail and request that they resubmit sealed bids without the removed items over the amount of the construction budget, communities have

NOTE: *Changes to bid specifications must not change the project's scope.*

NOTE: *Bidders must be informed that they have the right to change the unit price of any of the line items in their original bid, as long as they conform to the revised bid specifications.*

Award the contract to the bidder submitting the lowest bid that conforms to the revised bid specifications (i.e., the original bid specifications less the deleted items).

If all bids received in the second bidding are still greater than the amount of the budget, grantees should repeat any of these three alternatives or decide that the project, as originally submitted in the application, cannot be performed for the amount of money budgeted and return the grant funds to the State.

G.5 COMPETITIVE NEGOTIATION

Competitive negotiation must be used for professional service contracts and may be used if no acceptable bids have been received after formal advertising (Contact TNECD for permission before this occurs).

G.5.a Professional Service Procurement

This section applies to all professional service contracts paid in whole or in part with CDBG funds.

Common professional services that are used for CDBG projects include administration, housing rehabilitation inspection/management, relocation management, engineering, land surveying, architectural work, auditing, and legal counseling. If CDBG funds are not used for such services, this section will not apply.

NOTE: *Professional service procurement procedures must be performed prior to the performance of any work by the professional service contractor. If professional service procurement procedures are not performed correctly, fees for professional services must be paid with local funds.*

However, procurement procedures do not have to be performed prior to the submission of the grant application if professional services are unnecessary in order to submit the grant application.

Example: If a preliminary engineering report is to be a part of the application, the procurement procedures for the engineering services must be performed prior to selection of the engineer who then prepares the preliminary engineering report. Costs of application preparation are not CDBG eligible.

Prior to the performance of any professional services, a written request for statements of qualifications must be sent to at least three firms that offer the type of service the community wishes to procure. Copies of these letters must be on file. Advertising for statements of qualifications is not required. The contract must be awarded solely on the basis of qualifications, not price.

NOTE: *If the community chooses to use the local development district for administration of the grant, the issuance of requests for statements of qualifications is not required.*

G.5.b Requests for Proposals

Requests for proposals are used when advertising is not feasible because the products or services procured are of a specialized nature or when, after advertising, no acceptable bids have been received. Approval by the State is required prior to procurement by the use of requests for proposals.

G.5.c Suggested Professional Service Contractor Evaluation Process

Once the requested statements of qualifications or proposals are received, the review process begins. The process should be thorough, uniform and well-documented. The preferred method is a review conducted by a committee of at least three people who have technical knowledge of the type of project being considered. However, these reviewers should have no potential conflicts of interest with any of the firms or individuals under review. Some criteria to consider include:

- Specialized experience or technical expertise of the firm and its personnel in connection with the type of services to be provided and with the complexity of the project.
- Past performance on contracts with the community and other clients, including quality of work, timeliness, and cost control.
- Capacity of firm to perform the work within time limitations, taking into consideration the current and planned workload of the firm.
- Familiarity of the firm with the type of problems applicable to the project.

Communities may also wish to establish an evaluation consideration for local firms if familiarity with local conditions is an important element for a successful project. The relative importance of these factors can be predetermined by assigning values to each (e.g., specialized experience may be assigned 40 points out of a total possible 100 points).

G.5.d Required Contract Conditions for Professional Service

A contract must be drafted with terms and conditions for all professional services contracts, including:

- Executive Order 11246 clause (7 paragraphs if contract above \$10,000, or 3 paragraphs Equal Opportunity provisions if \$10,000 or under).
- Contractor's Certification regarding Equal Employment Opportunity.
- Title VI clause pertaining to the Civil Rights Act of 1964.
- Access to Records/Maintenance of Records statement.
- Conflict of Interest clause.
- Section 3 statement (written plan if contract over \$10,000) pertaining to the Housing and Urban Development Act of 1968, as amended.
- Section 109 clause pertaining to the Housing and Community Development Act of 1974, as amended.

G.5.e Required Documentation for the Professional Service Contract File

Grantees should establish a contract file and monitor the contract to assure that it is completed in a satisfactory and timely manner. The contract file must contain:

- a copy of the professional service contract;
- a list of the firms to which the request for statements of qualification was sent;
- the actual statements of qualifications received;
- a written statement explaining why/how the winner was selected.

G.6 NON-COMPETITIVE NEGOTIATION

Non-competitive negotiation may be used when the award of a contract is not feasible under small purchase, competitive bidding or competitive negotiation procedures. This may be due to single source availability or inadequate competition, determined after solicitation of several sources. Approval by TNECD is required prior to procurement by non-competitive negotiation.

G.7 PREPARATION OF A BID PACKAGE

G.8.a Initial Bid Package Preparation Considerations

The grantee should closely monitor the preparation of the bid contract documents to ensure that all necessary requirements have been met in order to avoid delays in the project.

G.8.b Wage Rate Determination

Any contract for a prime contract that exceeds \$2,000 and uses CDBG dollars for construction, is subject to the Davis–Bacon Act of 1931. This includes projects for alteration and/or repairs, and those projects must pay wage rates, fringe benefits and payments, as determined by the Davis-Bacon Act.

Without the correct wage decision in the bid contract document, the grantee will not be permitted to advertise for bids. Plan ahead and send the request in early enough for proper processing. Only classifications listed on the wage decision may be used.

NOTE: *Classifications not listed must be added by the additional classification process after contract award.*

The correct wage determination must be downloaded from the SAM.gov website at <https://beta.sam.gov/search?index=wd>. Determine the correct category of construction.

NOTE: *Multiple categories of construction might rarely apply in the event that 20% or more of total construction fall under separate categories (example, building vs. heavy)*

G.9 BIDDING PROCEDURE

Once bid documents have been approved, all activities involved in the bid process may proceed. Check to assure that the following items have been appropriately covered.

G.9.a Advertising for Bids

- Solicit bids by public advertising as required by federal procurement regulations.
- Advertise at least once, 14 days prior to bid opening. Local procurement regulations must be followed if more restrictive. If a project is jointly funded, the more restrictive regulations apply.
- Note the wage rate, Section 3, and Equal Opportunity provisions in the advertisement.
- Contact minority and female contractors in the area directly by telephone or mail and document those efforts. Refer to the Equal Opportunity section of the manual and use the Minority Business Directory as a guide.
- All addenda must be sent to TNECD All contractors receiving bid documents when a revision is required prior to bid opening. This addendum must be communicated to all prospective bidders not later than 48 hours prior to the date fixed for the opening of bids.
- Call or e-mail TNECD 10 days before the bid opening. The wage decision must be verified 10 days before the bid opening and a memorandum of this verification must be maintained in the file. In the event the wage decision has been modified, an addendum must be sent to TNECD for approval prior to the bid opening as well as meet the required addendum deadline.

G.9.b Bid Opening

The bid opening is to be conducted in a business-like manner on the date scheduled.

- Requirements of the Tennessee Contractors Licensing Act of 1994 should be followed concerning information on the outside of the contractor’s bid submittal envelope.
- Bids must remain sealed until the opening.
- Log time and date of receipt, name of offeror and procurement number on each bid received.
- Keep minutes of the meeting. Read the bids aloud and determine the apparent low bidder.

G.9.c The Bid Award

After the bid opening, the proper local government officials and their consultant should review the bids. The review of all bids should include analysis of both technical and legal responsiveness. If a grantee feels it must award the contract to someone other than the lowest bidder, contact the TNECD project representative and advise him/her of the problems or questions. A letter from the project engineer and with the justification for not accepting the lowest bidder must be submitted to TNECD for a approval with the recommendation for award. A letter from the community official must accompany a formal recommendation for award and indicating that the approval of the bid was made pursuant to local procurement policy.

NOTE: *If your local procurement policy indicates a governing body must vote on and approve the low/winning bidder, the letter with the recommendation for award must account for this process.*

Upon the determining the proposed awarded bidder, the grantee should do the following:

- Evaluate of the bidder and their capacity to perform the services required.
- Send the detailed bid tabulations from all of the bidders along with the Recommendation for Award, all necessary and required certifications and affidavits, the newspaper bid advertisement and the minutes from the bid opening to TNECD for review and approval within two weeks of opening bids.
- If any addenda are applicable to the project, documentation must also be submitted to TNECD indicating such addenda were issued to potential bidders within the required timeframe as prescribed Tennessee State law.
- Verification of contractor eligibility will be mailed or e-mailed upon receipt of the bid tabs. This assures that the contractor is not on the Lists of Parties Excluded from Federal Procurement or Non-Procurement Programs.
- Award the contract, after TNECD approval, within 60 days of the bid opening, or reject all bids. Enough money must be available in the construction budget to cover the bids in order to award the contract, or a resolution of commitment of additional funds must be submitted.
- Send the Notice of Contract Award and Pre-Construction Conference (Exhibit H-1) to the appropriate TNECD representative at least ten (10) days prior to the conference.

NOTE: *If a community has questions about the definitions of our processes for scope changes and change orders, see the introduction and finance chapters of this manual.*

NOTE: *A contract shall not be awarded without TNECD approval.*

**CHAPTER H:
PRE-CONSTRUCTION &
CONSTRUCTION ACTIVITIES**

H.1 PRE-CONSTRUCTION ACTIVITIES

Once the contract has been awarded, several activities to be performed before construction can begin.

H.1.a Certifications and Assurances

Ensure that all Equal Opportunity Certifications, Section 3 Certifications, Certification of Bidder Regarding Debarment, Suspension, Ineligibility and Voluntary be completed. These completed forms should have been included with the bid package for TNECD approval for the prime contractor. These forms should remain bound in the contract document upon completion and kept in the grantee's file. The prime contractors should be made aware that all subcontractors must complete the Equal Opportunity Certifications and Section 3 Certifications also.

All bonding and insurance provisions must be met as required in the contract. These documents should be attached to the contract document and submitted to TNECD with the bid tabs.

H.1.b The Pre-Construction Conference

A pre-construction conference should be conducted with the prime contractor and all available subcontractors and lower-tier contractors in attendance. In addition, the individual responsible for preparing the payrolls should be encouraged to attend. Close attention should be paid to issues and questions involving labor and payrolls. Keep an accurate record of all items discussed at the meeting.

Cover all labor and payroll issues as shown:

1. Explain to the contractors their responsibilities with respect to labor standards and equal opportunity requirements, as well as the technical job requirements.
2. Explain that each contractor and subcontractor must submit weekly payrolls and statements of compliance signed by an office of the company. The prime contractor is responsible for securing payrolls and statements of compliance from all subcontractors.
3. Any change to the contract after the fact between the grant recipient and the contractor will require following the formal contract addendum process.
4. Explain wages paid must conform to or exceed the wage rate decision included in the contract.
5. For all Davis Bacon Requirements to be discussed at the Pre-construction conference, see the Labor Chapter.

H.1.c. Notices

The following are required documents for compliance during this phase of the project:

- The “Notice of Contract award and Pre-Construction Conference” (Exhibit H-1) must be submitted to TNECD at least 10 days prior to the pre-construction conference being held. If less than 10 days is needed, a waiver must be requested to TNECD. TNECD will send a letter indicating what must be covered during the pre-construction conference.
- Prepare the “Pre-Construction Conference Report” (Exhibit H-2). This report is to be signed by the prime contractor as proof that he/she attended the pre-construction conference and all items documented in the minutes were covered at the meeting. This is to be kept in the monitoring file.
- “Notice to Proceed” (Exhibit H-4) authorizes the contractor to begin work on a designated date. Send a copy to the contractor. Retain a copy of the city/county files signed by the contractor indicating that he/she was properly notified.

- Notice of Start of Construction (Exhibit H-5) informs TNECD that construction will begin on a designated date and how many working days are allowed. Send a copy to TNECD before construction begins.
- Contractor/Subcontractor Activity Report (Exhibit H-3) will be sent to the grantee once TNECD receives the Notice of Contract Award and Pre-Construction Conference. This form must be completed for all prime contractors and subcontractors for the project as well as for engineers and private administrators. If additional contractors are added to the project, an additional report must be made and submitted for our records.

H.2 CONSTRUCTION

H.2.a Scope Changes

Projects are approved based upon the information in the application; therefore, changes in the scope of the project must be approved by TNECD before any work is done.

A scope change is defined as anything that expands or alters the original design, intent, cost, or area of service of a project. Additionally, if the combined change orders for the project total 25% or more of the cost of construction, the result will be a scope change, and the project or additional work may have to be rebid.

A formal, written request from the grantee must be submitted to TNECD for all scope changes. The request should include a map showing the change, a summary of the households to be served, including LMI households, a cost estimate with justification from the engineer explaining why the change is necessary, and information detailing how the changes will be funded. TNECD will review the request, and if it determines the changed project would have been funded under the application criteria, the change will likely be approved.

NOTE: *Grantees must never proceed with the requested changes until written approval from TNECD is received. Scope changes may require an additional environmental review or an addendum to the environmental review as well as the possibility of a contract amendment.*

When communities request a scope change, the contract should be referenced to see if an amendment is required. If required, work cannot begin until the amendment is approved. Major reductions in the scope of the proposed work can result in adverse State action (i.e. grant reduction or termination or a finding of ineligibility for subsequent funding).

H.2.b Change Orders

Change orders are alterations from previously approved documents that require a modification (an increase or decrease) in project cost, engineering charges, quantity, or schedule. For example, if the number of linear feet installed on a water line is greater or less than bid, a change order is required to adjust the quantities.

- Change orders should be used sparingly and only when necessary.
- The project must remain within the contracted amount or additional non-CDBG funds should be allocated to the project.

Change orders with justification for the needed change by the engineer must be submitted to TNECD for approval. TNECD prefers that change orders be submitted by the grant administrator but will accept them from the grantee or engineer. If submitted by the grantee or engineer, ensure the administrator aware of the changes being requested and the documentation presented. Approval must be granted by TNECD prior to work being done. A budget revision must be submitted to the TNECD fiscal office after the change order is approved. If a change order results in a scope change, the required scope change documentation must be submitted with the change order documentation.

Final adjusting change orders are submitted near the completion of a project to reconcile final quantities installed. If the quantities are not significant changes and there are no new items, this change order does not need to be approved by TNECD before the work is completed.

If a grantee plans to request payment before completion of a project, a change order approving any increase in installed quantities must be approved or the request cannot be paid. Change orders that require more than one funding agency's approval must be approved by all agencies before the work can begin. It is important to remember that if CDBG funds are any part of a project, then the CDBG rules and regulations apply to the entire project. Therefore, change orders for any part of a project, even a part not funded by CDBG must be approved by TNECD.

H.2.d Force Account Work

Force account labor occurs when municipal or county employees are used to complete construction work rather than the work being completed by a contractor. For force account labor to be approved, the municipality must own the equipment and the municipality's forces must do the work. For information and details on using force account labor refer to "Chapter I: Labor".

NOTE: *In order to perform force account work, the grant recipient must own the equipment, use city or county forces, and obtain State approval by submitting the following information:*

The following is required for justifying the use of force account labor:

1. Names and engineering qualifications of personnel performing the work and their capabilities for design, supervision, planning, inspection, testing, etc. as applicable.
2. Details of experience with projects of like or similar nature.
3. Information on workload (as it may affect capacity to do the work within timeframe or work scheduled).
4. Justification for doing the work by force account rather than by contract.
5. A complete breakdown showing:
 - a. the number of work hours and cost per hour for each category of labor, and
 - b. a list of non-salary costs such as materials, supplies, equipment, etc.
6. Certification from the above-mentioned personnel's supervisor that they are full time city/county employees and have not been hired just for this project.
7. Certification that the equipment to be used is owned by the county/city and is not rental equipment.
8. Project Engineer certification of force account utilization. (signature on force account request).

H.3 CONSTRUCTION COMPLETION

Prior to closeout, inspection and acceptance of the work of construction and making the final payment is required including involving the completion of the following tasks:

- A certification of completion of work and a request for final payment should be submitted by the contractor to the grant recipient’s engineer/architect.
- A final inspection should be arranged.
- A final inspection report should be submitted by the architect/engineer to the grant recipient.
- All labor compliance activities must be completed, including:
 - Viewing all weekly payrolls and statements of compliance;
 - Resolving all interview discrepancies;
 - Satisfying all equal opportunity requirements;
 - Receiving all contractor/subcontractor certifications;
 - Resolving all monitoring findings;
 - Resolving all claims and disputes involving the contractor;
 - Completing all files and filing as-built plans.

H.4 PRE-CONSTRUCTION & CONSTRUCTION EXHIBIT LIST

- H-1 Contract and Subcontract Activity Report (HUD-2516)
- H-2 Notice of Contract Award and Pre-Construction Conference
- H-3 Pre-Construction Report
- H-4 Notice to Proceed
- H-5 Notice of Start of Construction

CHAPTER I: LABOR COMPLIANCE

I.1 GLOSSARY

APPRENTICES

Apprentices may be paid less than the pre-determined rate for the particular job classification that they are employed under if: 1) those apprentices are individually registered in an apprenticeship program that is registered with the U. S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training, or with a State Apprenticeship Agency recognized by the Bureau, or 2) if a person is employed in their first 90 days of probationary employment as an apprentice who has been certified by the Bureau of Apprenticeship and Training or a State Apprenticeship Agency. The allowable ratio of apprentices to journeymen in any classification shall not be greater than the ratio permitted to the contractor for the entire work force under the registered program. (Usually this is a 3:1 apprentice to journeyman ratio.) The ratio can depend on the contract and is determined on a daily basis (not weekly). Documentation must be provided to support the apprentice status such as documentation from the registered apprenticeship program. This documentation must be on file at the time of monitoring by TNECD. *See, 29 C.F.R. § 5.5(a)(4)(i) for additional guidance.*

BID CONTRACT DOCUMENT

TNECD will only accept the Bid Document contained in our training manual for submission with Plans and Specifications to our office. When other agencies' funds are included, the other agency forms must be completed and submitted along with TNECD's. Wage rates must be included in the document upon submission. Only a complete set of Plans and Specifications will be accepted for review; this includes the Status of Land Acquisition form (Exhibit C-3) and, where applicable, the Certification of Compliance with Minimum Standards for Accessibility by the Physically Handicapped forms (Exhibit C-2).

CONFORMANCE

This is the procedure for establishing a Davis-Bacon enforceable wage and benefit rate for missing job classifications. (Contractors are responsible for determining the appropriate crafts necessary to perform the contract work. If a classification considered necessary for performance of the work is missing from the WD, the contractor must initiate a request for approval for a proposed wage and benefit rate. *See, 29 C.F.R. § 5.5(a)(ii)* sets the criteria that must be met to obtain a rate for an unlisted classification.)

CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (CWHSS)

All laborers and mechanics that work over forty hours per week are to be paid one and one-half times their basic rate of pay. Contractors in violation of this act will be liable to the United States for a penalty of \$25.00 per day per employee as well as to any affected employee for unpaid wages. *See, 24 C.F.R. § 5.8.*

COPELAND ANTI-KICKBACK ACT

The Copeland Act (Anti-Kickback Act) provides that no deduction or rebate on any account will be taken from an employee's pay, except deductions permitted by law, unless this deduction is authorized in writing by the employee.

DAVIS-BACON ACT

Any contract over \$2,000 that uses CDBG dollars for construction, alteration and/or repair of public buildings or public works must pay the wage rates, fringe benefits and payments without deductions or rebates as determined by the Davis-Bacon Act to all laborers and mechanics working on the project. Davis-Bacon applies to all subcontracts or lower-tier contracts under a prime contract that exceeds \$2,000 regardless of the amount of the subcontract or lower-tier contract.

NOTE: *This Act does not apply to the construction or rehabilitation of residential projects of fewer than 8 units or to force account work.*

DAVIS-BACON WAGE CATEGORY

Davis-Bacon wage rates are divided into five categories: Building, Heavy, Residential, Construction and Highway. The U.S. Department of Labor provides guidance on these categories here: <https://www.dol.gov/whd/recovery/pwrp/Tab6.pdf>. According to the Department of Labor, the Building category applies to the construction of sheltered enclosures, the installation of utilities and the installation of equipment associated with that building. The Highway category applies to the construction or alteration of roads, highways, etc. not incidental to building or heavy construction. The Heavy Construction category covers projects that are not properly classified as one of the other categories. Residential Construction applies to the construction, alteration, or repair of single- family homes, townhomes, or apartment buildings of no more than four stories in height and only if the property contains no less than 8 units (See https://www.hudexchange.info/resources/documents/Davis-BaconandHOME_TrainingManual.pdf for additional guidance and reference).

EMPLOYEE INTERVIEWS

Employee interviews are to be conducted with sufficient frequency to establish the degree of accuracy of the records. Additional information on employee interview processes is included herein.

FORCE ACCOUNT WORK

Force Account work is the construction, rehabilitation, repair or demolition that is performed by municipal employees.

FRINGE BENEFITS

Fringe benefits are the rate of costs to the contractor or subcontractor for the provision of benefits to laborers and mechanics for:

1. Medical or hospital care;
2. Pensions on retirement or death;
3. Life insurance, disability and sickness insurance, or accident insurance;
4. Vacation and holiday pay;
5. Defraying costs of apprenticeship or other similar programs; and
6. Other bona fide fringe benefits, but only where the contractor or subcontractor is not required by other Federal, State or local law to provide any such benefits.

Fringe benefits can be paid into a bona fide fringe benefits plan or paid as cash to the employees.

HELPERS

This class of workers who can no longer be used on any CDBG funded project. They may be employed if the duties are clearly defined and distinct from other classifications on the wage determination and are part of an established prevailing practice in the area but are not employed in an informal training program. Additionally, only if the above conditions are met and no wage determinations class performs the work (such as a recorder or secretary), may they be employed.

LABORERS AND MECHANICS

Any employees working on a CDBG funded project.

OVERTIME VIOLATIONS AND LIQUIDATED DAMAGES

The prime contractor shall be liable to all employees for any unpaid wages. The prime contractor shall also be liable to the United States government for liquidated damages at the rate of \$25.00 per day for every employee that did not receive time and one-half as necessary under the Contract Work Hours and Safety Standards Act (CWHSSA). Liquidated damages may also be assessed a contractor whose construction time goes past the stated time limit for construction of the project, as stated in the project specifications form (*See, Information for Bidders, Item 9.*)

PAYROLL

Both prime contractors and subcontractors are required to submit payrolls to the grant recipient on a weekly basis. Grant recipients are to promptly review these payrolls against the Wage Rate Determination issued for the project. The grantee should check for proper payment of each classification, overtime payment (if applicable), fringe benefit payment, etc. Any discrepancies or questionable items should be recorded for follow-up. If there are no discrepancies, write "none" in the space provided for remarks. If payrolls are not certified by the owner or an officer of the firm, a letter authorizing the designated person to supervise payment must be submitted with the first payroll. Checking the first payrolls as soon as they are submitted and catching any mistakes can help the contractor avoid continuing to make mistakes throughout the project and having to pay significant amounts in restitution to employees. This also makes for less work for the administrator and TNECD.

PRIME CONTRACTOR

This is the entity to whom the project was awarded as a result of bidding and/or other means by the grant recipient. The prime contractor is responsible for all acts and omissions of his subcontractors and lower-tier contractors. In addition, the prime contractor is responsible for ensuring that the Federal Labor Standards Provisions and the applicable wage decision are included in all subcontracts. Subcontractors are responsible for ensuring that Federal Labor Standards Provisions and the applicable wage decision are inserted in all lower tier contracts.

SITE OF WORK

The site of work includes the physical location of construction called for in the contract, any other site where a significant portion of the building or work is constructed (provided that such a site is established specifically for the contract), and job headquarters, tool yards, batch plants, borrow pits etc. provided they are located adjacent or virtually adjacent to the "site of work" and are dedicated exclusively or nearly so to the performance of the contract or project, unless otherwise excepted.

SUBCONTRACTOR

Subcontractors are contractors hired by and work directly for the prime contractor. The prime contractor is responsible for all subcontractors adhering to CDBG regulations.

TRAINEES

Trainees may be paid less than the pre-determined rate for the particular job classification they are employed under, if the trainee is individually registered in a program which has received prior approval. Such approval would be evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not exceed the percentage allowed by the Employment and Training Administration.

WAGE RATE DETERMINATION

Wage decisions are published for specific characters of work by geographic location, usually a county or group of counties. General wage rate determinations are available on-line at www.wdol.gov .

WORKING FOREMAN

A working foreman is one who devotes more than twenty (20) percent of their time during a work week to mechanic or laborer duties, and who must be paid no less than the applicable wage rate for those hours beyond twenty (20) percent worked. The payroll should contain the normally required information of the person, the trade they are performing, the hours worked, hourly rate of pay, etc.

I.2 LABOR STANDARDS PREFACE

Upon receipt of the Final Notice of Release of Contract Conditions (FNORCC), (release of funds has occurred), the grant recipient may proceed with the steps necessary for compliance with Davis-Bacon labor standards regulations.

This chapter is broken down into five sections which outline the activities that must be undertaken in order to comply with these regulations. The sections are set up to be utilized as checklists enabling the grant administrator to easily ascertain which activities have been completed and which are left to complete.

Two files must be kept. Specifically, a labor standards compliance file and a construction contract compliance file. Checklists of items necessary to complete these files are found in the exhibit section.

Any need for additional wage rate classifications will only occur after the grant award.

I.3 PRE-CONSTRUCTION DAVIS BACON ACTIVITIES

I.3.a Pre-Construction Davis Bacon Considerations

Once the contract has been awarded, there are several activities to be performed before construction can begin. (*See also Bid and Procurement Chapter and the Construction Chapter*).

A pre-construction conference should be conducted with the prime contractor, all available subcontractors, and lower-tier contractors in attendance. In addition, the individual responsible for preparing the payrolls should be encouraged to attend. Close attention should be paid to issues and questions involving labor and payrolls. Keep an accurate record of all items discussed at the meeting.

Cover all labor and payroll issues as shown:

1. Identify classifications that may be needed and are not included in the wage decision. If an additional classification is needed, the grantee shall complete Report of Additional Classification and Rate (HUD-4230A) (Exhibit I-5) and submit to TNECD with justification for the requested rate.
2. Indicate that a copy of the wage rate decision and appropriate labor and equal opportunity posters (Exhibit I-4) must be posted on the job site. All must be accessible and visible to the workers.
3. A project wage rate sheet (Exhibit I-1) should be completed by all contractors, prime and sub, summarizing the wages for each contractor's employee working on the project. This sheet should be updated periodically as new employees work on the project.

4. Explain that apprentice or trainee rates cannot be paid unless the apprentice or training program is certified by DOL's Bureau of Apprenticeship and Training. The telephone number for the Bureau's Nashville Office is (615) 781-5318. If apprentices or trainees are to be used, the contractor must provide the grantee with a copy of the DOL certification of their program. Helpers are not permitted to be used on any CDBG funded project.

NOTE: *Overtime does not require the employer to pay time and a half on the fringe benefit portion of the wage. See, 40 U.S.C. § 3701 et. Seq. and is only applicable to contracts larger than \$100,000. See, 40 U.S.C. §329 (c).*

A waiver of the penalty (liquidated damages) in amounts less than \$500 may be granted by the Regional Labor Relations Officer. Waivers of the penalty in amounts of \$500 or more may be granted by the Headquarters Office of Labor Relations or the U.S. Department of Labor. Waivers can be recommended only if the violations were inadvertent, notwithstanding the exercise of due care. The prime contractor must also demonstrate the exercise of due care in preventing violations by subcontractors.

5. Payroll deductions cannot be made if they are not specifically provided for by law, unless authorization is obtained from the worker. *(For example, an unidentified payroll deduction is a method used by unethical contractors to get their workers to "kick back" a portion of their pay. This is a particularly common problem in times of high unemployment and in areas of minority concentrations. Unspecified payroll deductions should be treated as a serious discrepancy and should be resolved prior to contractor payments.)*
6. Explain debarment proceedings relative to Labor Standards and Equal Opportunity violations and requirements.
7. Correct any deficiencies involving incomplete Equal Opportunity forms, subcontractor certifications, eligibility verification, so that everything is in order, before construction begins.
8. Explain compliance review requirements such as grantee's weekly review of the payrolls and employee interviews as well as the potential for TNECD to audit payrolls, timesheets, and check stubs.

I.4 DAVIS BACON CONSIDERATIONS DURING CONSTRUCTION

After construction has been initiated, several important tasks must be undertaken in order to comply with Davis Bacon labor standards regulations. These activities include: payrolls, employee interviews, and reports. In addition to Davis-Bacon applying to all construction contracts greater than \$2,000, Davis- Bacon also applies only to laborers and mechanics employed "directly at the site of the work."

I.3.a Davis Bacon Exemptions

Bona Fide Business Owners (Exempt Executive): Pursuant to 29 C.F.R. § 541.101, a bona fide business owner who owns at least a bona fide 20-percent equity interest in the enterprise in which he or she is employed, regardless of type, and who is actively engaged in its management as their primary duty, is exempt from the wage requirements of Davis Bacon. The business owner must also direct the work of two or more other employees in the business. In order to establish this exemption the business owner must:

1. Submit weekly certified payrolls with the hours worked, but may omit their own wage rate only.

2. The owner must provide the grantee (which is subject to monitoring by TNECD) with documentation which satisfies the above requirements. Documentation may include, but is not limited to: business incorporation documents, partnership agreements, tax statements, business licenses, notarized statements of interest, human resources statements attesting to management roles, any other documentation which conclusively establishes the employment relationship and economic realities.

NOTE: *If the business owner engages in activities which meet the definition of laborer or mechanic however, this exemption no longer applies (See 29 C.F.R. § 5.2).*

Sole Proprietors: If the business owner is a sole proprietor, the grant recipient must determine if that person is a true bona fide sole proprietor prior to contracting by obtaining the Federal Tax ID number and copy of the business license. A bona fide sole proprietor is exempt from Davis-Bacon entirely and is not required to submit a certified payroll for weeks in which he/she does not employ others in the performance of work on the contract/project. Any other employees brought on by the sole proprietor to perform labor or mechanic work will be subject to Davis-Bacon.

Independent Contractors: All laborers and mechanics classified as independent contractors or “1099 workers” are generally covered by Davis-Bacon and must be paid Davis-Bacon wages and listed on the contractor’s certified payroll record.

Other Commonly Exempt Professions: Lawyers; Teachers; Accountants; Pharmacists; Engineers; Actuaries; Chefs; Certified Athletic Trainers; License funeral directors or embalmers.

I.3.b Payrolls for Non-Exempt Employees (Davis-Bacon Applies)

The proper procedures for submitting and checking payrolls must be closely followed. The failure of contractors to pay wages properly will result in adjustments to an employee's salary and may also result in financial penalties. Therefore, it is important that any discrepancies in payrolls be detected and corrected early. The following should be adhered to closely, with any questions directed to TNECD prior to continuing the project.

- Payrolls and written Statements of Compliance must be submitted weekly to the grant recipient by all contractors. The written statements of compliance must be signed by the owner, and officer, or a designated employee of the firm. If a designated employee is to certify the payrolls, authorization for this individual to supervise payment must be submitted with the first payroll.
- **Check the payrolls for accuracy** as soon as they are submitted (especially with the first few payrolls) on each job classification against the Davis-Bacon wage rates. The prime contractor shall be liable to all employees for any unpaid wages. The individual reviewing the payrolls shall ensure the following:
 1. The dates and days of the week have been entered on the payroll.
 2. Payrolls are sequentially numbered.
 3. Payroll number one (1) carries the contractor’s IRS Employer.
 4. Identification Number in the upper left corner of the front page.
 5. Each employee’s name, complete address, and last four digits of Social Security number are shown on the first payroll on which that employee appears.

6. Worker's classifications are listed on the prevailing wage determination. No substitutions are allowed. Wage classifications must be shown on every payroll. Since workers may perform more than on classification, the contractor must clarify what wages are being paid for each classification.
7. Wage rates paid to workers are equal to or exceed those rates listed on the wage decision for the appropriate classification.
8. For any apprentices or trainees listed, evidence of proper registration must accompany the first payroll upon which they appear.
9. The disposition of all required fringe benefits has been satisfactorily explained on the reverse of the payroll form.
10. Deductions taken are those permitted by law or are authorized in writing by the employee. One blanket statement is sufficient for deductions made on a regular basis.

A sample payroll can be found here: <https://www.dol.gov/whd/forms/wh347.pdf>.

SCENARIO I:

1. TNECD drafts a letter to the contractor to assess liquidated damages (Notice of Assessment). Any appeals will be sent to HUD-Labor Relations through TNECD. The contractor has 60 days to file a request for waiver or reduction.
2. A copy of the Notice of Assessment will be sent with a cover letter to HUD-Labor Relations containing this basic information:
 - a. Name and address(es) of involved contractor (*and subcontractor, if applicable*);
 - b. Company representative(s) present at the pre-construction conference;
 - c. Whether Labor Standards, including overtime provisions included in the contract/subcontract;
 - d. Whether an attempt was made by the contractor/subcontractor to conceal hours or otherwise circumvent law, and contractor's willingness to make restitution (along with promptness).

SCENARIO II:

1. Refer to No. 1 in Scenario I above
2. Refer to No. 2 in Scenario II above.
3. The contractor appeals and requests a waiver through TNECD;
4. TNECD transfers the appeal to HUD-Labor Relations. Deposit agreements will no longer be used for liquidated damage unless TNECD chooses to close the project prior to resolution of the appeal by HUD-Labor Relations.

I.3.c Equipment Installation and Davis Bacon

Installation costs exceeding thirteen (13) percent of the total equipment cost, makes the project subject to Davis-Bacon. If the cost does not exceed thirteen (13) percent and does not require demolition or alterations to the property, then it is not subject to Davis-Bacon.

I.3.d Employee Interviews

The person performing the employee interviews must be knowledgeable of construction trade practices and should understand that labor standards enforcement is an important contract requirement. Interviews should be conducted by the grantee or administrator regularly. No one from the employee's company should be present for the interview. A translator can be present if needed; the employee interview forms are also available in Spanish. As has been previously mentioned, the failure of contractors to comply with labor regulations may result in adjustments to an employee's salary and may also result in financial penalties; therefore, in order to ensure that the employee interviews are conducted properly, it is imperative that the following conditions are met:

1. Check the construction site for the appropriate job safety, equal opportunity and wage rate posters.
2. Conduct employee interviews with sufficient frequency to establish the degree of accuracy of records. These interviews should be representative of all classifications of workers on the project. TNECD generally recommends monthly interviews. However, interviews should be completed more frequently if issues arise.
3. The interview should take place on the job site. In the event that an interview cannot be conducted properly and privately on the job site, the interview can be undertaken at the employee's home, the agency's office, by mail or telephone.
4. Observe the duties of the worker before the interview is initiated to make certain that the employee's job duties correspond to their job classification.
5. Begin the interview by identifying yourself, clearly stating the purpose of the interview (to ensure the worker is being paid fairly), advising the worker that the information given is confidential, and their identity will be disclosed to the employer only with the employee's written permission.
6. Utilize the "Record of Employee Interview" (Exhibit I-3) in recording the employee interview. The interviewer should record what the employee says and pay particular attention to the employee's name, phone number, and permanent mailing address.
 - a. Verify the identification of the employee. One way to do this is to check the employee's driver's license (Note: It is not required for the employee to produce a driver's license or other identification, but it may be requested). The last date and the number of hours the individual worked on that particular project.
 - b. Be clear to the employee that these questions relate to work performed on this project only.
 - c. This information will be used to check against the certified weekly payrolls.
7. Record all wage classifications that the employee worked under on that day. The hourly rate of pay and pay stub. The interviewer should ensure the worker is quoting their gross hourly rate, not the "net" hourly rate. If the worker has a pay stub on hand, request to view it.
8. The worker must be paid at least the minimum required by the Davis-Bacon wage decision. If it appears that the worker is underpaid, the interviewer should question the worker and ask to see any records of payment. A follow-up interview should be scheduled to re-interview the employee.
9. Record all rates of pay if the employee is working under more than one wage classification.
10. It is important that the worker's description of their classification(s) be entered on the form.
11. Duties and tools used.

The above are some of the most important items on the interview form. The worker must be observed before the interview takes place and the actual tools being used for the work should be recorded on the interview form. Observed data is compared with the worker's statements and with payroll records to see if discrepancies exist. If there are discrepancies, further investigation and explanation are necessary.

Ensure the following are included on the interview form:

- Employee signature (to have the employee confirm their responses).
- Any comments by the reviewer should be recorded in the “Remarks” section. This section is also where the desktop review comments should be added. The person completing the desk to preview will examine payrolls from the last day the employee worked and compare job classifications, hours and pay reported in the interview, as compared to the payrolls. If there are no problems or discrepancies with the payroll review, write “review complete” in the “Remarks” section.
- Notate any discrepancies or restitution owed, as well as any remedial actions taken and report those to TNECD.
- The interview form should reflect the exact date on which the employee interview occurred. This will ensure accuracy when comparing the date of the interview against the relevant payroll.

I.3.e Common Errors to Avoid with Davis Bacon:

- Assuming all employees paid a salary are not due overtime
- Improperly applying an exemption
- Failing to pay for all hours an employee is “suffered or permitted” to work
- Limiting the number of hours employees are allowed to record
- Failing to include all pay in calculating regular rate for overtime
- Failing to add all hours worked in separate establishments for the same employee when calculating overtime due
- Making improper deductions from wages that cut into the required minimum wage or overtime (i.e. shortages, drive-offs, damage, tools, uniforms)
- Treating an employee as an independent contractor
- Failing to account for different wage classifications even for fractions of hours on the payrolls
- Confusing Federal and State law

I.4 DAVIS BACON CONSTRUCTION COMPLETION REQUIREMENTS

Inspection and acceptance of the work closeout of construction and making the final payment involve the completion of the following tasks:

- A certification of completion of work and a request for final payment should be submitted by the contractor to the grant recipient’s engineer/architect.
- Publication of Notice of Contract Completion.
- A final inspection should be arranged.
- A final inspection report should be submitted by the architect/engineer to the grant recipient.
- All labor compliance activities must be completed, including:
 - Viewing all weekly payrolls and statements of compliance;
 - Resolving all interview discrepancies;
 - Satisfying all equal opportunity requirements;
 - Receiving all contractor/subcontractor certifications;
 - Resolving all monitoring findings;
 - Resolving all claims and disputes involving the contractor;
 - Completing all files and filing as-built plans.
 - Submit a final Wage compliance Certification to TNECD (at closeout of contract)

I.5 LABOR COMPLIANCE EXHIBIT LIST

- I-1 PROJECT WAGE RATE SHEET
- I-2 AUTHORIZATION TO MAKE OTHER DEDUCTIONS
- I-3 RECORD OF EMPLOYEE INTERVIEW (HUD-11)
- I-4 LABOR POSTERS
- I-5 REPORT OF ADDITIONAL CLASSIFICATION AND RATE (HUD-4230A)

CHAPTER J:

HOUSING REHABILITATION

J.1 HOUSING REHABILITATION OVERVIEW

This chapter is designed to offer guidance in the operation of your housing rehabilitation program. This chapter provides programmatic guidance on the application and program processes, provides reference to federal and state statutory compliance requirements, and provides some sample documents to assist with program administration.

Your community must adopt a set of Policies and Procedures and have them approved by the State. The "sample" guidelines, forms, policies and procedures contained in this manual are intended for general use and to assist you with satisfying State and Federal requirements. You may adapt them to fit your particular needs. Any reference materials, forms, or recommendations are not intended as legal advice. You should seek legal representation if you need legal advice or assistance.

The TNECD wants your housing rehabilitation program to run smoothly and maintain compliance with all federal, state, and programmatic statutes and requirements. If you have any questions, problems, or concerns, please do not hesitate to contact us.

J.2 ELIGIBILITY REQUIREMENTS

A community shall establish eligibility requirements within its program policies and procedures. These requirements must be announced publicly prior to accepting applications. The application process must be fair, impartial and open to public scrutiny. *See, TNECD's Fair Housing and Equal Opportunity Chapter for additional guidance on public hearing requirements and documents.*

In addition to the HUD mandated programmatic eligibility requirements, there are specific eligible and ineligible activities that CDBG housing rehabilitation funds may or may not be used for.

NOTE: *The following list denotes HUD-defined eligible activities and is not a guarantee of funding by TNECD for a particular activity type. Any questions regarding eligible activities or applications should be directed to TNECD.*

J.2.a Program Eligibility Requirements

The following are minimum eligibility requirements when considering grant applications from homeowners (See, 24 C.F.R. § 570.202; See Also, HUD CDBG Chapters 2 & 4):

1. **Income:** The grant program must specify HUD's National Objective requirement that beneficiaries be low and/or moderate-income individuals. TNECD can assist the community in determining the correct income level. A homeowner applicant's income and expenses must be properly calculated to arrive at a gross annual household income. To qualify as low/moderate income, the household receiving the grant funds must be income verified at or below 80% of the County Median Income.
NOTE: *Questions concerning included or excluded income for the purposes of calculating gross household income can be directed to TNECD.*
2. **Ownership:** The community must have proof of ownership by the prospective homeowner applicant indicating clear title to the property and occupation by the applicant for at least one year prior to the date the application was submitted to TNECD.
3. **Owner-Occupied:** Any dwelling to be rehabilitated shall be owner-occupied to be eligible.
NOTE: *Duplexes are allowable for rehabilitation, as long as one household is below 80% of the area median income (See, 24 C.F.R. § 570.208(1)(3)).*

4. Location: The property must be within the approved target area (which will be identified by the community at the time of community's application to TNECD).
5. Property Condition: The property must be in violation of local housing codes with a determination made that the property justifies rehabilitation.

J.2.b Eligible Rehabilitation Activities

The following is a general list of eligible rehabilitation activities. There may be special conditions, limitations, or approvals imposed by the contract between TNECD and a community. This manual is meant to be a general guide and all final determinations should derive from the contract between TNECD or upon approval by TNECD.

1. Existing Code Violations: Existing housing code violations which have been determined by a qualified housing inspector and formalized in an individualized housing report, are allowable rehabilitation costs.
2. Incipient Code Violations: An incipient violation exists if, at the time of inspection, an element in the structure whether due to age, deterioration, wear, or normal usage, will deteriorate within the life the grant period and thus become code violations. These are eligible costs.
3. Permits and Fees: Costs necessary to cover items such as: building permits and related fees required to carry out the proposed rehabilitation work, are eligible costs.
4. Equipment: Rehabilitation funds may provide for the repair or purchase and installation of certain basic equipment necessary for the maintenance of the household in a safe, sanitary and healthy environment. This includes such items as: heating/air conditioning unit (1 per unit), hot water tank (1 per unit), electrical and sanitary fixtures, kitchen stove (1 per unit), refrigerator (1 per unit), cabinets and sinks. Purchase and installation is acceptable if there is no such equipment in the dwelling or if the existing equipment is unsafe, unsanitary or non- functional.
5. Disability-Related Rehabilitation Costs: A community must contact TNECD if it is considering providing new construction or housing rehabilitation services to a disabled individual. The work write-up must be approved by TNED prior to bidding. The community should enlist the assistance of a qualified professional who is familiar and knowledgeable with the type of disability the homeowner has. That professional should demonstrate the expertise necessary to make appropriate, cost-effective, and federally compliant construction/rehabilitation proposals.
6. Energy Conservation: All costs associated with weatherization and energy conservation as determined by the housing inspector or TVA are eligible.
7. Emergency Repair: The repair of certain elements of a housing unit in emergency situations, such as repairs to a roof that is leaking, but the whole house in not rehabilitated, are eligible.
8. Lead-Based Pain Activities: All labor, inspection, testing and material costs related to Title X compliance are eligible.
9. Flood Insurance: The purchase of flood insurance for a period equal to the length of the grant is eligible if the property lies in a floodplain for which the community is participating in the national flood insurance program (See, 42 U.S.§4106(a)).

NOTE: *In all cases the amount of assistance may not exceed either 50% of the before-rehab value of the property, or 50% of the value before flood damage occurred without initiating the 8- step decision-making process found in 24 C.F.R. Part 55, Subpart C. The 8-step process is required for all projects classified as substantial rehabilitation (those exceeding the 50% threshold).*

10. Fire Alarms: All new construction shall include a hard-wired and battery operated smoke detector. All dwellings being rehabilitated shall include a hard-wired smoke detector and must include a battery operated smoke detector.

11. Exterior Painting: Exterior painting is an eligible cost when it is necessary to maintain a watertight exterior to the dwelling. Exterior painting and the addition of siding for cosmetic purposes are not eligible costs.
12. Reconstruction: The rebuilding of a structure on the same site in substantially the same manner without increasing the number of dwelling units is eligible. Any decrease in the number of units on a site may trigger compliance requirements with the “one-for-one replacement of low- income residential structures (See, 24 C.F.R § 42.375). The number of rooms per unit may be increased or decreased. Manufactured housing replacement with a new or standard unit of housing (manufactured or otherwise) is eligible.

NOTE: *Owner-Occupied Mobile Homes: In order to be eligible for replacement of mobile home, the owner must also own the land upon which the mobile home rests. In general, a mobile home owner is eligible for a new mobile home, manufactured home, or stick built home (whichever is most cost effective and reasonable).*

13. Barrier Removal: Costs to remove material and architectural barriers that restrict the mobility and accessibility of elderly and severely disabled persons to buildings and improvements are eligible for rehabilitation. As such, documentary proof will be required in the file to support the claimed disability.
14. Landscaping, Sidewalks, and Driveways: The costs of installation or replacement of landscape materials, sidewalks, and driveways is eligible only when such costs are *incidental* to other rehabilitation of the property.
15. Water and Sewer Costs: Costs of connecting existing residential structures to water distribution lines or local sewer collecting lines, when it is done as part of the rehabilitation of the property. Similarly, installation or replacement of a well-water system or septic waste- disposal system on private residential property is eligible as part of the rehabilitation cost of the dwelling.
16. Safe Rooms: CDBG funds may be used to construct a safe room or stormproof room for use as a tornado-safe shelter in a private home as a rehabilitation activity under 24 C.F.R. § 570.202.
17. Other Eligible Rehabilitation Property Types:
 - a. Manufactured Housing: when such housing constitutes part of the community’s permanent housing stock.
 - b. Single-family residential property which is also used as a place of business (which are required to operate the business) need not be considered rehabilitation of a commercial or industrial building, if the improvements also provide general benefit to the residential occupants of the building.

J.3 INELIGIBLE REHABILITATION ACTIVITIES

In general, rehabilitation grants shall not be used for:

1. New Construction, or the finishing of unfinished space such as attics or basements;
2. Remodeling, cosmetic, or “General Property Improvements”;
3. Creation of a secondary housing unit attached to a primary unit;
4. Renovation of dilapidated out buildings (except for those outbuildings/detached garages posing a Lead-Based Paint hazard;
5. Costs of equipment, furnishings, or other personal property not an integral structural fixture, such as: window air conditioner or washer/dryer;

6. Materials, fixtures, equipment, or landscaping of a type or quality that exceeds that which is customarily used in the locality for properties of the same general type as the property to be rehabilitated or solely for cosmetic purposes.
7. The value of the homeowner's sweat equity to rehabilitate their own property.
8. Installation of luxury items such as a swimming pool or sheds;
9. Purchase installation or repair of furnishings;
10. Rehabilitation work completed, and not submitted for environmental review, but would have otherwise required additional ERR compliance.
11. Payment for previous repairs.
12. Payment for rehabilitation work contracted for, or completed prior to the owner signing agreements with the community.
13. Payment for a labor costs to non-insured persons/contractors, of any non-licensed person/contractor, or any person/contractor that does not submit a bid or otherwise have a contract to perform labor on the property.

NOTE: *Always contact TNECD prior to construction on an activity if there is a question as to the activity's eligibility!*

J.4 HOUSING REHABILITATION PROGRAM PROCESS & GENERAL GUIDELINES

J.4.a Housing Rehabilitation Process

The following steps enumerate the general process for the housing rehabilitation program, although listed in a sequential manner, some steps may occur simultaneously:

1. The community submits a CDBG regular round application to TNECD for their housing rehabilitation project.
2. TNECD reviews, scores, and announces grant awards for housing rehabilitation.
3. Award letters are sent to communities chosen to receive housing rehabilitation grant funds.
4. The community submits the Environmental Review Record.
5. The community develops "Policies and Procedures" and submits them to TNECD for comment and approval.
6. The community adopts by final vote, the Policies and Procedures.
7. The community holds a public meeting to explain the "Policies and Procedures" and operation of the program.
8. Applications are taken from homeowners, income and ownership are verified.
9. The community completes a code inspection and work write-up, and obtains homeowner sign-off.
10. The community prepares a confidential cost estimate.
11. The community develops a priority list based on individual need and dwelling condition, and lists the order in which houses will be rehabilitated.
12. The community holds a pre-bid conference and discusses policies and procedures, code inspections, method of payment, and grievance procedures.
13. The bidders conduct on-site inspections.
14. Bids are received by the community and the contract is awarded to the low bidder. A copy of the contract and escrow request is sent to TNECD.
15. A pre-construction conference is held with the owner and contractor, where the rehabilitation contract is executed and a "Notice to Proceed" is signed.
16. The community makes periodic inspections of the work in progress.

17. A final inspection is conducted by the rehabilitation inspector with the owner and contractor in attendance. A final work write-up is created, if necessary.
18. The contractor's final invoice is submitted.
19. A "Notice of Completion" is executed, advertised, and recorded.
20. The contractor is paid.
21. The program continues until all selected house rehabilitation projects are completed.
22. The community notifies TNECD as the program nears completion.
23. Once complete, TNECD conducts a final monitoring visit.
24. Upon full completion and monitoring, all final invoices are submitted to TNECD.
25. The community follows TNECD's Closeout Chapter protocol including all required forms, supporting documentation, public hearing requirements etc., needed to formally close out the project/grant.

J.4.b General Program Guidelines

Financial Assistance

In the application to TNECD, a community will indicate the type of assistance it proposes to provide to eligible participants. These CDBG housing rehabilitation funds should be granted to eligible participants the community chooses and prioritizes from applications submitted by interested homeowners. All funds applied for by a community, and ultimately awarded to individual homeowners, must be properly aligned with the scope of the grant contract between a community and TNECD. Any changes to the scope must be approved by TNECD before acting upon them.

Escrow Accounts

The Community must set up an escrow account in order to ensure prompt payments to contractors.

Terms and Conditions of Assistance

A community must determine the amount of assistance for which a homeowner is eligible. This should be the amount necessary to bring the dwelling into compliance with appropriate code requirements. TNECD does not recommend the use of a "ceiling" or a fixed sum for housing rehabilitation grant amounts when publicizing the available grants.

Repayment

Grants shall be repaid in whole or in part if the property is sold within five years. Each year the owner remains in the house, part of the owner's obligation is forgiven. Repayment shall be structured based on a 20% reduction of the repayable amount each year for five years. A lien which includes the repayment structure shall be placed against the property and activated if the owner attempts to sell within five years.

In the case of death, ownership should pass to immediate family with repayment being deferred. However, if the heir(s) sell the dwelling within the same 5 year timeframe, the same repayment schedule is followed.

Pre-Application Phase

Prior to submitting an application to TNECD, a public hearing must be held to satisfy public notice requirements prescribed by HUD. Before the public meeting can be held, a public notice must be published in a local paper, at least 10 days prior to the meeting.

NOTE: *A copy of the ad must be submitted to TNECD with the application and retained in the file for future monitoring visits.*

Upon public notice, an invitation to the public hearing should be mailed, e-mailed, or hand delivered to each property owner and/or occupant. The public meeting should clearly explain criteria for homeowner

eligibility, the method of ranking applicants, the roles and responsibilities of the contractor, homeowner and community, and thorough walk-through of the community's adopted policies and procedures.

NOTE: *A list of all public meeting participants and meeting minutes must also be submitted to TNECD with the application and then retained on file.*

Homeowner Participant Application Phase

As described above, once a community has been awarded the grant and completed all required processes prior to grant administration, a community is ready to begin accepting applications from interested homeowners. The prior public meeting will have generated public interest, but additional letters may be sent to remaining project area residents/homeowners to elicit additional interest.

Upon initial contact by a prospective homeowner applicant, a community should briefly outline the program and eligibility requirements to the interested homeowner. If the initial screening reveals a likely eligible homeowner, an interview should be scheduled. The applicants should be asked to produce the following at the interview:

1. Warranty Deed for the property to be rehabilitated
2. Property Insurance Policy
3. Most recent real estate tax receipts
4. If self-employed, the prior year's tax returns and current financial statement
5. If employed, the prior year's tax returns or prior 12 months of wage statements, and /or completed/signed Employer Verification form for all employed members of the household for the previous 12 months.
6. Medical and/or extraordinary living expense records

The community should review the documentation with the applicant and facilitate completion of the family information and an application (Exhibit J-1).

If an applicant is deemed ineligible based on household income, ownership, location, or who occupies the home, the applicant must be notified in writing (utilizing Exhibit J-2 or comparable form).

Initial Inspection Phase

Upon receipt of all required documents, application, income and other eligibility verification, the initial inspection can be scheduled. The initial home inspection is the final component of establishing eligibility as it identifies the work to be undertaken on the home and establishes the basis for evaluating the acceptability of bids. The community's rehabilitation specialist (or otherwise qualified housing code inspector) along with the homeowner shall, conduct the initial inspection. The needed improvements to the property including all existing and potentially incipient code violations must be included in an initial housing inspection report.

The community must evaluate the report advice of the inspector and determine the feasibility of correcting all major code violations under the maximum allowable grant. Applicants whose property is not suitable for rehabilitation should be notified in writing, indicating the reasons, and a copy of such denial placed in the file.

Contract Award, Change Orders, Work Write-Ups, Bids, and Closeout

Contract Award:

Following application approval, a grant agreement shall be signed between the community and the homeowner. This agreement should make clear the terms, amount, and type of grant award. It should include the grant repayment structure in the event of a sale before five (5) years, and detail what eligible activities will be performed using the grant funds. Upon entering into the grant agreement with a community, the homeowner shall enter into a rehabilitation contract with the contractor. The contractor must have provided proof of liability insurance prior to any contracting. Following receipt of satisfactory proof, a pre-construction conference will be held at the applicant's home. A contract shall be provided for the homeowner's and contractor's review and signatures. The procedures to be utilized for inspection, change orders, grievance and closeout should be reviewed with the homeowner and contractor.

NOTE: *As with any contract, each party should understand their rights and obligations. Parties should consider obtaining independent legal counsel to ensure full understanding of their respective rights therein.*

Change Orders:

Change orders are alterations from the original contract that require a modification (an increase or decrease) in project cost, engineering charges, quantity, or schedule. Change orders must stay within the original scope of the project and require a justification of the need for the change. Change orders may be submitted to TNECD by the project administrator, engineer, or community, and they must be approved before any work or activity including the changes is done. If submitted by the engineer, grantees should ensure that the administrator has reviewed and approved the changes. A budget revision must be submitted after the change order is approved. Change orders are only appropriate if:

1. The proposed work or purchase has not been initiated;
2. A previously approved set of specifications is changed;
3. No new items are added that were not on the approved specifications, and
4. The aggregate amount of all change orders does not exceed 25% of the approved budget.

Work Write-Up and Cost Estimate

Properties deemed eligible for rehabilitation by the community are ready to begin the work write-up process and have cost estimates prepared. The work write-up is the detailed analysis of the required housing rehabilitation work needed. The write-ups serve as the construction specifications and therefore; should be specific and complete.

After completion of the write-up, a cost estimate should be made on each item in the write-up. The cost estimate aids the community in evaluating the bid prices. The rehabilitation specialist should review the write-up/cost estimate with the homeowner and ensure the homeowner understands the repairs to be made along with the cost. The homeowner should then sign a statement accepting the repairs listed in the write-up and initial each page. In addition, all documentation regarding all materials, appliances, colors, etc. must be included with the write-up and each item must be initialed by the homeowner. The acceptance of the repairs to be completed at the pre-bid stage will eliminate confusion after construction/repair work begins.

Bid Phase and Construction

The next step in the rehabilitation process is the initiation of the bid phase. Following all appropriate bid processes, awards, and proper pre-construction activities, construction may begin.

Closeout

Upon completion of the Certificate of Final Inspection; the contractor must submit all invoices for materials utilized during construction, along with statements from all subcontractors involved in the project. Additionally, a contractor's final invoice, release of liens, warranty; and a contractor's "Non-Kickback Certification" must be included.

The community should ensure all documents are accurate and include proper signatures and date stamps. Furthermore, attention must be paid to any and all "Lien Waivers" to ensure all suppliers and subcontractors as identified, have released the project from any potential lien action. The homeowner should be supplied a copy of these documents as well. Final payment should then be made by the community to the contractor and a "Receipt of Final Payment" should be obtained (See, Exhibit J-7, or utilize comparable form). Upon acknowledgement of final receipt of payment by the contractor, the community may then proceed with the remaining process for closeout with TNECD.

J.5 LEAD-BASED PAINT

J.5.a Overview

In 1992, Congress enacted the Housing and Community Development Act of 1992. Title X of that Act, the Residential Lead-based Paint Hazard Reduction Act of 1992, is comprehensive lead-poisoning legislation. Title X defines lead-based paint hazards as "any condition that causes exposure to lead from lead-contaminated dust, lead-contaminated soil, or lead-contaminated paint that is deteriorated or present on accessible surfaces, friction surfaces, or impact surfaces that would result in adverse human health effects." Title X established specific requirements for action in federally owned or associated housing that pre-date 1978. Section 1012 and 1013 of Title X are the regulations which set forth specific policies on lead-based paint hazard reduction in federally assisted and federally owned housing. The following provides guidance in following HUD lead-based paint regulations.

J.5.b Useful Lead-Based Paint Definitions

ABATEMENT: Any set of measures designed to permanently (at least twenty years) eliminate lead-based paint or lead-based paint hazards.

CLEARANCE EXAMINATION: An activity conducted following lead-based paint hazard reduction activities to determine that the hazard reduction activities are complete and no soil or settled dust lead hazards exist in the dwelling unit or worksite. The clearance process includes a visual assessment and collection an analysis of environmental samples.

INTERIM CONTROLS: A set of measures designed to temporarily reduce human exposure or likely exposure to lead-based paint hazards. Interim controls include, but are not limited to, repairs, painting, temporary containment, specialized cleaning, clearance, ongoing lead-based maintenance activities, and the establishment and operation of management and resident education programs.

LEAD-BASED PAINT HAZARDS: Any condition that causes exposure to lead from dust-lead hazards, soil-lead hazards, or lead-based paint that is deteriorated or present in chewable surfaces, friction surfaces, or impact surfaces, and that would result in adverse human health effects.

LEAD-BASED PAINT: Lead-based paint means paint or other surface coatings that contain lead equal to or exceeding 1.0 milligram per square centimeter or 0.5 percent by weight or 5,000 parts per million (ppm) by weight.

LEAD-BASED PAINT HAZARD: Any condition that causes exposure to lead from dust-lead hazards, soil-lead hazards, or lead-based paint that is deteriorated or present in chewable surfaces, friction surfaces, or impact surfaces, and that would result in adverse human health effects.

LEAD-BASED PAINT INSPECTION: A surface by surface testing of all painted, shellacked, or varnished surfaces to determine the presence or absence of lead.

PAINT TESTING: The process of determining, by a certified lead-based paint inspector or risk assessor, the presence or the absence of lead-based paint on deteriorated paint surfaces or painted surfaces to be disturbed or replaced.

RISK ASSESSMENT: An on-site investigation must be conducted to determine the existence, nature, severity, and location of lead-based paint hazards; and the provision of a report by the individual or firm conducting the risk assessment explaining the results of the investigation and options for reducing lead-based paint hazards.

SAFeworkPRACTICES: Hazard reduction using approved methods of paint stabilization, occupant protection, specialized cleaning.

STANDARD TREATMENTS: A series of hazard reduction measures designed to reduce all lead-based paint hazards in a dwelling unit without the benefit of a risk assessment or other evaluation.

J.5.c Requirements For Rehabilitation Assistance (Subpart J Of Title X)

Subpart J of Title X deals specifically with rehabilitation. The requirements in regard to lead-based paint are dependent on the cost of the rehabilitation. HUD designates three categories of rehabilitation:

1. property receiving less than or equal to \$5,000,
2. property receiving between \$5,000 and \$25,000, and
3. property receiving more than \$25,000.

Cost of the site preparation, occupant protection, relocation, interim controls, abatement, clearance and waste handling attributed to lead-based paint hazard reduction are not be included when.

J.5.c.i Properties Receiving Less Than Or Equal To \$5.000 Per Unit

1. Provide the household with a copy of the pamphlet "*Protect Your Family From Lead in Your Home.*"
2. Conduct paint testing of surfaces to be disturbed or presume the presence of lead-based paint. If testing shows the absence of lead-based paint, safe work practices and clearance are not required.
3. Implement safe work practices during rehabilitation and repair any disturbed paint.
4. After completion of rehabilitation, conduct clearance testing of the worksite. Clearance is not required if rehabilitation did not disturb painted surfaces greater than the following "de minimis" levels set forth by HUD:
 - a. 20 square feet on exterior surfaces
 - b. 2 square feet in any one interior room or space
 - c. 10% of the total surface area on an interior or exterior type of component with a small surface area, window sills, baseboards, and trim.
5. Notify the household of the results of the clearance testing

J.5.c.ii Properties Receiving Between \$5,000 And \$25,000 Per Unit

1. Provide the household with a copy of the pamphlet *Protect Your Family From Lead in Your Home*.
2. Conduct paint testing of surfaces to be disturbed or presume the presence of lead-based paint. If testing shows the absence of lead-based paint, safe work practices and clearance are not required.
3. Perform a risk assessment in the dwelling unit receiving federal assistance and in associated common areas and exterior painted surfaces before rehabilitation begins. A visual assessment may be made if presuming the present of lead-based paint.
4. Perform interim controls and all lead-based paint hazards identified by the pain testing and risk assessment, as well as lead-based paint hazards created as a result of the rehabilitation work or use Standard treatments.
5. After completion of rehabilitation, conduct clearance testing of the entire unit and common areas, and ongoing lead-based paint maintenance.
6. Notify the households of the results of the clearance testing.

J.5.c.iii Properties Receiving More Than \$25,000 Per Unit

1. If the homeowner rehabilitation cost estimate exceeds \$25,000, call program management to discuss.
2. Provide the household with a copy of the pamphlet: *Protect Your Family from Lead in Your Home*: <https://www.epa.gov/lead/protect-your-family-lead-your-home> .
3. Conduct paint testing of surfaces to be disturbed or presume the presence of lead-based paint.
4. Perform a risk assessment in the dwelling unit receiving federal assistance and in associated common areas and exterior painted surfaces before rehabilitation begins.
5. Abate all lead-based paint hazards identified by the paint testing and risk assessment and as well as lead-based paint hazards created as a result of the rehabilitation work.
6. After completion of rehabilitation, conduct clearance testing of the entire unit and common areas, as well as maintain ongoing lead-based paint maintenance.
7. Notify the household of the clearance testing.

J.5.c.iv Steps and Other Items for Incorporating Lead-Based Procedures into Rehabilitation

Steps to Incorporate Lead-Based Paint Procedures in Housing Rehabilitation:

1. Complete the initial walk through and work write-up.
2. Determine the estimated cost of repairs and the category into which the project falls.
3. Proceed with appropriate paint inspection/risk assessment, or presume the present of lead-based paint.
4. Incorporate measures recommended by the risk assessor, into the work write-up. Determine if relocation is necessary.
5. Put the project out to bid. (The bid sheet should differentiate between rehabilitation work and lead work. The costs of site preparation, occupant protection, relocation, interim controls, abatement, clearance and waste handling attributable to lead-based paint hazard reduction are not to be included in the hard costs of rehabilitation. The two totals will then be added together to arrive at a total bid amount.
6. Relocation of homeowner and furnishings, if applicable.
7. If interim controls or standard treatments are necessary, they must be performed by a person trained in accordance with 29 C.F.R. § 1926.59 (Hazard Communication) and either be supervised by an individual certified as a lead-based paint abatement supervisor or have successfully completed one of the following courses: a lead-based paint abatement supervisor or worker course accredited with 40 C.F.R § 745.225, The Lead-Based Paint Maintenance Program, or The Remodeler's and Renovator's Lead-Based Paint Training Program.
8. After completing work, clearance must be achieved.
9. Move homeowner and belongings back into the home.

Standard Treatment

There is an alternative to a risk assessment and interim controls when a project falls between \$5,000 and \$25,000 where a property owner may elect to bypass the risk assessment and proceed directly to a set of maintenance and repair activities that will eliminate, at least temporarily, any lead-based paint hazard that might be present. This is called “standard treatments.” The presence of lead-based paint can be presumed, followed by the implementation of standard treatments. Standard treatments include:

1. **Paint Stabilization:** All deteriorated paint on exterior and interior surfaces located on the residential property shall be stabilized or abated.
2. **Smooth and cleanable horizontal surfaces:** All horizontal surfaces, such as uncarpeted floors, stairs, window sills and window troughs, that are rough, pitted, or porous, shall be covered with a smooth, cleanable covering or coating, such as metal coil stock, plastic, polyurethane, or linoleum.
3. **Correction of dust-generating conditions:** Conditions causing friction or impact of painted surfaces shall be corrected.
4. **Bare residential soil:** Bare soil shall be treated, unless it is found not to be a soil-lead hazard.
5. **Safe work practices:** All standard treatments shall incorporate the use of safe work practices.
6. **Clearance:** A clearance examination shall be performed at the conclusion of any lead hazard reduction activity.

Qualifications

An individual performing standard treatments must meet the training and/or supervision requirements of 24 C.F.R. § 35.1330(a)(4), trained workers or workers supervised by a certified lead- based abatement supervisor.

Occupant Protection

This section establishes procedures for protecting dwelling unit occupants and the environment from contamination from lead-contaminated or lead-containing materials during hazard reduction activities.

1. Occupants shall not be permitted to enter the worksite during hazard reduction activities until after hazard reduction work has been completed and clearance, if required, has been achieved.
2. Occupants shall be temporarily relocated before and during hazard reduction activities to a suitable, decent, safe, and similarly accessible dwelling unit that does not have lead-based paint hazards, except if:
 - a. Treatment will not disturb lead-based paint, dust-lead hazards, or soil-lead hazards.
 - b. Only the exterior of the dwelling unit is treated, and windows, doors, ventilation intakes, and other opening in or near the worksite are sealed during hazard control work and cleaned afterward, and entry free of dust-lead hazards, soil-lead hazards, and debris is
 - c. Treatment of the interior will be completed within one period of 8 daytime hours, the worksite is contained to prevent the release of leaded dust and debris into other areas, and treatment does not create other safety, health or environmental hazards; or
 - d. Treatment of the interior will be completed within 5 calendar days, the worksite is contained so as to prevent the release of leaded dust and debris into other areas, and treatment does not create other safety, health or environmental hazards, and the worksite and the area within at least 10 feet of the containment area is cleaned to remove any visible dust or debris, and occupants have safe access to sleeping areas, and bathroom and kitchen facilities.
3. The dwelling unit and the worksite shall be secured against unauthorized entry, and occupants’ belongings protected from contamination by dust-lead hazards and debris during hazard reduction activities. Occupants’ belongings in the containment area shall be relocated to a safe and secure area outside the containment area, or covered with all seams and edges taped or otherwise sealed.

Acquisition, Leasing, Support Services or Operation (Subpart K)

The purpose of Subpart K under 24 C.F.R. § 35, is to establish procedures to eliminate as far as practicable, lead-based paint hazards in a pre-1978 residential property that receives federal assistance under certain HUD programs for acquisition, leasing, support services, or operation. Acquisition, leasing, support services, and operation do not include mortgage insurance, sale of federally –owned housing, project-based or tenant-based rental assistance, or assistance to public housing.

In cases where evaluation or hazard reduction (including paint stabilization) is undertaken, each grantee shall provide a notice to residents. A visual assessment is not considered an evaluation for purposes of this part. The grantee shall provide the lead hazard information pamphlet.

If a dwelling unit receives federal assistance under a program covered by this subpart, each grantee shall conduct the following activities for the dwelling unit and all common areas servicing the dwelling unit and the exterior surfaces of the building in which the dwelling unit is located:

1. A visual assessment of all painted surfaces in order to identify deteriorated paint;
2. Paint stabilization of each deteriorated paint surface, before occupancy of a vacant dwelling unit or where a unit is occupied, immediately after the receipt of federal assistance; and
3. The grantee shall incorporate ongoing lead-based paint maintenance activities into regular building operations;
4. The grantee shall provide a notice to occupants describing the results of the clearance examination.

Cost

Costs of paint testing, risk assessments, and clearance testing will be paid as soft costs. There is an acceptable range of costs involving these activities. Please contact your specialist for cost approval prior to contracting for these services.

Expenses incurred conducting lead activities, interim controls, standard treatments, and abatement will not count towards the \$25,000 cap on rehab costs. These costs will count towards the subsidy limit.

Certification

Lead-based pint inspectors, lead-based paint risk assessors, lead-based paint abatement workers, and lead-based paint abatement supervisors must be certified by the Tennessee Department of Environment and Conservation (TDEC).

A listing of these certified lead professionals is available from the TDEC office:

Tennessee Tower
312 Rosa L. Parks Ave
2nd Floor
Nashville, TN 37243 (888) 891-TDEC (8332)

J.6 DEVELOPING PROGRAM POLICIES AND PROCEDURES

A community must formally adopt a set of “Policies and Procedures” for the operation of the CDBG housing rehabilitation program. These will serve as guidelines for day-to-day operations of the program. It is important for citizens, elected officials and program administrators to be involved in the establishment of the policies and procedures.

When creating your program policies and procedures, be sure to address all required topics below. Remember, the policies and procedures must be approved by TNECD before they are formally adopted by the community.

The following are required topics which must be covered by any adopted “Policies and Procedures” for a housing rehabilitation program:

1. Purpose: There must be a stated purpose which sufficiently describes the goals of the program, including National Objective, and what activities will be undertaken to meet those goals and National Objective.
2. Authority: Indicate what legal authority (federal, state and local) that your program is presuming to operate under.
3. Condemnation: During the life of a CDBG program in a target area, a community must ensure no houses will be condemned and no persons will be forced to move permanently.
4. Program Resources: The funding sources available for the program as well as the length of time such funds will be available, must be specified.
5. Regulatory Authority and Forms: There are numerous laws, regulations, compliance certifications and other requirements which local governing bodies, contractors, sub-contractors, vendors, and applicants for rehabilitation assistance are required to abide by.

Requirements include, but are not limited to:

1. Equal Opportunity Provisions (See, 41 C.F.R. § 60.1.5 and Executive Order 11246). Including Documentation of: Documentation of Fair Housing Activity, Copy of Analysis of Impediments, Fair Housing Ordinance copy (if any), Section 3 Questionnaire and summary report, City/county hiring policies, policy of non-discrimination, contract/subcontract activity report, documentation of attempts to solicit participation from minority/female businesses, list of minority/female contractors, bid advertisement for construction, certification of equal employment opportunity, certification regarding debarment/suspension/ineligibility/and voluntary exclusion, subcontractor certification for Equal Employment Opportunity and Section 3.
2. Title VI of Civil Rights Act of 1964 Provisions
3. Section 109 of Housing and Community Development Act of 1974 Provisions
4. Section 3 Compliance Provisions: Section 3 is a provision of the Housing and Urban Development Act of 1968 which requires that programs of direct financial assistance administered by HUD provide, to the greatest extent feasible, opportunities for job training and employment to lower income residents. Further, to the greatest extent feasible, contracts in connection with these projects are to be awarded to Section 3 business concerns.
5. Age Discrimination Act of 1975 Provisions
6. Section 504 Affirmative Action for Handicapped Workers Provisions
7. Lead-based Paint Hazard Provisions (Title X)
8. Public Access to Records/Maintenance of Records Provisions
9. Conflict of Interest Provisions
10. Davis Bacon Wage Laws (if rehabilitating residential structure with at least 8 units or more).
11. Eligibility Requirements: The program policies and procedures should sufficiently define eligibility of the program and fully explain income, ownership status, dwelling location, and application requirements.
12. Prioritization of Applicants: Rehabilitation grants must be awarded to eligible applicants based on priority to those households which demonstrate the greatest need for housing assistance.
13. Rating System: The Community should have a rating system in place to ensure an objective standard by which to prioritize grant applicants.
14. Terms, Conditions and Considerations for Awards: The Community should set forth certain terms, conditions and considerations which are in effect for the program to include: grant

maximum/minimum awards, financial assistance structure, repayment structure for any sale within 5 years of receiving a grant, inspection and monitoring requirements, and other requirements which further national objectives and goals.

15. Grievance Procedure: The Community should establish a grievance procedure to facilitate communication and dispute resolution as a means of resolving homeowner/contractor/community disputes in an effort to avoid litigation where possible.
16. Performance and Contracting: The Community must discuss the criteria for establishing a written contract between the homeowner and community which encompasses the program policies and procedures and all applicable laws and regulations. The homeowner should fully understand, or obtain legal counsel to assist with any construction contracts in order to further ensure programmatic compliance. The contracts between community and homeowner or homeowner and contractor should speak to items such as: interest of public officials, kickbacks and discounts, eligible/ineligible activities, work write-ups, relocation/dilapidated dwellings, housing rehabilitation specifications, property inspections, homeowner consultations, clearly written specifications, insurance requirements, contractor licensure, invitation to bid and selection of successful bidder, and general contract award provisions.
17. Inspection, Closeout and Payment: The community should set forth parameters for inspections, progress of payment and final payment, escrow accounts, notice of completion 10-day requirements, and closeout requirements/procedures.
18. Lead-Based Paint Activities: The community must ensure that all housing rehabilitation activities comply with Title X and establish programmatic processes, policies and procedures which comply with, and further the requirements of Title X.

J.7 HOUSING REHABILITATION EXHIBIT LIST

- J-1 FAMILY SURVEY
- J-2 INELIGIBLE FOR ASSISTANCE
- J-3 WORK WRITE-UP AND COST ESTIMATE
- J-4 APPROVAL OF REHAB ASSISTANCE
- J-5 FINAL INVOICE, RELEASE OF LIENS, AND WARRANTY
- J-6 CERTIFICATION OF COMPLETION/FINAL INSPECTION
- J-7 RECEIPT OF FINAL PAYMENT
- J-8 CONTRACTOR'S DATA FORM
- J-9 CUMULATIVE HOUSING REHABILITATION REPORT
- J-10 LEAD-BASED PAINT QUICK REFERENCE
- J-11 LEAD-BASED PAINT COMPLIANCE CERTIFICATION
- J-12 LEAD-BASED PAINT STATEMENT OF CLEARANCE
- J-13 CERTIFICATE OF ESCROW ACCOUNT
- J-14 REHABILITATION FILE CHECKLIST
- J-15 INDIVIDUAL CASE FILE CHECKLIST

CHAPTER K:
ADMINISTRATION AND
PROJECT MANAGEMENT

K.1 OPEN COMMUNICATION

The overall management and administration of the CDBG project essential to the timely progress and expenditure of grant funds. Open and frequent communication between the project representative and project administrator is one of the most important aspects. A clear line of communication best allows the project representative to understand the unique nuances each sub-recipient encounters, and will allow for issues, if they should arise, to be resolved expeditiously. The monthly reports are a good base-line, however, our office encourages frequent communication with project administrators.

K.2 MONITORING

All CDBG funded projects will receive at least one on-site monitoring over the course of the grant. The TNECD monitoring plan states that CDBG project will be monitored at least once every three years. The length of each grant contract is three years; if a contract extension is grant, the project will be monitored again. Additional monitoring may take place on-site or TNECD may request documentation for a desk review.

Typically, monitoring occurs when construction has reached the 50% threshold or when equipment is delivered. It is imperative that the project administrator maintain a hard-copy of all documentation generated over the course of the project, including but not limited to ERR, plans and specifications, bidding and procurement acquisition, etc. These documents must be presented, and accessible to TNECD staff during monitoring visits.

Administrators must indicate on the status reports that a project needs to be monitored. These benchmarks, especially for construction, are not set in stone, and at times you may need to use some of your own discretion and intuition to help determine when monitoring needs to occur. In this instance, contact the project representative to determine the appropriate course of action. Here are some example scenarios:

- The project is well below 50% complete, and the admin has requested monitoring. This may be due to a short length of construction, or the contractor is moving quickly. In any event, the administrator should follow-up with the project representative to determine that scheduling monitoring is correct.
- The project is well below 50% complete, and the admin has not requested monitoring, but recognizes the project has a short length of construction, or the contractor is moving quickly. The admin should contact the project representative to determine if monitoring should be scheduled.
- The project has multiple contracts and the overall construction is below 50%, but one of the contracts is nearing completion or is complete. The administrator should contact the project representative to schedule a desk monitoring for the labor portion of the contract that is almost complete, then follow-up with the onsite monitoring visit at a later date.
- Projects must be monitored every three years. Our contracts are written for three-year periods, and this only becomes an issue if a project has been granted an extension request.

Once the project is monitored, TNECD will follow up with monitoring report letter that will details the areas that were monitored and any findings. Davis-Bacon Act violations concerning underpayments and/or misclassification of labor classifications.

K.3 REPORTING

K.3.a Monthly Status Reports

Each month, from the inception of the project to closeout, the administrator must submit a report (due no later than the 25th of each month), detailing what has occurred, and what will occur during the following month. These reports are crucial to the success of the project and enable a seamless flow of communication between project administrators and TNECD. TNECD understands that projects may be slowed or delayed for various reasons and requests that pertinent information about the causes of these delays, the timeline, and potential solution be included in the monthly report. If a project representative notices that same information has been included on the monthly report for two or months with no movement on project, don't be surprised to receive a phone call or an email asking for additional information.

K.3.b Annual Progress Report

The report is due at the end of each calendar year for all open CDBG projects, per the grant contract requirement. This report takes the place of the monthly status report for December and includes many of the reporting items. However, this report asks that the grantee report on the progress over the course of the past year, not just the last month. Additionally, the grantee will be expected the report of the performance measures that were proposed in the grant application.

K.3.c Contract/Subcontract Activity Report (HUD-2516)

As the direct recipient of HUD funds, TNECD is responsible for submitting several reports. One of these reports is the Semi-Annual Labor Report. This report consists of multiple data points concerning contracts that are awarded throughout the year and other labor-related items. The Contract and Subcontract Activity Report (Form HUD-2516) is how contract information is collected from CDBG subrecipients (city and county grantees) for this report.

Each grantee is required to submit an initial Contract and Subcontract Activity Report after the agreement made with the awarded bidder. This report should contain all contracts and subcontracts related to the grant, including prime and subcontractors, equipment vendors, and professional services, such as administration and engineering. TNECD also requests that an updated form be submitted anytime a new contract or subcontract is added to project. When the TNECD project representative is preparing for the monitoring visit, he/she will request an updated report if the most recent report on file is more than 3 months old.

K-4 BEST PRACTICES

Part of administering a CDBG project effectively and efficiently is paying close attention to detail and addressing issues quickly. Here are some best practices to consider when administering a project:

- Remember that as the administrator, you are acting on behalf of the community. Communicate clearly and often with the other involved parties to make sure everyone is aware of deadlines and benchmarks.
- During the pre-construction conference, take the time to discuss the listed classifications in the applicable wage rate determination, and review with the contract to determine if additional classifications are needed.
- When conducting employee interviews, a good rule of thumb is to interview at least once a month while in construction. For a project that should take 120 days, this means four trips to conduct employee interviews.

- Make sure that all contractors and subcontractors on the project are represented when conducting employee interviews. This doesn't mean that they will also be on-site, but a sample of interviews of the employees of each should be on file when monitoring occurs.
- If a project includes multiple sources of funding, make sure TNECD is aware of the status on the other funds anytime there is a change.
- If a project includes multiple sources of funding, plan early for how the funding sources fit together, coordinate the process, and identify potential bottlenecks.
- Let TNECD help. If you are having issues with a funding partner, or you are having challenges obtaining a permit, etc., don't be afraid to ask TNECD for assistance.

HUD Exchange: Best Practices to Achieve Timely Performance

<https://www.hudexchange.info/news/cdbg-timeliness-and-best-practices-to-achieve-timely-performance/>

CHAPTER L:

GRANT CLOSEOUT

L.1 CLOSEOUT OVERVIEW

Project closeout is the process by which TNECD determines that all applicable administrative actions and required work prescribed by the grant have been completed in accordance with the terms and conditions of the CDBG contract as well as federal and state rules and regulations. The closeout report should provide a detailed summary of the outcome of the grant and should address any concerns or findings that have been resolved since monitoring. The information provided in the closeout report should be an accurate summarization of the records and files that have been maintained throughout the grant term.

The grantee will initiate the closeout procedures once:

- All project costs, except closeout and contingency, to be paid with CDBG funds, have been incurred,
- All work that is to be financed by CDBG funding and/or leveraged funds has been completed,
- All other responsibilities of the grantee outlined in the contract with TNECD have been met.
- The final request for payment from TNECD has been submitted.

A CDBG project includes an entire project that is completed using CDBG funds with or without other funds. A project cannot close out if only the CDBG-funded portion of a project is completed. The entire project must be complete.

All CDBG files must be kept for at least five years from closeout. If any litigation, claim, or audit is started before the end of the five-year period, the records must be kept until the action has been resolved. TNECD, HUD, and other federal or state agencies can complete an audit or monitoring visit after project is closed out. Additionally, TNECD may visit the project or access the files to complete a measurement and verification visit to assess long-term impact and effectiveness of the project.

Multiple closeout packages are available, and the type of activity completed will determine the package that is used. Certain documents will be included in all packages, but other documents may exist only in specific packages. Listed below are all of the documents, the descriptions, and the instructions for completion. Following the list of closeout documents will be the listing of closeout packages along with the documents that are in each.

Regardless of which closeout package is used, all CDBG projects must include a public closeout hearing. An advertisement detailing the date, time, and location of the closeout hearing must be published in a local newspaper no less than fourteen (14) days prior to the closeout public hearing. TNECD requests that a notice also be posted in a public forum and/or online (community's website, social media, etc.).

L.2 CDBG PROJECT CLOSEOUT REPORT

The CDBG Project Closeout Report should be submitted online with all required attachments. The closeout report and supporting documents can be found on TNECD's website: <http://tn.gov/ecd/topic/cdbg-annual-and-final-report>.

Links to the necessary closeout documents for the type various types of CDBG projects are available for download at the end of the online report and as exhibits to this chapter. Upload links are also provided for submission of these documents along with the narrative report.

General project information along with the costs and funding information will be provided in the report. All leveraged funds should be reported including: local funds, in-kind or force account work, other federal funds (such as USDA-RD or ARC funds), etc., and document how much of the CDBG funds were used. The submission date of the final request for payment to TNECD, along with the amount of CDBG funds remaining after project completion and the date the undertaken project was completed, or the purchased equipment was delivered is also required. Any remaining funds will be recovered by TNECD and repurposed for other CDBG eligible activities.

A description of the accomplishments by the grantee comparing the project as proposed with the project as completed will also be given. This comparison is necessary for TNECD to fully understand how CDBG funds were used. For example, simply stating “A new water line extension” as the proposed project will be insufficient. If for any reason the project activity changed or differed from the proposed project in the application, be sure to explain how and why these changes occurred.

This form will also capture the number of beneficiaries (direct and/or indirect). The Low and Moderate Income (LMI) benefit numbers will need to be included to show how many LMI persons benefitted from the project compared to the proposed.

Be sure to fully complete the closeout report with detailed narratives and be sure to contact TNECD with any questions prior to submittal.

L.3 APPLICANT/RECIPIENT DISCLOSURE/UPDATE REPORT (HUD-2880)

This form is a HUD required document that must be completed as part of any closeout procedure. This is the same form that is completed as part of the grant application; however, here the box beside “or an Update Report” will be checked. Part I should not be completed again for an “Update Report”.

TNECD requests that Part II and III be completed for closeout. Detailed instructions for completion of the document follow the form itself. Take care to thoroughly read these instructions and complete the form as instructed.

L.4 SECTION 3 SUMMARY REPORT (HUD-60002)

Like the HUD-2880 form, this form is also a HUD required document that must be completed to account for the number of economic opportunities available to LMI persons as a result of the CDBG grant. Additionally, similar to the HUD-2880 form, specific directions for completion accompany this document. One item that does need close attention is “2. Federal Identification: (grant number)”. For this item TNECD requests the HUD number followed by the state contract number in parenthesis. An example of this would be: B-18-DC-47-0001 (contract number here).

L.5 CLOSEOUT PUBLIC HEARING SIGN IN SHEET

The sign-in sheet should be used for the mandatory public hearing as part of the grant closeout process. The form asks for five pieces of information beginning with the attendee’s name. The form should be completed in its entirety by all attendees. Additionally, the newspaper advertisement concerning the closeout public hearing, along with the minutes from the public hearing, should accompany this document.

L.6 FINAL WAGE COMPLIANCE: LABOR STANDARDS ENFORCEMENT REPORT

This report will be included in closeout packages where the activity included construction activities. This report will verify all wages were paid in accordance with labor standards and according to the Davis- Bacon and related acts. Section I of the document contains five questions:

1. Project Name
2. Contract Number (CDBG contract number)
3. Prime Contractor Name and Address
4. Prime Contract Amount
5. Wage Decision Number (also any subsequent wage decision numbers used)

Section II contains five questions that will help determine whether or not workers were paid in compliance with labor standards. The answers to the questions on the report will determine whether additional information is needed. Please be sure to carefully read the instructions following the questions for guidance. Once all questions have been answered, the preparer must sign and date the document.

L.7 PERFORMANCE MEASURES

The closeout report contains a section for the grantee to list the agreed upon performance measures to exhibit the success of the project. These measures come in the form of the outputs and outcomes presented by the grantee in the initial grant application. Each performance measure has a field for the proposed output or outcome and the actual output or outcome upon completion of the project. A box is also provided below the measures for the grantee to provide explanation to why the measures as proposed and as completed may vary. Slight variations are expected, but grantees should take care the thoroughly explains any large discrepancies.

In addition to the performance measures, grantees are also required to list the number of beneficiaries proposed to be served in the application and the number of beneficiaries upon completion of the project. Grantees should also provide explanation to changes in these numbers. This explanation is especially important for direct beneficiary projects.

L.8 ADDITIONAL INFORMATION FOR EQUIPMENT PROJECTS

CDBG projects that include purchase of equipment are required to complete some additional questions about the equipment purchased. For all items classified as a capital purchase (individual item purchases of \$5,000 or more), the following information is requested:

- A description of the equipment (include any brands, makes, and/or model numbers)
- The VIN or Serial Number of the equipment
- The permanent location (street address) where the equipment will be stored
- A checkbox indicating a copy of the proof of ownership is included

L.9 LINE EXTENSION BENEFICIARIES FORM

This form will be used for water and sewer line projects and is similar to the Map Survey forms from the application. For this document the names, addresses and family size for all beneficiaries will be completed on the form. There are three installation questions which should be answered carefully. Be sure to include any supporting documentation with the closeout report. Examples of supporting documentation might include, for example, the completed/updated Map Survey Form with a bill for the tap installation as proof. Lastly, demographic information will need to be completed to account for any minority, disabled, elderly persons or female heads of household who are benefitting from the project. The LMI status for each household will need to be collected as well.

L.10 PERFORMANCE MEASURES FOR HOUSING PROJECTS

Performance measures for housing projects are the only measures that are not fully captured in the online reporting form, due to the need for capturing of more demographic information that is required for other CDBG projects. This form captures the general objectives and outcomes of the project along with data to measure the performance of housing projects. Be sure to fully complete the demographics portion of the form regarding the beneficiaries including: race/ethnicity, minority persons, female head of household, elderly persons, and disabled persons. This document portion closely resembles the demographic categories in the Target Area Surveys that are used in the application.

L.11 HOUSEHOLD INCOME VERIFICATION FORM

This document will be used for housing projects only and is designed to collect information for the households benefitting from a CDBG housing project. This form is an alternative to the Target Area Survey form submitted in the application; either document may be used. The document should be completed by the head of household only. The name, age, address, and gender for the head of household will need to be collected. Also, the number of persons in the household, along with the race of each person will need to be included. Other demographic information such as the number disabled persons, dependents, and elderly persons should be included as well. Lastly, the total annual household income and the project year should be included, with the date and resident signature certifying all the information is true.

L.12 CLOSEOUT EXHIBIT LIST

- L-1 APPLICANT/RECIPIENT DISCLOSURE/UPDATE (HUD-2880)
- L-2 SECTION 3 SUMMARY REPORT (HUD-60002)
- L-3 CLOSEOUT PUBLIC HEARING SIGN IN SHEET
- L-4 FINAL WAGE COMPLIANCE: LABOR STANDARDS ENFORCEMENT REPORT
- L-5 LINE EXTENSION BENEFICIARIES SUMMARY
- L-6 HOUSEHOLD INCOME VERIFICATION FORM
- L-7 PERFORMANCE MEASURES FOR HOUSING PROJECTS

<u>SIGNATURE AUTHORIZATION FORM</u>
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Authorized Signatures For Requests for Payment on CDBG Account	
Community Name:	Address:
Contract Number (if established):	Phone:
TWO SIGNATURES ARE REQUIRED ON EACH REQUEST FOR PAYMENT SUBMITTED TO THE STATE	
Typed Name and Authorized Signature	Typed Name and Authorized Signature
Typed Name and Authorized Signature	Typed Name and Authorized Signature
I certify that the signatures above are of the individuals authorized to sign Request for Payment.	
Date and Signature of Local Elected Official	

**Community Development Block Grant (CDBG)
INVOICE REQUEST FOR PAYMENT**

Grantee Name	
Edison Address:	0
Edison Location:	0
ECD Speedchart# or Program#:	301141
Edison Contract ID# :	0
ECD Department ID#:	3300405105
Edison Vendor ID#:	0
County:	0
Remit To:	
0	

Invoice Request Number:	
Final Invoice Request? YES or NO	
Date of Invoice:	

Invoice Period:	Beginning	End

Amount of this Request:	0.00
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For ECD Use Only	
Date	CDBG Program Staff

Budget Line-Item	Total Project	Grantee Participation	% Grantee Participation	Grant Budget	% Grant Funds	Amount of Grant Funds Previously Invoiced	Beginning Grant Balance	Amount Requested for Current Invoice Period	Cumulative Amount Invoiced	Ending Grant Balance	Cumulative Percent Invoiced
A Construction	\$0.00	\$0.00	0.00%	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
B Construction Inspection	\$0.00	\$0.00	0.00%	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
C Engineering Design	\$0.00	\$0.00	0.00%	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
D Engineering (other than design)	\$0.00	\$0.00	0.00%	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
E Legal Services	\$0.00	\$0.00	0.00%	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
F Appraisals	\$0.00	\$0.00	0.00%	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
G Acquisition of Property	\$0.00	\$0.00	0.00%	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
H Relocation (payments and assistance to pe	\$0.00	\$0.00	0.00%	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
I Housing Rehabilitation (loans and grants for s	\$0.00	\$0.00	0.00%	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
J Housing Inspection	\$0.00	\$0.00	0.00%	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
K Clearance and Demolition of Structures	\$0.00	\$0.00	0.00%	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
L Professional Fee	\$0.00	\$0.00	0.00%	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
M Tap Fees (for "low and moderate income" b	\$0.00	\$0.00	0.00%	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
N Environmental Review	\$0.00	\$0.00	0.00%	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
O Other Non-Personnel Expenses	\$0.00	\$0.00	0.00%	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
P Project Contingency	\$0.00	\$0.00	0.00%	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total	\$0.00	\$0.00	0.00%	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!

Authorized Signature: _____ Date _____

Authorized Signature: _____ Title: _____ Date _____

**Community Development Block Grant (CDBG)
INVOICE REQUEST FOR PAYMENT**

Grantee Name	
Edison Address:	
Edison Location:	
ECD Speedchart# or Program#:	301141
Edison Contract ID# :	
ECD Department ID#	3300405105
Edison Vendor ID#:	
County:	
Remit To:	

Invoice Request Number:	
Final Invoice Request? YES or NO?	

Date of Invoice:	
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Invoice Period:	Beginning	End

Amount of this Request:	0.00
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Admin Contact Name	
E-mail Address	
Phone number	

Budget Line-Item Payee/Vendor Name	Contractor Invoice Number	Contractor Invoice Date	Total Project Amount Invoiced	Amount of Grantee Participation	Amount Charged to Grant Contract
Construction				0.00%	0.00%
A1				\$0.00	\$0.00
A2				\$0.00	\$0.00
A3				\$0.00	\$0.00
A4				\$0.00	\$0.00
A5				\$0.00	\$0.00
A6				\$0.00	\$0.00
A7				\$0.00	\$0.00
A8				\$0.00	\$0.00
A9				\$0.00	\$0.00
A10				\$0.00	\$0.00
A11				\$0.00	\$0.00
A12				\$0.00	\$0.00
A13				\$0.00	\$0.00
A14				\$0.00	\$0.00
A15				\$0.00	\$0.00
Total Construction			\$0.00	\$0.00	\$0.00
Construction Inspection				0.00%	0.00%
B1				\$0.00	\$0.00
B2				\$0.00	\$0.00
B3				\$0.00	\$0.00
B4				\$0.00	\$0.00
B5				\$0.00	\$0.00
B6				\$0.00	\$0.00
B7				\$0.00	\$0.00
B8				\$0.00	\$0.00
B9				\$0.00	\$0.00
B10				\$0.00	\$0.00
B11				\$0.00	\$0.00
B12				\$0.00	\$0.00
B13				\$0.00	\$0.00
B14				\$0.00	\$0.00
B15				\$0.00	\$0.00
Total Construction Inspection			\$0.00	\$0.00	\$0.00
Engineering Design				0.00%	0.00%
C1				\$0.00	\$0.00
C2				\$0.00	\$0.00
C3				\$0.00	\$0.00
C4				\$0.00	\$0.00
C5				\$0.00	\$0.00
C6				\$0.00	\$0.00
C7				\$0.00	\$0.00
C8				\$0.00	\$0.00
C9				\$0.00	\$0.00
C10				\$0.00	\$0.00
C11				\$0.00	\$0.00
C12				\$0.00	\$0.00
C13				\$0.00	\$0.00
C14				\$0.00	\$0.00
C15				\$0.00	\$0.00
Total Engineering Design			\$0.00	\$0.00	\$0.00

**Community Development Block Grant (CDBG)
INVOICE REQUEST FOR PAYMENT**

Grantee Name	
Edison Address:	
Edison Location:	
ECD Speedchart# or Program#:	301141
Edison Contract ID# :	
ECD Department ID#	3300405105
Edison Vendor ID#:	
County:	
Remit To:	

Invoice Request Number:	
Final Invoice Request? YES or NO?	

Date of Invoice:	
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Invoice Period:	Beginning	End

Amount of this Request:	0.00
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Admin Contact Name	
E-mail Address	
Phone number	

Budget Line-Item Payee/Vendor Name	Contractor Invoice Number	Contractor Invoice Date	Total Project Amount Invoiced	Amount of Grantee Participation	Amount Charged to Grant Contract
Engineering (other than design)					
D1				0.00%	0.00%
D2				\$0.00	\$0.00
D3				\$0.00	\$0.00
D4				\$0.00	\$0.00
D5				\$0.00	\$0.00
D6				\$0.00	\$0.00
D7				\$0.00	\$0.00
D8				\$0.00	\$0.00
D9				\$0.00	\$0.00
D10				\$0.00	\$0.00
D11				\$0.00	\$0.00
D12				\$0.00	\$0.00
D13				\$0.00	\$0.00
D14				\$0.00	\$0.00
D15				\$0.00	\$0.00
Total Engineering (other than design)			\$0.00	\$0.00	\$0.00
Legal Services					
E1				\$0.00	\$0.00
E2				\$0.00	\$0.00
E3				\$0.00	\$0.00
E4				\$0.00	\$0.00
E5				\$0.00	\$0.00
E6				\$0.00	\$0.00
E7				\$0.00	\$0.00
E8				\$0.00	\$0.00
E9				\$0.00	\$0.00
E10				\$0.00	\$0.00
E11				\$0.00	\$0.00
E12				\$0.00	\$0.00
E13				\$0.00	\$0.00
E14				\$0.00	\$0.00
E15				\$0.00	\$0.00
Total Legal Services			\$0.00	\$0.00	\$0.00
Appraisals					
F1				\$0.00	\$0.00
F2				\$0.00	\$0.00
F3				\$0.00	\$0.00
F4				\$0.00	\$0.00
F5				\$0.00	\$0.00
F6				\$0.00	\$0.00
F7				\$0.00	\$0.00
F8				\$0.00	\$0.00
F9				\$0.00	\$0.00
F10				\$0.00	\$0.00
F11				\$0.00	\$0.00
F12				\$0.00	\$0.00
F13				\$0.00	\$0.00
F14				\$0.00	\$0.00
F15				\$0.00	\$0.00
Total Appraisals			\$0.00	\$0.00	\$0.00

**Community Development Block Grant (CDBG)
INVOICE REQUEST FOR PAYMENT**

Grantee Name	
Edison Address:	
Edison Location:	
ECD Speedchart# or Program#:	301141
Edison Contract ID# :	
ECD Department ID#	3300405105
Edison Vendor ID#:	
County:	
Remit To:	

Invoice Request Number:	
Final Invoice Request? YES or NO?	
Date of Invoice:	
Invoice Period:	Beginning
	End
Amount of this Request:	0.00

Admin Contact Name	
E-mail Address	
Phone number	

Budget Line-Item Payee/Vendor Name	Contractor Invoice Number	Contractor Invoice Date	Total Project Amount Invoiced	Amount of Grantee Participation	Amount Charged to Grant Contract
Acquisition of Property					
G1				0.00%	0.00%
G2				\$0.00	\$0.00
G3				\$0.00	\$0.00
G4				\$0.00	\$0.00
G5				\$0.00	\$0.00
G6				\$0.00	\$0.00
G7				\$0.00	\$0.00
G8				\$0.00	\$0.00
G9				\$0.00	\$0.00
G10				\$0.00	\$0.00
G11				\$0.00	\$0.00
G12				\$0.00	\$0.00
G13				\$0.00	\$0.00
G14				\$0.00	\$0.00
G15				\$0.00	\$0.00
Total Acquisition of Property			\$0.00	\$0.00	\$0.00
Relocation (payments and assistance to persons, businesses, or non-profit organizations, including mov					
H1				0.00%	0.00%
H2				\$0.00	\$0.00
H3				\$0.00	\$0.00
H4				\$0.00	\$0.00
H5				\$0.00	\$0.00
H6				\$0.00	\$0.00
H7				\$0.00	\$0.00
H8				\$0.00	\$0.00
H9				\$0.00	\$0.00
H10				\$0.00	\$0.00
H11				\$0.00	\$0.00
H12				\$0.00	\$0.00
H13				\$0.00	\$0.00
H14				\$0.00	\$0.00
H15				\$0.00	\$0.00
Persons, businesses, or non-profit organizations, including movement to other temporary or p			\$0.00	\$0.00	\$0.00
Housing Rehabilitation (loans and grants for single-unit, private-owned homes)					
I1				\$0.00	\$0.00
I2				\$0.00	\$0.00
I3				\$0.00	\$0.00
I4				\$0.00	\$0.00
I5				\$0.00	\$0.00
I6				\$0.00	\$0.00
I7				\$0.00	\$0.00
I8				\$0.00	\$0.00
I9				\$0.00	\$0.00
I10				\$0.00	\$0.00
I11				\$0.00	\$0.00
I12				\$0.00	\$0.00
I13				\$0.00	\$0.00
I14				\$0.00	\$0.00
I15				\$0.00	\$0.00
Housing Rehabilitation (loans and grants for single-unit, private-owned homes)			\$0.00	\$0.00	\$0.00

**Community Development Block Grant (CDBG)
INVOICE REQUEST FOR PAYMENT**

Grantee Name	
Edison Address:	
Edison Location:	
ECD Speedchart# or Program#:	301141
Edison Contract ID# :	
ECD Department ID#	3300405105
Edison Vendor ID#:	
County:	
Remit To:	

Invoice Request Number:	
Final Invoice Request? YES or NO?	

Date of Invoice:	
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Invoice Period:	Beginning	End

Amount of this Request:	0.00
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Admin Contact Name	
E-mail Address	
Phone number	

Budget Line-Item Payee/Vendor Name	Contractor Invoice Number	Contractor Invoice Date	Total Project Amount Invoiced	Amount of Grantee Participation	Amount Charged to Grant Contract
Housing Inspection				0.00%	0.00%
J1				\$0.00	\$0.00
J2				\$0.00	\$0.00
J3				\$0.00	\$0.00
J4				\$0.00	\$0.00
J5				\$0.00	\$0.00
J6				\$0.00	\$0.00
J7				\$0.00	\$0.00
J8				\$0.00	\$0.00
J9				\$0.00	\$0.00
J10				\$0.00	\$0.00
J11				\$0.00	\$0.00
J12				\$0.00	\$0.00
J13				\$0.00	\$0.00
J14				\$0.00	\$0.00
J15				\$0.00	\$0.00
Total Housing Inspection			\$0.00	\$0.00	\$0.00
Clearance and Demolition of Structures				0.00%	0.00%
K1				\$0.00	\$0.00
K2				\$0.00	\$0.00
K3				\$0.00	\$0.00
K4				\$0.00	\$0.00
K5				\$0.00	\$0.00
K6				\$0.00	\$0.00
K7				\$0.00	\$0.00
K8				\$0.00	\$0.00
K9				\$0.00	\$0.00
K10				\$0.00	\$0.00
K11				\$0.00	\$0.00
K12				\$0.00	\$0.00
K13				\$0.00	\$0.00
K14				\$0.00	\$0.00
K15				\$0.00	\$0.00
Total Clearance and Demolition of Structures			\$0.00	\$0.00	\$0.00
Professional Fee				0.00%	0.00%
L1				\$0.00	\$0.00
L2				\$0.00	\$0.00
L3				\$0.00	\$0.00
L4				\$0.00	\$0.00
L5				\$0.00	\$0.00
L6				\$0.00	\$0.00
L7				\$0.00	\$0.00
L8				\$0.00	\$0.00
L9				\$0.00	\$0.00
L10				\$0.00	\$0.00
L11				\$0.00	\$0.00
L12				\$0.00	\$0.00
L13				\$0.00	\$0.00
L14				\$0.00	\$0.00
L15				\$0.00	\$0.00
Total Professional Fee			\$0.00	\$0.00	\$0.00

**Community Development Block Grant (CDBG)
INVOICE REQUEST FOR PAYMENT**

Grantee Name	
Edison Address:	
Edison Location:	
ECD Speedchart# or Program#:	301141
Edison Contract ID# :	
ECD Department ID#	3300405105
Edison Vendor ID#:	
County:	
Remit To:	

Invoice Request Number:	
Final Invoice Request? YES or NO?	
Date of Invoice:	
Invoice Period:	Beginning
	End
Amount of this Request:	0.00

Admin Contact Name	
E-mail Address	
Phone number	

Budget Line-Item Payee/Vendor Name	Contractor Invoice Number	Contractor Invoice Date	Total Project Amount Invoiced	Amount of Grantee Participation	Amount Charged to Grant Contract
Tap Fees (for "low and moderate income" beneficiaries				0.00%	0.00%
M1				\$0.00	\$0.00
M2				\$0.00	\$0.00
M3				\$0.00	\$0.00
M4				\$0.00	\$0.00
M5				\$0.00	\$0.00
M6				\$0.00	\$0.00
M7				\$0.00	\$0.00
M8				\$0.00	\$0.00
M9				\$0.00	\$0.00
M10				\$0.00	\$0.00
M11				\$0.00	\$0.00
M12				\$0.00	\$0.00
M13				\$0.00	\$0.00
M14				\$0.00	\$0.00
M15				\$0.00	\$0.00
total Tap Fees (for "low and moderate income" beneficiaries			\$0.00	\$0.00	\$0.00
Environmental Review				0.00%	0.00%
N1				\$0.00	\$0.00
N2				\$0.00	\$0.00
N3				\$0.00	\$0.00
N4				\$0.00	\$0.00
N5				\$0.00	\$0.00
N6				\$0.00	\$0.00
N7				\$0.00	\$0.00
N8				\$0.00	\$0.00
N9				\$0.00	\$0.00
N10				\$0.00	\$0.00
N11				\$0.00	\$0.00
N12				\$0.00	\$0.00
N13				\$0.00	\$0.00
N14				\$0.00	\$0.00
N15				\$0.00	\$0.00
Total Environmental Review			\$0.00	\$0.00	\$0.00
Other Non-Personnel Expenses				0.00%	0.00%
O1				\$0.00	\$0.00
O2				\$0.00	\$0.00
O3				\$0.00	\$0.00
O4				\$0.00	\$0.00
O5				\$0.00	\$0.00
O6				\$0.00	\$0.00
O7				\$0.00	\$0.00
O8				\$0.00	\$0.00
O9				\$0.00	\$0.00
O10				\$0.00	\$0.00
O11				\$0.00	\$0.00
O12				\$0.00	\$0.00
O13				\$0.00	\$0.00
O14				\$0.00	\$0.00
O15				\$0.00	\$0.00
Total Other Non-Personnel Expenses			\$0.00	\$0.00	\$0.00

**Community Development Block Grant (CDBG)
INVOICE REQUEST FOR PAYMENT**

Grantee Name	
Edison Address:	
Edison Location:	
ECD Speedchart# or Program#:	301141
Edison Contract ID# :	
ECD Department ID#	3300405105
Edison Vendor ID#:	
County:	
Remit To:	

Invoice Request Number:	
Final Invoice Request? YES or NO?	
Date of Invoice:	
Invoice Period:	Beginning
	End
Amount of this Request:	0.00

Admin Contact Name	
E-mail Address	
Phone number	

Budget Line-Item Payee/Vendor Name	Contractor Invoice Number	Contractor Invoice Date	Total Project Amount Invoiced	Amount of Grantee Participation	Amount Charged to Grant Contract
Project Contingency				0.00%	0.00%
P1				\$0.00	\$0.00
P2				\$0.00	\$0.00
P3				\$0.00	\$0.00
P4				\$0.00	\$0.00
P5				\$0.00	\$0.00
P6				\$0.00	\$0.00
P7				\$0.00	\$0.00
P8				\$0.00	\$0.00
P9				\$0.00	\$0.00
P10				\$0.00	\$0.00
P11				\$0.00	\$0.00
P12				\$0.00	\$0.00
P13				\$0.00	\$0.00
P14				\$0.00	\$0.00
P15				\$0.00	\$0.00
Total Project Contingency			\$0.00	\$0.00	\$0.00
TOTAL			\$0.00	\$0.00	\$0.00

DETAIL OF ADMINISTRATIVE COSTS		
PERSON OR FIRM PROVIDING THE SERVICES _____		
FOR THE MONTH(S) OF _____ TO _____		
TASK	HOURS	AMOUNT
ENVIRONMENTAL REVIEW RECORD		
Project not in floodplain		
Project in floodplain		
Project requiring archaeological survey		
PROJECT FILES		
Set up		
Monthly Maintenance/Update		
FAIR HOUSING/EQUAL OPPORTUNITY		
Fair Housing Activity		
Equal Opportunity		
Section 3 Plan		
On-site poster documentation		
Contact Female/Minority contractors		
Quarterly Contractor/Subcontractor Activity Report		
ACQUISITION - FEE SIMPLE		
Identification of properties to acquire and location of property owners		
Compilation of case files and ongoing recordkeeping		
Coordination of services of title attorney, surveyor, and appraisers		
Negotiation to purchase and final sale and closing		
RELOCATION		
Identification of relocation needs and available resources		
Compilation of case files and ongoing recordkeeping		
Identification of comparable units on available housing market		
HOUSING REHABILITATION		
Identification of units and determination of eligibility		
Compilation of case files and ongoing recordkeeping		
Solicitation of contractors and pre-bid activity		

Release of liens, certification of completion/final inspection		
Pay requests and recordkeeping of escrow accounts		
Quarterly performance reports		
CLEARANCE		
Identify properties and contractors		
Bid process for demolition		
Releases and payment to contractor		
LABOR COMPLIANCE		
Request wage rate		
5-10 day call/memo for files		
Attend bid opening/prepare minutes		
Notice of Contract Award/Pre-Construction Conference		
Coordinate and conduct Pre-Construction Conference		
Prepare minutes of Pre-Construction Conference		
Bid advertisement documentation for files		
Bid tabulation documentation for files		
Executed bid documents including certifications		
Contractor recommendation letter		
Contractor/Subcontractor eligibility verification		
Notice to proceed		
Conduct employee interviews and check site for posters		
Check weekly payrolls/cross check with interviews		
Consultation with engineer, State, other funding agency		
Release of liens/certificate of completion/final inspection		
FINANCIAL MANAGEMENT		
Signature Authorization		
Designation of Depositary		
Requests for Payment		
Payment of invoices		
Posting of accounting records (local level)		
Budget spreadsheets		
Budget revisions		
Revised implementation schedule for project		

STATE MONITORING		
First technical assistance visit		
Monitoring visit		
Compliance close-out visit		
Financial close-out		
CLOSE-OUT		
Survey of direct beneficiaries		
Jobs form		
Financial report in close-out package		
File review		
TOTAL		

TASK	HOURS	AMOUNT
FINANCIAL MANAGEMENT		
Signature Authorization		
Designation of Depositary		
Requests for Payment		
Payment of invoices		
Posting of accounting records (local level)		
Budget spreadsheets		
Budget revisions		
Revised implementation schedule for project		
STATE MONITORING		
First technical assistance visit		
Monitoring visit		
Compliance close-out visit		
Financial close-out		
CLOSE-OUT		
Survey of direct beneficiaries		
Jobs form		
Financial report in close-out package		
File review		

Standards of Conduct

CDBG Subrecipient

Introduction

Elected officials, employees of Community Development Block Grant recipients, contractors and subcontractors are responsible for administering the program and are also responsible for the program integrity. Following sound business practices, prescribed standards of conduct and HUD requirements will not only protect HUD grant funds but also those who administer the program.

Purpose

This notice provides information on specific activities that you must avoid and identifies key HUD requirements that must be met. The prohibited activities listed here reflect areas that have resulted in problems for subrecipients in the past. The purpose of this flyer is to prevent fraud and program abuse by alerting key officials to these problems ahead of time.

Authorities

The pertinent laws and regulations that apply to the CDBG State program that you should have copies of are:

- Housing and Community Development Act of 1974 as amended (42 U.S. Code § 5301).
- Community Development Block Grant Regulations (24 CFR 570.400).

Contact TNECD for additional information concerning these laws and requirements.

As of December 26, 2014 the Office of Management and Budget (OMB) has consolidated all previous financial circulars (i.e. A-87, A-102, A-110, etc.) into one “super-circular”, 2 CFR. 200 titled Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Program Requirements and Prohibited Activities

1. Conflict of Interest

CDBG Regulations (24 CFR 570.489(h)) prohibit conflicts of interest. For any CDBG activities under your control or influence you *May Not*:

- a. Obtain personal or financial interest or benefits including money, favors, gratuities, entertainment or

anything of value that might be interpreted as conflict of interest.

- b. Obtain a direct or indirect interest in any contract, subcontract or agreement for any CDBG activity. This prohibition extends to contracts in which your spouse, minor child, dependent or business associate may have personal or financial interest. This prohibition extends for a period of one year after you leave your position with a CDBG activity or program.

HUD may grant an exception to this conflict of interest provision if it determines that such an exception will enhance the effectiveness of the CDBG project. Request for such exceptions must be made in writing to the local HUD office (and be submitted to HUD by TNECD).

2. Procurement and Contracting

2 CFR 200, applies to the CDBG program and provides that you *May Not* engage in any of the following practices in your procurement and contract administration:

- a. Circumvent competitive bidding requirements by:
 - failing to advertise for sealed bids or soliciting proposals and engaging in competitive negotiation;
 - failing to use established evaluation criteria in negotiations;
 - splitting bids by breaking down contracts into small parts so that purchase order procedures can be used except to meet Minority/Women Business Enterprise goals;
 - favoring or providing a competitive advantage to any one firm or individual;
 - identifying the names of those invited to bid; and
 - preparing fictitious bids to stimulate competition.
- b. Fail to adhere to contract award requirements by:
 - allowing excessive price changes;
 - awarding contracts to other than the low bidder without adequate justification; and
 - accepting a bid that does not contain a price for all items or services included in the Invitation to Bid form.

- c. Fail to verify contractual and programmatic compliance by contractors by:

- authorizing payment for work not completed;
- falsifying inspection reports;
- altering contractor invoices; and

- misusing modification or change orders.

CDBG regulations state that you *Must Not* use firms and individuals on HUD's Consolidated List of Debarred, Suspended and Ineligible Contractors and Grantees.

3. Financial Management and Recording Systems

You *Must* comply with the following requirements of 2 CFR 200, and CDBG regulations.

You *Must*:

- Establish internal controls to safeguard cash, inventory and equipment.
- Establish a special ledger account for all CDBG monies.
- Maintain financial records including:
 - a register of cash receipts and disbursements;
 - a record of all noncash transactions;
 - general ledger to show the status of each CDBG account;
 - a fixed account ledger; and
 - a record of lump-sum drawdowns, Treasury checks received and balances of Federal funds.
- Ensure that you maintain financial records. Financial records and files must be maintained for three years.
- Use income generated from grant activities for other eligible activities.

- Use program income before drawing additional grant funds to pay for allowable program expenses.

You *Must Not* draw down more funds than are needed for your CDBG activities and those of subgrantees.

4. Cost Allowability

You *Must* comply with 2 CFR 200, Cost Principles for State and Local Governments. You *May Not* spend CDBG funds on ineligible activities including:

- Expenses required to carry out the regular responsibilities of the general local government.
- Partisan political activities (e.g., contributions toward political campaigns, voter registration or candidate forums).

CDBG regulations state that you *Must Not* use CDBG funds to assist buildings used for the general conduct of government (e.g., city halls, county administration buildings, etc.).

5. Program Monitoring

2 CFR 200 states that you *Must* constantly monitor the performance of grant-supported activities to assure that time schedules are being met, projected work units by time periods are being accomplished, and other performance goals are being achieved.

HUD suggests that you:

- Keep records of your on-site visits to subgrantees and contractors.
- Place special emphasis on your monitoring of the highest risk subrecipients and contractors.

If you have a question about a specific situation or your responsibility, contact your local HUD Office (or ECD).

**STATE OF TENNESSEE
COMMUNITY DEVELOPMENT BLOCK GRANT
BUDGET REVISION**

Grantee Name and Address:		Contact Name and Address:		
Contract Number:		Contact Phone Number:		
Revision Number:		Date of Submission:		
	Current Budget		Revised Budget	
Line Item	Total Cost	CDBG Cost	Total Cost	CDBG Cost
Construction	\$	\$	\$	\$
Construction Inspection	\$	\$	\$	\$
Engineering Design	\$	\$	\$	\$
Other Engineering	\$	\$	\$	\$
Legal Services	\$	\$	\$	\$
Appraisals	\$	\$	\$	\$
Acquisition of Property	\$	\$	\$	\$
Relocation	\$	\$	\$	\$
Housing Rehabilitation	\$	\$	\$	\$
Housing Inspection	\$	\$	\$	\$
Clearance and Demolition	\$	\$	\$	\$
Professional Fee	\$	\$	\$	\$
LMI Tap Fees	\$	\$	\$	\$
Environmental Review	\$	\$	\$	\$
Captial Purchase	\$	\$	\$	\$
Other Non-Personnel	\$	\$	\$	\$
Project Contingency	\$	\$	\$	\$
Total	\$	\$	\$	\$

**TENNESSEE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

FINAL NOTICE OF REMOVAL OF CONTRACT CONDITIONS

**(Pursuant to Section 104(h) of Title I of the Housing and Community
Development Act of 1974 as amended)**

To: 1. (Name of Applicant) and to (Name and title of chief executive officer of Applicant)	Address & Zip Code of Applicant
With Copy to: 2. (Name of Grantee if other than applicant)	Address & Zip code of Grantee
Re: (Project, Title or Name)	Location (City, County and State)

On _____ this office received your Request for Release of Funds and (Date Request for Release of Funds and Certification received) Certification pertaining to the above project.

No objections to the release of such funds or to the Certification have been received and a period of 15 days from and after the receipt of such request and Certification has expired.

All objections to the release of such funds and to the Certification which were received by the Department of Economic and Community Development (ECD) within a period of 15 days from and after the receipt of such request and Certification have been considered by ECD.

Any and all conditions in the Contract No. _____, authorized by ECD on _____ respecting said project and funding thereof, to the extent the same are based upon the completion of environmental review and clearance, are hereby removed.

This notice constitutes your authority to use funds in the amount of \$ _____, granted to you under Title I of the Housing and Community Development Act of 1974, as amended.

Type Name and Title of Authorizing Official	Signature of Authorizing Official	Date

There are two steps required to ensure your entity can receive grant funds from the State of Tennessee.

- Step 1: Set up your entity as a supplier using a W-9
- Step 2: Set up your direct deposit information using the Supplier Direct Deposit form attached

You will receive an invoice template that contains the information provided below after your project's contract is approved. You will use that template to request payment on your grant.

TNECD Program: _____

Organization/Entity Name: _____

Step 1:

Has your entity previously received funds from the state? Yes or No? _____

If yes, please provide your Edison Supplier/Vendor ID -or- FEIN #. _____

If no, please complete the W9 located [here](#) and return with this form to ECD.

Step 2:

Last four digits of the bank account number: _____

Grantee mailing address:

Has the bank account above previously received state funds through ACH? Yes or No? _____

If yes, and no change to your account is necessary, no further information is required.

If no, or if you want to change account information, please complete the enclosed Supplier Direct Deposit Authorization form and return the original to the State of Tennessee's Supplier Maintenance using the instructions on the form. For new accounts, select "New" in Section 1 – Type of Request. For changes, select "Change Existing Account."

Please sign and date below and return to the Department of Economic and Community Development.

Signature _____

Date _____



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE & ADMINISTRATION
SUPPLIER DIRECT DEPOSIT AUTHORIZATION
(NOT WIRE TRANSFERS)**

Mail the ORIGINAL form to the address below. Mark the outside of the envelope "CONFIDENTIAL".
State of Tennessee
Attn: Supplier Maintenance
21st Floor WRS Tennessee Tower
312 Rosa L Parks Ave
Nashville, TN 37243

SECTION 1: TYPE OF REQUEST		
New		
Change Existing Account: Enter Existing Routing No:		Existing Account No:
SECTION 2: ACCOUNT HOLDER INFORMATION		
Name (as shown on your income tax return):		
Business Name, if different from above:		
Federal Employer Identification Number (FEIN):		or Social Security Number (SSN):
Enter the address that should be associated with the account number::		
Address Line 1:		
Address Line 2:		
City:	State:	Zip Code:
Contact Name:	Telephone:	
Enter the email address to which the remittance advices should be routed:		
Email:		
SECTION 3: AUTHORIZATION		
Are payments deposited into this account subject to being transferred, in its entirety, to a financial institution outside of the United States? Yes No		
Account Type: Checking Savings		
Financial Institution Name:		
Routing Number:		Account Number:
I authorize my financial institution to verify any information provided on this form with the State of Tennessee. I also authorize the state to initiate credit entries and to initiate if necessary, debit entries and adjustments for any credit entries in error, to my account indicated above. This authorization will remain in effect until the state has received written notification of its termination and has adequate time to act upon the request.		
Authorized Signatory Printed Name:		
Authorized Signature:		Date:
SECTION 4: FINANCIAL INSTITUTION VERIFICATION		
I certify the account and routing numbers in Section 3 are for the above specified account holder and is signed by an authorized signatory on the account.		
Representative Name:	Representative Signature:	
Title of Representative:	Date:	
Business Fax Number:	Business Phone Number: <input type="text"/>	
Mailing Address:		
City:	State:	Zip Code:



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE & ADMINISTRATION
SUPPLIER DIRECT DEPOSIT AUTHORIZATION INSTRUCTIONS
(NOT WIRE TRANSFERS)**

As a supplier to the state of Tennessee you are offered the security and convenience of having payments automatically deposited into your bank account. The Supplier Direct Deposit Authorization is required to process payments electronically. The information on this form is confidential and subject to verification by the state. The completed form must contain original signatures and be received by the state in a timely manner. Electronic signatures are not accepted.

SECTION 1: TYPE OF REQUEST

- Check the appropriate box.
 - New: Initial set up of supplier direct deposit.
 - Change Existing Account: Bank account information will not be changed unless the existing routing and account numbers currently on file with the state have been entered.

SECTION 2: ACCOUNT HOLDER INFORMATION

- The Name, Business Name, and Federal Employer Identification Number (FEIN) or Social Security Number (SSN) on the Supplier Direct Deposit Authorization form must match the W-9 submitted, or the information already on file with the state.
- Enter the address that should be associated with the account number identified in Section 3. For example, if the business has different locations, each with separate bank accounts, enter the address of the location to which this account applies. If the account is to be added to multiple addresses, list each address on an additional sheet.
- Enter the contact information of an authorized signatory on the account.

SECTION 3: AUTHORIZATION

- All fields in this section must be completed.

SECTION 4: FINANCIAL INSTITUTION VERIFICATION

- This section must be completed by the financial institution representative.

Mail the ORIGINAL form to the address below. Mark the outside of the envelope "CONFIDENTIAL".

State of Tennessee
Attn: Supplier Maintenance
21st Floor WRS Tennessee Tower
312 Rosa L Parks Ave
Nashville, TN 37243

Cancellation of Direct Deposit

To cancel direct deposit, mail a written request to the address above. The request must contain the payee's name, FEIN or SSN, routing and account numbers, that matches the information already on file with the state, and an original signature of an authorized signatory.

Should you have any questions or need assistance, contact Supplier Maintenance at 615-741-9745.

ENVIRONMENTAL REVIEW RECORD CHECKLIST

Project Year and Title:

	Requirements	n/a	Environmental Assessment	Categorically Excluded	Categorically Excluded Converted to Exempt	Exempt	Aggregate - previous ERR still valid	Adoption of Other Agencies' EA	Addendum / Scope Change
Corresponds to form(s):	Corresponds to ERR Chapter pgs:		7-11	11-13	13	14	15	14	14-15
EA Worksheets	Environmental Assessment Narrative								only description
	Statutory Worksheet								
	NEPA Checklist								
	Signature/Dates on all forms Signature Dates*								
CES Worksheets	CES Narrative								
	Statutory Worksheet								
	Signature/Dates on all forms								
	Signature Dates*								
Exempt Worksheets	Exempt Checklists and Certification								
	Signatures/Dates on all forms Signature Date(s)								
	Map w/ project delineated								
	SHPO Letter Response Date*								
	All Tribal Consultations Sent Date* Tribe(s) & Response Date(s)								

* The signature date must precede the publication date of the NOI/RROF or the Concurrent Notice and the Distribution List letters

Requirements	n/a	Environmental Assessment	Categorically Excluded	Categorically Excluded Converted to Exempt	Exempt	Aggregate - previous ERR still valid	Adoption of Other Agencies' EA	Addendum / Scope Change
Early Notice and Public Review (for floodplain projects) Publication Date								
Final Notice and Public Explanation (for floodplain projects) Publication Date								1
Concurrent Notice Publication Date OR Posting Date								
Notice of Intent to Request Release of Funds Publication Date OR Posting Date								
Distribution List (with proof) Date EN&PR Letters Sent FN&PE / Other Notice Date Letters Sent								
Documentation of Flood Insurance (for structures only)								
Copy of Adopted EIS/EA								
Addendum of Validity Signature Date								
Request for Release of Funds/Certification Signature Date**						2		

** The signature date must be after local review

1 Check with ECD before completing - only needed if original ERR was an EA.

**PUBLIC COMMENT PERIOD* FOR A PROJECT
IN A FLOODPLAIN
REQUIRING AN ENVIRONMENTAL ASSESSMENT**

Publish Early Notice and Public Review	Start counting 15-day comment period 1	2	3	4	5	6
7	8	9	10	11	12	13
14	Last day to receive comments 15	Publish Final Notice and Public Explanation AND Concurrent Notice	Start counting 15-day comment period 1	2	3	4
5	6	Last day to receive comments on the FNPE 7	8	9	10	11
12	13	14	Last day to receive comments on Concurrent Notice 15	Request Release of Funds and submit ERR to ECD	Start counting 15-day comment period 1	2
3	4	5	6	7	8	9
10	11	12	13	14	Last day to receive comments 15	LOREC 16

***Flood plain project notices must be published. They may NOT be posted.**

**PUBLIC COMMENT PERIOD* FOR A PROJECT
NOT IN A FLOODPLAIN
REQUIRING AN ENVIRONMENTAL ASSESSMENT**

	Publish FONSI & NOI/RROF	Start counting 15-day comment period 1	2	3	4	5
6	7	8	9	10	11	12
13	14	Last day to receive comments 15	Request Release of Funds and submit ERR to ECD	Start counting 15-day comment period 1	2	3
4	5	6	7	8	9	10
11	12	13	14	Last day to receive comments 15	LOREC	

***This calendar is for publications in newspapers.**

POSTING of notices will require an 18-day time frame. You must add three days to the above calendar to be compliant.

Posting must occur in a minimum of five (5) public places.

Documentation within the ERR for Postings must include:

Pictures of the postings

Memo to ERR listing -

name of facility where posted with address

start and end dates of posting

**PUBLIC COMMENT PERIOD* FOR A PROJECT
IN A FLOODPLAIN
REQUIRING A CATEGORICALLY EXCLUDED ASSESSMENT**

Publish Early Notice and Public Review	Start counting 15-day comment period 1	2	3	4	5	6
7	8	9	10	11	12	13
14	Last day to receive comments 15	Publish Final Notice and Public Explanation AND NOI/RROF	Start counting 7 - day comment period 1	2	3	4
5	6	Last day to receive comments 7	Request Release of Funds and submit ERR to ECD	Start counting 15-day comment period 1	2	3
4	5	6	7	8	9	10
11	12	13	14	Last day to receive comments 15	LOREC 16	

***Flood plain project notices must be published. They may NOT be posted.**

**PUBLIC COMMENT PERIOD* FOR
A CATEGORICALLY EXCLUDED PROJECT
NOT IN A FLOODPLAIN**

	Publish NOI/RROF	Start counting 7-day comment period				
		1	2	3	4	5
6	Last day to receive comments	Request Release of Funds and submit ERR to ECD	Start counting 15-day comment period			
	7		1	2	3	4
5	6	7	8	9	10	11
12	13	14	Last day to receive comments	LOREC		
			15			

***This calendar is for publications in newspapers.**

POSTING of notices will require a 10 day time frame. You must add three days to the above calendar to be compliant.

Posting must occur in a minimum of five (5) public places.

Documentation within the ERR for Postings must include:

Pictures of the postings

Memo to ERR listing -

name of facility where posted with address

start and end dates of posting

ENVIRONMENTAL REVIEW RECORD CHECKLIST

Project Year and Title:

	Requirements	n/a	Environmental Assessment	Categorically Excluded	Categorically Excluded Converted to Exempt	Exempt	Aggregate - previous ERR still valid	Adoption of Other Agencies' EA	Addendum / Scope Change
Corresponds to form(s):	Corresponds to ERR Chapter pgs:		7-11	11-13	13	14	15	14	14-15
EA Worksheets	Environmental Assessment Narrative								only description
	Statutory Worksheet								
	NEPA Checklist								
	Signature/Dates on all forms Signature Dates*								
CES Worksheets	CES Narrative								
	Statutory Worksheet								
	Signature/Dates on all forms								
	Signature Dates*								
Exempt Worksheets	Exempt Checklists and Certification								
	Signatures/Dates on all forms Signature Date(s)								
	Map w/ project delineated								
	SHPO Letter Response Date*								
	All Tribal Consultations Sent Date* Tribe(s) & Response Date(s)								

* The signature date must precede the publication date of the NOI/RROF or the Concurrent Notice and the Distribution List letters

Requirements	n/a	Environmental Assessment	Categorically Excluded	Categorically Excluded Converted to Exempt	Exempt	Aggregate - previous ERR still valid	Adoption of Other Agencies' EA	Addendum / Scope Change
Early Notice and Public Review (for floodplain projects) Publication Date								
Final Notice and Public Explanation (for floodplain projects) Publication Date								1
Concurrent Notice Publication Date OR Posting Date								
Notice of Intent to Request Release of Funds Publication Date OR Posting Date								
Distribution List (with proof) Date EN&PR Letters Sent FN&PE / Other Notice Date Letters Sent								
Documentation of Flood Insurance (for structures only)								
Copy of Adopted EIS/EA								
Addendum of Validity Signature Date								
Request for Release of Funds/Certification Signature Date**						2		

** The signature date must be after local review

1 Check with ECD before completing - only needed if original ERR was an EA.

**Environmental Assessment
For HUD-funded Proposals**
Recommended format per 24 CFR Part 58

Project Name:

Responsible Entity:

[24 CFR Part 58.2(a)(7)]

[City or County]

Certifying Officer:

[24 CFR Part 58.2(a)(2)]

[Mayor/County Executive]

Recipient Address

Project Identification:

[HUD Project Number]

ERR Preparer:

Date of ERR Completion:

Project Location:

HUD CDBG Funds:

Estimated Total Project Cost:

[24 CFR 58.32(d)]

Description of the Proposed Project: Include all contemplated actions, which logically are either geographically or functionally a composite part of the project, regardless of the source of funding [24 CFR 50.12 & 58.32; 40 CFR Part 1508.25].
Include alternatives to the project.

Statement of Need for Proposal: [40 CFR Part 1508.9(b)]

Existing Conditions and Trends: Describe the existing conditions of the project area and its surroundings, and trends likely to continue in the absence of the project (land use, soils, etc.) [24 CFR Part 58.40(a)].

Mitigation Measures and Conditions [40 CFR 1505.2(c)]

Summarize below all mitigation measures adopted by the Responsible Entity to reduce, avoid, or eliminate adverse environmental impacts and to avoid non-compliance or non-conformance with the above-listed authorities and factors. These measures/conditions must be incorporated into project contracts, development agreements, and other relevant documents. The staff responsible for implementing and monitoring mitigation measures should be clearly identified in the mitigation plan.

Determination:

Finding of No Significant Impact [24 CFR Part 58.40(g)(1); 40 CFR 1508.27]

The project will not result in a significant impact on the quality of the human environment.

Finding of Significant Impact [24 CFR Part 58.40(g)(2); 40 CFR 1508.27]

The project may significantly affect the quality of the human environment.

Preparer Signature:

Date:

Name/Title/Organization:

Certifying Officer Signature:

Date:

Name/Title:

This original, signed document and related supporting material must be retained on file by the Responsible Entity in an Environmental Review Record (ERR) for the activity/project (ref: 24 CFR Part 58.38) and in accordance with recordkeeping requirements for the HUD program(s).

STATUTORY WORKSHEET

24 CFR §50.4, 58.5, 58.6 Laws, Statutes, Executive Orders & Regulations

Use this worksheet for projects that need an Environmental Assessment or are Categorically Excluded per 24 CFR §58.35(a).

HUD Grant number

HUD CDBG funds

Other funds and source

Project total

PROJECT NAME, LOCATION and DESCRIPTION –

Include all contemplated actions that logically are either geographically or functionally part of the project:

**SEWER SYSTEM PROJECTS ONLY:
LIST DATE AND CATEGORY OF LAST ERR**

DIRECTIONS -

See the Statutory Worksheet Documentation Directions for directions on completing this form.

Compliance Factors:

STATUTES, EXECUTIVE ORDERS AND REGULATIONS LISTED AT 24 CFR 58.5 & 58.6	A/B	COMPLIANCE DETERMINATION
<p>HISTORIC PRESERVATION NHPA partic. 106, 110; 36 CFR 800</p>		<p>SHPO response letter date:</p> <p>SHPO response:</p> <p>THPO response letter date(s):</p> <p>THPO response(s):</p> <p>List of Tribes that did not respond:</p>

<p>FLOODPLAIN MANAGEMENT 24 CFR 55; EO 11988 partic. 2(a)</p>		<p>FIRM map #(s) -</p>
<p>WETLAND PROTECTION EO 11990 partic. (2), (5)</p>		
<p>COASTAL ZONE MANAGEMENT ACT CZMA Sections 307(c) & (d)</p>		<p>There are no coastal zones in Tennessee. See attached documentation.</p>
<p>SOLE SOURCE AQUIFERS SDWA partic. 1424(e); 40 CFR 149</p>		<p>There are no Sole Source Aquifers in Tennessee. See attached documentation.</p>
<p>ENDANGERED SPECIES ACT ESA partic. Section 7; 50 CFR 402</p>		
<p>WILD AND SCENIC RIVERS ACT WSRA partic. Sections 7(b) & (c)</p>		
<p>CLEAN AIR ACT CAA partic. Section 176(c) & (d); 40 CFR 6, 51, 93</p>		<p>See attached attainment or non-attainment map and /or list.</p>
<p>FARMLAND PROTECTION POLICY ACT FPPA partic. 1504(b) & 1541; 7 CFR 658</p>		<p>See completed FPPA checklist.</p>
<p>EXPLOSIVE & FLAMMABLE HAZARDS 24 CFR 51C</p>		
<p>NOISE ABATEMENT & CONTROL NCA; QCA; 24 CFR 51B</p>		
<p>AIRPORT CLEAR ZONES & ACCIDENT POTENTIAL ZONES 24 CFR 51D</p>		<p>See completed Airport checklist and radius map.</p>
<p>CONTAMINATION & TOXIC SUBSTANCES 24 CFR 50.3(i), 58.5(i)(2)</p>		<p>See completed Toxic checklist and EnviroFacts.</p>
<p>ENVIRONMENTAL JUSTICE EO 12898</p>		<p>Project will not negatively affect low and moderate incomes and minority populations. Memo Date-</p>

DETERMINATION:

This project converts to Exempt, per § 58.34(a)(12), because it does not require any mitigation for compliance with any listed statutes or authorities, nor requires any formal permit or license (*Status "A" has been determined in the status column for all authorities. Complete an A-16, also.*) Funds may be drawn down for this (now) EXEMPT project;

OR

This project cannot convert to Exempt and is Categorically Excluded because one or more statutes/authorities require consultation or mitigation. Complete consultation/mitigation requirements, publish NOI/RROF and obtain Authority to Use Grant Funds (HUD 7015.16) per §§ 58.370 and 58.71 before drawing down funds;

OR

The unusual circumstances of this project may result in a significant environmental impact. This project requires preparation of an Environmental Assessment (EA). Prepare the EA according to 24 CFR Part 58 Subpart E.

OR

This is documentation as an ERR addendum. The original ERR is still current/valid.

Signature of preparer

Date

Title of preparer

Signature of Certifying Officer

Date

Title of Certifying Officer

8-STEP DECISION MAKING PROCESS DOCUMENTATION

(Decision Making Process under E.O. 11988 and 24 CFR 55.20)

[Attach additional pages as necessary for any step in the process.]

STEP 1 – Determine if the proposed action/project is located in a 100-year floodplain/wetland, or 500-year floodplain for a critical action.

Attach the FEMA Firmette of the Flood Insurance Rate Map, mark the project site clearly on the map, and complete the following:

Community Name/Number: _____

Map Panel and Date of Map Panel: _____

(Continue to Step 2 if the area has been mapped.)

Check here if the area has not been mapped by FEMA, and continue below.

If the area has not been mapped by FEMA, obtain and attach the best information available from one or more of the following accepted source (check all sources used):

Community Flood Administrator

US Army Corps of Engineers

US Geological Survey Maps

USDA Natural Resources conservation Service Soils Map

Regional Planning Commission/Regional Council of Governments Mapping

Local flood control or levee district

Other _____

STEP 2 – Involve the public in the decision-making process.

Publish the Early Notice and Public Review.

The Early Notice and Public Review is a notice of the proposal to consider an action in a floodplain/wetland. The Notice must be published in the non-legal section of the newspaper of widest circulation. A minimum 15-day comment period begins the day after publication. Indicate if comments were received. If the RE receives any written comments, the RE must respond in writing, resolve any issues and provide copies to CDBG. A copy of the publication must be enclosed in the ERR.

Name of Newspaper: _____

Date of publication: _____

Were adverse comments received in writing? **Yes** **No**
(If yes, attach all correspondence.)

STEP 3 – Evaluate alternatives to locating the proposed action in a floodplain.

Explain in detail each of the following to determine if the floodplain and/or wetland can be avoided:
(Attach additional pages if necessary.)

a. Identify and explain if alternative sites suitable for the project exist outside the floodplain/wetland:
(Refer to the engineer/architect, or engineering/architectural report for alternatives. Other buildings and/or sites and No Action alternatives must be evaluated.)

b. Identify and explain if feasible alternative actions/methods may be used to fulfill the identical project objective: (Can different or modified actions with less chance for impact be used to fulfill the same project?)

c. Identify and explain if threats to lives and property and/or adverse impacts to the floodplain/wetland outweigh benefits of the proposed project: (Explain if impacts are too severe to human and natural environments to complete the project.)

STEP 4 – Identify indirect and direct impacts associated with occupying or modifying the floodplain/wetland.

If the RE determines the only practicable alternative for the project/action is occupying or modifying the floodplain/wetland, then impacts to lives and properties and impacts to floodplains and/or wetland, must be identified. If the RE determines an alternative site of the project exists out of the floodplain/wetland, project activities may still have an impact on the nearby floodplain/wetland and must also be identified to determine ways to minimize harm.

Explain in detail how the project/activity will affect the floodplain/wetland regarding the following types of impacts:

Positive or beneficial impacts to the floodplain/wetland, both direct and indirect:

Negative or harmful impacts to the floodplain/wetland, both direct and indirect:

Concentrated impacts – those occurring at or near the floodplain/wetland:

Dispersed or remote impacts occurring distant from the floodplain/wetland:

Short-term impacts to the floodplain/wetland (temporary impacts occurring immediately after an action lasting as short while):

Long-term impacts to the floodplain/wetland (impacts occurring during or after an action that persist for considerable time or indefinitely):

Explain if project encourages development in the floodplain/wetland:

STEP 5 – Identify mitigation measures to minimize impacts to and to preserve benefits of the floodplain/wetland. *(Consult project engineer/architect and/or engineering/architectural report.)*

a. Explain how actions will be designed and/or modified to minimize harm to or within the floodplain/wetland.

b. Explain how actions will be designed and/or modified to restore and/or preserve as much of the natural and beneficial floodplain/wetland values as possible.

STEP 6 – Re-evaluate alternatives identified in Step 3. Take into account all identified impacts & mitigation measures.

a. Explain whether it is possible to modify or relocate the project/activity and why.

b. If there are no alternatives, explain why the project/activity should occur. Consider impacts determined in Step 4 and minimization efforts identified in Step 5.

STEP 7 – If re-evaluation results in no practicable alternative to relocate the project out of the floodplain/wetland, the decision must be made public.

Publish the Final Notice and Public Explanation

The Final notice must be published in a non-legal section of the newspaper of widest circulation. *A 7-day comment period begins the day after publication.* This notice may be published concurrently with the Concurrent Notice or the NOI/RROF. (24 CFR Subpart C § 55.20(b)(1).

If the RE receives written comments, the RE must respond in writing, resolve issues and provide copies to CDBG. A copy of the publication must be enclosed in the ERR.

Name of Newspaper: _____

Date of publication: _____

Were adverse comments in writing received? <i>(If Yes, attach all correspondence.)</i>	Yes	No
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STEP 8 – Implement the Project.

Project implementation can only proceed provided compliance has been demonstrated with respect to all of the prior steps and provided the project has been approved by the state in accordance with HUD regulation 254 CFR part 58.

The Responsible Entity has a continuing responsibility to ensure that the mitigating measures identified in Step 7 are implemented. Mitigation measures must be incorporated, as appropriate, in project contract and all related agreement documents.

Additional Information/Explanations:

Preparer's signature/title

Date

Farmland Protection

Checklist for Responsible Entity

General requirements	Legislation	Regulation
The Farmland Protection Policy Act discourages Federal activities that would convert farmland to nonagricultural purposes.	Farmland Protection Policy Act of 1981 (7 U.S.C. 4201 et seq.)	7 CFR Part 658

1. Does your project include new construction, acquisition of undeveloped land or change in use of land or property?

No: STOP here. The Farmland Protection Policy Act does not apply. Record your determination

Yes: PROCEED to #2

2. Does your project meet one of the following exemptions?

- Construction limited to on-farm structures needed for farm operations.
- Construction limited to new minor secondary (accessory) structures such as a garage or storage shed
- Project on land used for water storage or already in or committed urban development (this includes land with a density of 30 structures per 40 acre area. It also includes lands identified as “urbanized area” (UA) on the Census Bureau Map, or as urban area mapped with a “tint overprint” on the USGS topographical maps, or as “urban built-up” on the USDA Important Farmland Maps. Please note that land “zoned” for development, i.e. non-agricultural use, does not exempt a project from compliance with the FPPA).

No: PROCEED to #3

Yes: STOP here. The Farmland Protection Policy Act does not apply. Record your determination

3. Does “important farmland” regulated under the Farmland Protection Policy Act occur on the project site? This includes prime farmland, unique farmland and/or land of statewide or local importance (You may use the links below to determine if important farmland occurs on the project site):

- Utilize USDA Natural Resources Conservation Service’s (NRCS) Web Soil Survey <http://websoilsurvey.nrcs.usda.gov/app/HomePage.htm>
- Check with your city or county’s planning department and ask them to document if the project is on land regulated by the FPPA (zoning important farmland as non-agricultural does not exempt it from FPPA requirements)
- Contact NRCS at the local USDA service center <http://offices.sc.egov.usda.gov/locator/app?agency=nrcs> or your NRCS state soil scientist http://www.nrcs.usda.gov/Internet/FSE_DOCUMENTS/stelprdb1254316.pdf for assistance

No: STOP here. The project does not convert farmland to nonagricultural purposes. Record your determination on the Statutory Worksheet and attach documentation used to make your determination
Yes: PROCEED to #4

4. Consider alternatives to completing the project on important farmland and means of avoiding impacts to important farmland.

Complete form AD-1006, "Farmland Conversion Impact Rating"
http://www.nrcs.usda.gov/Internet/FSE_DOCUMENTS/stelprdb1045394.pdf and contact the state soil scientist before sending it to the local NRCS District Conservationist. Work with NRCS to minimize the impact of the project on the protected farmland.

Return a copy of Form 1006 to the USDA-NRCS State Soil Scientist or his/her designees informing them of your determination once you have finished the analysis.

DISCLAIMER: This document is intended as a tool to help TN CDBG grantees complete environmental requirements. This document is subject to change. This is not a policy statement, and the Farmland Protection Legislation and Regulations take precedence over any information found in this document.

Preparer signature and Title

Date

Explosive and Flammable Operations

Checklist for Responsible Entity

General requirements	Legislation	Regulation
Establish safety standards that can be used a basis for calculating acceptable separation distances for assisted projects.	Sec. 2 Housing and Urban Development Act of 1969 (42 U.S.C. 1441 (a))	24 CFR 51 Subpart C

1. **Does the proposed project involve any of the following residential activities: development, construction (reconstruction), rehabilitation, modernization or conversion?**
For modernization and rehabilitation, does the work increase residential densities, convert a building for habitation or make a vacant building habitable?
Does the proposed project involve new construction, construction of line extensions or increase the number of people exposed to potential hazards?

No: STOP here. The project is not subject to 254 CFR Part 51 C. Record the determination in your ERR “Project will not increase the number of people exposed to potential hazards.” Place the A-27 in the Environmental Review Record.
 Yes: PROCEED to #2

2. **Are there aboveground storage tanks within 1 mile of the project site more than 100 gallons in size? Are there plans to install such aboveground storage tanks within 1 mile of the project site?**

***A site visit is required to assess the area for hazards and must be documented.**

The site visit should be completed by the County Emergency Services management or local Fire Chief. The site visit is required to ensure that there are no storage tanks within one mile of the project site. A letter/memo from the individual completing the site visit should be placed as documentation in your ERR, along with a radius map and this checklist.

TIP: You do not have to consider all tanks at all sizes within 1 mile of your project. Screen further by determining the Acceptable Separation Distance (ASD) for specific tank sizes and using that information to narrow your search. For instance, the maximum ASD for a 100 gallon tank is 115 feet. You do not need to map 100 gallon tanks farther than 115 feet from your project site.

<https://www.hudexchange.info/environmental-review/explosive-and-flammable-facilities/>
<http://www.hud.gov/offices/cpd/environment/asduserguide.pdf>

(HUD’s stated position is that 24 CFR Part 51 C does not apply to storage tanks ancillary to the operation of the assisted 1-4 family residence, for example the home heating or power source. It does apply to all other tanks, including tanks for neighboring 1-4 family residences.)

No: STOP here. The project is not subject to 24 CFR Part 51 C.
 Documentation to be placed in the ERR is the A-27 and a copy of the site visit notes signed by the County EMS management or local Fire Chief and a radius map.
 Yes: PROCEED to #3

3. Is the Separation Distance from the project acceptable based on standards in 24 CFR 51 C?

Use the online tool to calculate ASD:

<https://www.hudexchange.info/environmental-review/asd-calculator/>

Yes: STOP here. Include signed site visit report, map(s), ASD calculations and this checklist in your ERR.

No: PROCEED to #4

4. With mitigation, can the Separation Distance become acceptable?

No: PROJECT IS NOT ACCEPTABLE-DO NOT FUND

Yes: STOP here. Maintain documentation supporting your determination in your ERR. Documentation could include a finding by a qualified data source (i.e. Fire Marshal, etc.), copies of pictures, maps, technical calculations and information describing the mitigation measures taken.

MITIGATION OPTIONS

If the Acceptable Separation Distance (ASD) cannot be met your options are:

No action

- Cancel the project at this location

Mitigation

- Contact your Field or Regional Environmental Officer
<http://www.hud.gov/offices/cpd/environment/contact/>.
- Incorporate natural or existing man-made barriers.
- Have the storage containers (tank) buried • Reconfigure the site plan - To increase the distance between the hazard and the project.
- Modify the building design - To compensate for the ASD
- Construct a Barrier for blast overpressure and thermal radiation.

Other reasonable alternatives

- Choose an alternate site

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Preparer signature and Title

Date

Clear Zones (CZ) and Accident Potential Zones (APZ)

Checklist for Responsible Entity

General requirements	Legislation	Regulation
Promote compatible land uses around civil airports and military airfields	Section 2 of the Housing Act of 1949 as amended, 42 U.S.C 1331, affirmed by Section 2 of the Housing and Urban Development Act of 1969, P.L. No 90-448; Section 7(d) of the Dept. HUD Act of 1965, 42 U.S.C. 3535 (d).	24 CFR Part 51 Subpart D 32 CFR Part 256

1. Is the Project located within 2,500 feet for a civil airport or within 15,000 feet for a military airfield of the end of a runway?

No: STOP here. The project is not within a Clear Zone (also known as Runway Protection Zone) or Accident Potential Zone. Record your determination as listed below.

Maintain in your ERR a radius map with the project area marked that identifies airports and lists the distance between the CA and/or APZ and the project area. The regulations only apply to military and civil primary and commercial service airports. The Federal Aviation Administration updates the list of applicable airports annually: http://www.faa.gov/airports_airtraffic/airports/planning_capacity/passenger_allcargo_stats/passenger

Yes: PROCEED to #2

2. Is the Project in the CZ or APZ?

"

Contact the airport operator and obtain written documentation of the Clear Zone (also known as Runway Protection Zone) and for military airfields, the Accident Potential Zone, and a determination of whether your project is in the APZ or CZ. Include the documentation in the ERR.

No: STOP here. Record your determination that the project is not in a CZ or APZ.

Yes: PROCEED TO #3

For Civil and Military Airports, is the activity for new construction, major rehabilitation*, or any other activity which significantly prolongs the physical or economic life of existing facilities? For Accident Potential Zones at Military Airfields, does the project change the use of a facility so that it becomes one which is no longer acceptable in accordance with Department of Defense standards (Please see 32 CFR Part 256 for *Land Use Compatibility Guidelines for Accident Potential Zones*), significantly increases the density or number of people at the site, or introduces explosive, flammable or toxic materials to the area?

No: STOP here. The project is not subject to the regulations. Record your determination.

Yes: PROCEED to #4

4. Will the project frequently be used or occupied by people?

Yes: The project cannot be assisted with HUD funds. STOP HERE.

No: Obtain written assurance from the airport operator to the effect that there are no plans to purchase the land involved with the project as a portion of a Runway Clear Zone or Clear Zone acquisition program. Maintain copies of all of the documents you have used to make your determination

* Rehabilitation is major when the estimated cost of the work is 75% or more of the total estimated cost of replacement after rehab (Please see 24 CFR 58.35(a) for complete definition of major rehabilitation thresholds.)

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Preparer signature and title

Date

Toxic Chemicals and Radioactive Materials

Checklist for Responsible Entity

General Requirements	Legislation	Regulation
All property proposed for use in HUD programs must be free of hazardous materials, contamination, toxic chemicals and gasses and radioactive substances, where a hazard could affect the health and safety of occupants or conflict with the intended utilization of the property.	Comprehensive Environmental Response, Compensation, and Liability Act of 1980 as amended by Superfund Amendments and Reauthorization Act	24 CFR 58.5(i)

You are required to consider all hazards that could affect the health and safety of occupants and use current techniques by qualified professionals to undertake investigations determined necessary.

1. Is the project for any type of acquisition (not just housing), any type of new construction (including line extensions) and/or rehabilitation of a one-to-four family residential property?

No: PROCEED to #2

Yes: PROCEED to #3 to determine the likelihood of hazardous conditions existing nearby or on the property which could affect the health and safety of proposed occupants.

2. Is the project for multifamily housing with 5 or more dwelling units (including leasing), or non-residential property?

No: PROCEED to #3

Yes: The environmental review **must** include the evaluation of previous uses of the site or other evidence of contamination on or near the site, to assure that the occupants of proposed sites are not adversely affected by hazardous materials, contamination, toxic chemicals and gases, and radioactive substances. **For acquisition and new construction projects, HUD strongly advises that the review include an ASTM Phase 1 assessment or equivalent analysis, including an update if the assessment is over 180 days old, in order to meet real estate transaction standards of due diligence.** Your review should also cover the information in the questions below. PROCEED to #3.

3. Is the answer Yes to any of the following questions?

Is the property or surrounding neighborhood listed on an EPA Superfund National Priorities, the SEMS List, or equivalent State list?

Internet sites that may be helpful:

National Priorities list: www.epa.gov/superfund/sites/npl.

Envirofacts Homepage: <http://www.epa.gov/enviro/>

Enviromapper: <http://www.epa.gov/emefdata/em4ef.home>

No

Yes

Is the property located near a toxic or solid-waste landfill site?

An internet site that may be helpful is <http://www.epa.gov/emefdata/em4ef.home>. Maps, site inspections and documentation from the local planning department may also be useful in making your determination.

No

Yes

Are there any underground storage tanks (not including residential fuel tanks) on or near the property?

Consider past uses of the property when making your determination.

No

Yes

Is the property known or suspected to be contaminated by toxic chemicals or radioactive materials?

No

Yes

“No” to all questions: The toxic chemicals and radioactive materials review is complete; record your determination on the Statutory Worksheet and maintain appropriate documentation in the ERR (this form completed and a copy of the Envirofacts report page).
Yes to any of the above questions: PROCEED to #4

HUD’s “Choosing an Environmentally ‘Safe’ Site” provides guidance in considering potential environmental issues: http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_12823.pdf. In considering the site the guidance suggests that you:

- Make a visual inspection of the site for signs of distressed vegetation, vents or fill pipes, storage/oil tanks or questionable containers, pits, ponds or lagoons, stained soil or pavement, pungent, foul or noxious odors, dumped material or soil, mounds of dirt, rubble, fill etc.
- Research the past uses of the site and obtain a disclosure of past uses from the owner. Certain past and present uses such as the following signal concerns of possible contamination and require a more detailed review: gasoline stations, vehicle repair shops, car dealerships, garages, depots, warehouses, commercial printing facilities, industrial or commercial warehouses, dry cleaners, photo developing laboratories, hospitals, junkyard or landfills, waste treatment, storage disposal, processing or recycling facilities, agricultural/farming operations (including hog and poultry operations) and tanneries.
- Identify adjoining properties in the surrounding area for evidence of any facilities as described above.
- Research Federal, State and local records about possible toxins and hazards at the site.

4. Could nearby toxic, hazardous or radioactive substances affect the health and safety of project occupants or conflict with the intended utilization of the property?

Gather all pertinent information concerning any on-site and nearby toxic hazards. Consider, at a minimum, each of the areas identified in Question 3. Consider if your ASTM Phase 1 or equivalent analysis identifies any Recognized Environmental Conditions (RECs)? If appropriate and/or required, obtain independent professional reviews of the site (e.g., an ASTM Phase 2 or equivalent analysis). Contact appropriate Federal, State and Local resources for assistance in assessing exposure to health hazards.

- No: The toxic chemicals and radioactive materials review is complete, unless there are other hazards that could affect the health and safety of occupants. Record your determination that there are no hazards that could affect the safety of occupants or impact the intended use of the project and maintain appropriate documentation in the ERR
- Yes: PROCEED to #5

5. Can the adverse environmental condition be mitigated?

- No: Do not provide HUD assistance for the project at this site
- Yes: Mitigate according to the requirements of the appropriate Federal, State or local oversight agency. Record your determination that there are no hazards that could affect the safety of occupants or impact the intended use of the project and maintain appropriate documentation in the ERR. HUD assistance should be conditioned on completion of appropriate mitigation. Deny HUD assistance if, after mitigation, the property is still determined to be unsafe or unhealthy. For more details please refer to HUD’s “Choosing an Environmentally ‘Safe’ Site.”

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Preparer signature and Title

Date

NEPA ENVIRONMENTAL ASSESSMENT CHECKLIST

[Environmental Assessment Factors 24 CFR 58.40; Ref 40 CFR 1508.8 and 1508.27]

Recorded below is the qualitative and quantitative significance of the effects of the proposal on the character, features and resources of the project area. Each factor has been evaluated and documented, as appropriate and in proportion to its relevance to the proposed action. Verifiable source documentation has been provided and described in support of each determination, as appropriate. Credible, traceable and supportive source documentation for each authority has been provided. Where applicable, the necessary reviews or consultations have been completed and applicable permits of approvals have been obtained or noted. Citations, dates/names/titles of contacts are clear. Additional documentation is attached. All conditions, attenuation or mitigation measures have been clearly identified.

Impact Codes: Use an impact code from the following list to make the determination of impact for each factor.

- (1) Minor beneficial Impact
- (2) No impact anticipated
- (3) Minor Adverse Impact - may require mitigation
- (4) Significant or potentially significant impact requiring avoidance or modification which may require an Environmental Impact Statement

See the NEPA EA Worksheet Documentation Directions for the contacts to consult in each category.

Consultants should be asked to evaluate the significance of the effects of the proposal on the character, features and resources of the project area. Enter relevant base data and verifiable source documentation from the consultant that supports the finding. Then enter the appropriate impact code from the following list to make a determination of impact.

ECD does not accept “No response” in any category; an expert must be found with whom to consult. If unable to get a response, please contact ECD for approval of another expert with whom to consult.

Land Development	Code	Source of Documentation
Conformance with Plans / Compatible Land Use and Zoning / Scale and Urban Design		
Soil Suitability / Slope / Erosion / Drainage / Storm Water Runoff		
Hazards and Nuisances including Site Safety and Noise		
Energy Consumption		

Socioeconomic	Code	Source or Documentation
Employment and income Patterns		
Demographic Character Changes, Displacement		

**Community Facilities
and Services**

	Code	Source or Documentation
Educational and Cultural Facilities		
Commercial Facilities		
Health Care and Social Services		
Solid Waste Disposal / Recycling		
Waste Water / Sanitary Sewers		
Water Supply		
Public Safety - Police, Fire and Emergency Medical		
Parks, Open Space and Recreation		
Transportation and Accessibility		

Natural Features

	Code	Source or Documentation
Unique Natural Features, Water Resources		
Vegetation and Wildlife		

Summary of Findings and Conclusions:

1. Alternatives to the Proposed Action

[24 CFR 58.40(e), Rev. 40 CFR 1508.9]

Identify other reasonable courses of action that were considered and not selected, such as other sites, design modifications, or other uses of the subject site. Describe the benefits and adverse impacts to the human environment of each alternative and the reasons for rejecting it. There must be alternatives to the project listed.

2. No Action Alternative [24 CFR 58.40(e)]

Discuss the benefits and adverse impacts to the human environment of not implementing the preferred alternative.

3. Mitigation Measures and Conditions [40 CFR 1505.2(c)]

Recommended feasible ways in which the proposal or its external factors should be modified in order to minimize adverse environmental impacts and restore or enhance environmental quality.

4. Additional Studies Performed

Attach studies or summaries.

5. List Sources, Agencies and Persons Consulted [40 CFR 1508.9(b)]

Determination

- | | | |
|---|-----|----|
| 1. Is project in compliance with applicable laws and regulations? | Yes | No |
| 2. Is an EIS required? | Yes | No |
| 3. Can a Finding of No Significant Impact (FONSI) be made? | Yes | No |

Preparer's signature / title

Date

Certifying Official's signature / title

Date

**Early Notice and Public Review of a Proposed
Activity in a 100-Year Floodplain**

To: All interested Agencies - Federal, State, and Local - Groups and Individuals

This is to give notice that [Responsible Entity] under CFR 24 Part 58 has conducted an evaluation as required by Executive Order 11988 and/or 11990, in accordance with HUD regulations at 24 CFR 55.20 Subpart C Procedures for Making Determinations on Floodplain Management, to determine the potential affect that its activity in the floodplain and wetland will have on the human environment for a Community Development Block Grant under [HUD grant number].

[Describe the activity, e.g. purpose, type of assistance, the size of the site, proposed number of units, size of footprint, type of floodplain, natural value. State the total number of acres of floodplains].

The proposed project(s) is located [at addresses] in [Name of City], [Name of County].

There are three primary purposes for this notice. First, people who may be affected by activities in floodplains and those who have an interest in the protection of the natural environment should be given an opportunity to express their concerns and provide information about these areas. Second, an adequate public notice program can be an important public educational tool. The dissemination of information about floodplains can facilitate and enhance Federal efforts to reduce the risks associated with the occupancy and modification of these special areas. Third, as a matter of fairness, when the Federal government determines it will participate in actions taking place in floodplains, it must inform those who may be put at greater or continued risk.

Written comments must be received by [Responsible Entity] at the following address on or before [month, day, year] (a minimum 15 calendar day comment period will begin the day after the publication and end on the 16th day after the publication).

[Responsible Entity]
[Address]

Attention: [phone number], [Name of Certifying Officer], [Title].

Comments may also be submitted or further information can be requested via email at [email address].

A full description of the project may also be reviewed from [enter available office hours] at [enter address or state that the address is the same as the office address above].

Date:

Name of Certifying Officer:

Title of Certifying Officer:

Final Notice and Public Explanation of a Proposed Activity in a 100-Year Floodplain

To: All interested Agencies - Federal, State, and Local - Groups and Individuals

This is to give notice that the **[Responsible Entity]** under CFR 24 Part 58 has conducted an evaluation as required by Executive Order 11988 and/or 11990, in accordance with HUD regulations at 24 CFR 55.20 Subpart C Procedures for Making Determinations on Floodplain Management, to determine the potential affect that its activity in the floodplain and wetland will have on the human environment for a Community Development Block Grant under **[HUD grant number]**. The proposed project(s) is located **[at addresses]** in **[Name of City, Name of County]**.

[Describe the activity, e.g. purpose, type of assistance, the size of the site, proposed number of units, size of footprint, type of floodplain, natural values]. [State the total number of acres of floodplains involved].

[Responsible Entity] has considered the following alternatives and mitigation measures to be taken to minimize adverse impacts and to restore and preserve natural and beneficial values:

[List (i) ALL of the reasons why the action must take place in a floodplain, (ii) alternatives considered and reasons for non-selection, (iii) all mitigation measures to be taken to minimize adverse impacts and to restore and preserve natural and beneficial values; cite

the date of any final or conditional LOMR's or LOMA's from FEMA where applicable; acknowledge compliance with state and local floodplain protection procedures]

[Responsible Entity] has reevaluated the alternatives to building in the floodplain and has determined that it has no practicable alternative. Environmental files that document compliance with steps 3 through 6 of Executive Order 11988 and/or 11990, are available for public inspection, review and copying upon request at the times and location delineated in the last paragraph of this notice for receipt of comments. This activity will have no significant impact on the environment for the following reasons:

[Give reasons why there is no significant impact]

There are three primary purposes for this notice. First, people who may be affected by activities in floodplains and those who have an interest in the protection of the natural environment should be given an opportunity to express their concerns and provide information about these areas. Second, an adequate public notice program can be an important public educational tool. The dissemination of information about floodplains can facilitate and enhance Federal efforts to reduce the risks associated with the occupancy and modification of these special areas. Third, as a matter of fairness, when the Federal government determines it will participate in actions taking place in floodplains, it must inform those who may be put at greater or continued risk.

Written comments must be received by the **[Responsible Entity]** at the following address on or before **[month, day, year]** *(a minimum 7 calendar day comment period will begin the day after the publication and end on the 8th day after the publication):*

[Name of Responsible Entity]
[Address]
[phone number]
Attention: **[Name of Certifying Officer],** **[Title].**

Comments may also be submitted or further information can be requested via email at **[email address].** A full description of the project may also be reviewed from **[enter available office hours]** at **[enter address or state that the address is the same as the office address above].**

Date:

Name of Certifying Officer:

Title of Certifying Officer:

**CONCURRENT NOTICE
NOTICE OF FINDING OF NO SIGNIFICANT IMPACT
AND
NOTICE OF INTENT TO REQUEST RELEASE OF FUNDS**

Date of Notice

Name of Responsible Entity (RE) *[RE = grantee]*

Address (e.g., Street No. or P.O. Box)

City, State, Zip Code

Telephone Number of RE

These notices shall satisfy two separate but related procedural requirements for activities to be undertaken by the *[name of RE]*.

REQUEST FOR RELEASE OF FUNDS

On or about *[date]* the *[name of RE]* will submit a request to the Tennessee Department of Economic and Community Development for the release of Block Grant Funds under Title I of the Housing and Community Development Act of 1974, as amended, to undertake a project known as *[project title]* for the purpose of

[nature/scope of project, estimated funding (include non-HUD funding sources if applicable) and project location if applicable].

FINDING OF NO SIGNIFICANT IMPACT

The *[name of RE]* has determined that the project will have no significant impact on the human environment. Therefore, an Environmental Impact Statement under the National Environmental Policy Act of 1969 (NEPA) is not required. Additional project information is contained in the Environmental Review Record (ERR) on file at

[name and address of RE office where ERR can be examined and name and address of other locations where the record is available for review] and may be examined or copied weekdays
A.M. to P.M.

PUBLIC COMMENTS

Any individual, group, or agency may submit written comments on the ERR to the

[RE designated office responsible for receiving and responding to comments]. All comments received by *[Date]* will be considered by the *[name of RE]* prior to authorizing submission of a request for release of funds. Comments should specify which Notice they are addressing.

ENVIRONMENTAL CERTIFICATION

The *[name of RE]* certifies to the Tennessee Department of Economic and Community Development that *[name of Certifying Officer]* in his/her capacity as *[Official Title]* consents to accept the jurisdiction of the Federal Courts if an action is brought to enforce responsibilities in relation to the environmental review process and that these responsibilities have been satisfied. The Tennessee Department of Economic and Community's approval of the certification satisfies its responsibilities under NEPA and related laws and authorities and allows the *[name of RE]* to use Program funds.

OBJECTIONS TO RELEASE OF FUNDS

The Tennessee Department of Economic and Community Development will accept objections to its release of fund and the *[name of RE's]* certification for a period of fifteen days following the anticipated submission date or its actual receipt of the request (whichever is later) only if they are on one of the following bases: (a) the certification was not executed by the Certifying Officer of the *[name of RE]*; (b) the *[name of RE]* has omitted a step or failed to make a decision or finding required by HUD regulations at 24 CFR part 58; (c) the grant recipient or other participants in the development process have committed funds, incurred costs or undertaken activities not authorized by 24 CFR Part 58 before approval of a release of funds by the Tennessee Department of Economic and Community Development; or (d) another Federal agency acting pursuant to 40 CFR Part 1504 has submitted a written finding that the project is unsatisfactory from the standpoint of environmental quality. Objections must be prepared and submitted in accordance with the required procedures (24 CFR Part 58, Sec. 58.76) and shall be addressed to Tennessee Department of Economic and Community Development, Community and Rural Development, 312 Rosa L. Parks Avenue, 27th Floor, Nashville, Tennessee 37243-1102. Potential objectors should contact Community and Rural Development to verify the actual last day of the objection period.

Name and Title of RE Certifying Officer

DISTRIBUTION LIST

Tennessee Historical Commission
2941 Lebanon Road
Nashville, Tennessee 37243-0442

Heinz Mueller, Chief
Environmental Policy Section
U.S. EPA Region IV
Atlanta Federal Center, 61 Forsyth Street, S.W.
Atlanta, Georgia 30303

Director, Federal Agency Liaison Division
Office of Federal Activities (A-104)
Environmental Protection Agency
Washington, D.C. 20460

State of Tennessee
Department of Transportation
Attn: Environmental Analysis Office
Suite 900, James K. Polk Building
Nashville, Tennessee 37243-0341

William L. James
Chief, Eastern Section
Regulatory Branch
U.S. Army Corps of Engineers
3701 Bell Road
Nashville, Tennessee 37214-2660
(floodplain projects only)

William R. Straw, Ph.D.
Dept. of Homeland Security
FEMA Regional Environmental Office
3003 Chamblee Tucker Road
Atlanta, Georgia 30341-4112
(floodplain projects only)

All Required Tribal Consultations (See A-20 – A-23)

Local Development District

Request for Release of Funds and Certification

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

OMB No. 2506-0087
(exp. 03/31/2020)

This form is to be used by Responsible Entities and Recipients (as defined in 24 CFR 58.2) when requesting the release of funds, and requesting the authority to use such funds, for HUD programs identified by statutes that provide for the assumption of the environmental review responsibility by units of general local government and States. Public reporting burden for this collection of information is estimated to average 36 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Part 1. Program Description and Request for Release of Funds (to be completed by Responsible Entity)

1. Program Title(s)	2. HUD/State Identification Number	3. Recipient Identification Number (optional)
4. OMB Catalog Number(s)	5. Name and address of responsible entity	
6. For information about this request, contact (name & phone number)		
8. HUD or State Agency and office unit to receive request	7. Name and address of recipient (if different than responsible entity)	

The recipient(s) of assistance under the program(s) listed above requests the release of funds and removal of environmental grant conditions governing the use of the assistance for the following

9. Program Activity(ies)/Project Name(s)	10. Location (Street address, city, county, State)
--	--

11. Program Activity/Project Description

Part 2. Environmental Certification (to be completed by responsible entity)

With reference to the above Program Activity(ies)/Project(s), I, the undersigned officer of the responsible entity, certify that:

1. The responsible entity has fully carried out its responsibilities for environmental review, decision-making and action pertaining to the project(s) named above.
2. The responsible entity has assumed responsibility for and complied with and will continue to comply with, the National Environmental Policy Act of 1969, as amended, and the environmental procedures, permit requirements and statutory obligations of the laws cited in 24 CFR 58.5; and also agrees to comply with the authorities in 24 CFR 58.6 and applicable State and local laws.
3. The responsible entity has assumed responsibility for and complied with and will continue to comply with Section 106 of the National Historic Preservation Act, and its implementing regulations 36 CFR 800, including consultation with the State Historic Preservation Officer, Indian tribes and Native Hawaiian organizations, and the public.
4. After considering the type and degree of environmental effects identified by the environmental review completed for the proposed project described in Part 1 of this request, I have found that the proposal did did not require the preparation and dissemination of an environmental impact statement.
5. The responsible entity has disseminated and/or published in the manner prescribed by 24 CFR 58.43 and 58.55 a notice to the public in accordance with 24 CFR 58.70 and as evidenced by the attached copy (copies) or evidence of posting and mailing procedure.
6. The dates for all statutory and regulatory time periods for review, comment or other action are in compliance with procedures and requirements of 24 CFR Part 58.
7. In accordance with 24 CFR 58.71(b), the responsible entity will advise the recipient (if different from the responsible entity) of any special environmental conditions that must be adhered to in carrying out the project.

As the duly designated certifying official of the responsible entity, I also certify that:

8. I am authorized to and do consent to assume the status of Federal official under the National Environmental Policy Act of 1969 and each provision of law designated in the 24 CFR 58.5 list of NEPA-related authorities insofar as the provisions of these laws apply to the HUD responsibilities for environmental review, decision-making and action that have been assumed by the responsible entity.
9. I am authorized to and do accept, on behalf of the recipient personally, the jurisdiction of the Federal courts for the enforcement of all these responsibilities, in my capacity as certifying officer of the responsible entity.

Signature of Certifying Officer of the Responsible Entity

Title of Certifying Officer

Date signed

X

Address of Certifying Officer

Part 3. To be completed when the Recipient is not the Responsible Entity

The recipient requests the release of funds for the programs and activities identified in Part 1 and agrees to abide by the special conditions, procedures and requirements of the environmental review and to advise the responsible entity of any proposed change in the scope of the project or any change in environmental conditions in accordance with 24 CFR 58.71(b).

Signature of Authorized Officer of the Recipient

Title of Authorized Officer

Date signed

X

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Date:

Name of Certifying Officer:

Title of Certifying Officer:

CLEARANCE OF LOREC NOTATIONS for P&S APPROVAL

Project Name _____

Contract Number _____

Agency, Date and Notation 1:

Response to Notation 1:

Agency, Date and Notation 2:

Response to Notation 2:

Agency, Date and Notation 3:

Response to Notation 3:

Signature, Title

Date

This form must accompany Plans and Specifications sent to ECD.

ENVIRONMENTAL REVIEW RECORD CHECKLIST

Project Year and Title:

	Requirements	n/a	Environmental Assessment	Categorically Excluded	Categorically Excluded Converted to Exempt	Exempt	Aggregate - previous ERR still valid	Adoption of Other Agencies' EA	Addendum / Scope Change
Corresponds to form(s):	Corresponds to ERR Chapter pgs:		7-11	11-13	13	14	15	14	14-15
EA Worksheets	Environmental Assessment Narrative								only description
	Statutory Worksheet								
	NEPA Checklist								
	Signature/Dates on all forms Signature Dates*								
CES Worksheets	CES Narrative								
	Statutory Worksheet								
	Signature/Dates on all forms								
	Signature Dates*								
Exempt Worksheets	Exempt Checklists and Certification								
	Signatures/Dates on all forms Signature Date(s)								
	Map w/ project delineated								
	SHPO Letter Response Date*								
	All Tribal Consultations Sent Date* Tribe(s) & Response Date(s)								

* The signature date must precede the publication date of the NOI/RROF or the Concurrent Notice and the Distribution List letters

Requirements	n/a	Environmental Assessment	Categorically Excluded	Categorically Excluded Converted to Exempt	Exempt	Aggregate - previous ERR still valid	Adoption of Other Agencies' EA	Addendum / Scope Change
Early Notice and Public Review (for floodplain projects) Publication Date								
Final Notice and Public Explanation (for floodplain projects) Publication Date								1
Concurrent Notice Publication Date OR Posting Date								
Notice of Intent to Request Release of Funds Publication Date OR Posting Date								
Distribution List (with proof) Date EN&PR Letters Sent FN&PE / Other Notice Date Letters Sent								
Documentation of Flood Insurance (for structures only)								
Copy of Adopted EIS/EA								
Addendum of Validity Signature Date								
Request for Release of Funds/Certification Signature Date**						2		

** The signature date must be after local review

1 Check with ECD before completing - only needed if original ERR was an EA.

**Categorically Excluded Assessment
For HUD-funded Proposals
24 CFR Part 58**

Project Name:

Responsible Entity:

[24 CFR Part 58.2(a)(7)]

[City or County]

Certifying Officer:

[24 CFR Part 58.2(a)(2)]

[Mayor/County Executive]

Recipient Address

Project Identification:

[HUD Project Number]

ERR Preparer:

Date of ERR Completion:

Project Location:

HUD CDBG Funds:

Estimated Total Project Cost:

[24 CFR 58.32(d)]

Description of the Proposed Project: Include all contemplated actions, which logically are either geographically or functionally a composite part of the project, regardless of the source of funding [24 CFR 50.12 & 58.32; 40 CFR Part 1508.25].
Include alternatives to the project.

Statement of Need for Proposal: [40 CFR Part 1508.9(b)]

Existing Conditions and Trends: Describe the existing conditions of the project area and its surroundings, and trends likely to continue in the absence of the project (land use, soils, etc.) [24 CFR Part 58.40(a)].

Mitigation Measures and Conditions [40 CFR 1505.2(c)]

Summarize below all mitigation measures adopted by the Responsible Entity to reduce, avoid, or eliminate adverse environmental impacts and to avoid non-compliance or non-conformance with the above-listed authorities and factors. These measures/conditions must be incorporated into project contracts, development agreements, and other relevant documents. The staff responsible for implementing and monitoring mitigation measures should be clearly identified in the mitigation plan.

Preparer Signature:

Date:

Name/Title/Organization:

Certifying Officer Signature:

Date:

Name/Title:

This original, signed document and related supporting material must be retained on file by the Responsible Entity in an Environmental Review Record (ERR) for the activity/project (ref: 24 CFR Part 58.38) and in accordance with recordkeeping requirements for the HUD program(s).

STATUTORY WORKSHEET

24 CFR §50.4, 58.5, 58.6 Laws, Statutes, Executive Orders & Regulations

Use this worksheet for projects that need an Environmental Assessment or are Categorically Excluded per 24 CFR §58.35(a).

HUD Grant number

HUD CDBG funds

Other funds and source

Project total

PROJECT NAME, LOCATION and DESCRIPTION –

Include all contemplated actions that logically are either geographically or functionally part of the project:

**SEWER SYSTEM PROJECTS ONLY:
LIST DATE AND CATEGORY OF LAST ERR**

DIRECTIONS -

See the Statutory Worksheet Documentation Directions for directions on completing this form.

Compliance Factors:

STATUTES, EXECUTIVE ORDERS AND REGULATIONS LISTED AT 24 CFR 58.5 & 58.6	A/B	COMPLIANCE DETERMINATION
<p>HISTORIC PRESERVATION NHPA partic. 106, 110; 36 CFR 800</p>		<p>SHPO response letter date:</p> <p>SHPO response:</p> <p>THPO response letter date(s):</p> <p>THPO response(s):</p> <p>List of Tribes that did not respond:</p>

<p>FLOODPLAIN MANAGEMENT 24 CFR 55; EO 11988 partic. 2(a)</p>		<p>FIRM map #(s) -</p>
<p>WETLAND PROTECTION EO 11990 partic. (2), (5)</p>		
<p>COASTAL ZONE MANAGEMENT ACT CZMA Sections 307(c) & (d)</p>		<p>There are no coastal zones in Tennessee. See attached documentation.</p>
<p>SOLE SOURCE AQUIFERS SDWA partic. 1424(e); 40 CFR 149</p>		<p>There are no Sole Source Aquifers in Tennessee. See attached documentation.</p>
<p>ENDANGERED SPECIES ACT ESA partic. Section 7; 50 CFR 402</p>		
<p>WILD AND SCENIC RIVERS ACT WSRA partic. Sections 7(b) & (c)</p>		
<p>CLEAN AIR ACT CAA partic. Section 176(c) & (d); 40 CFR 6, 51, 93</p>		<p>See attached attainment or non-attainment map and /or list.</p>
<p>FARMLAND PROTECTION POLICY ACT FPPA partic. 1504(b) & 1541; 7 CFR 658</p>		<p>See completed FPPA checklist.</p>
<p>EXPLOSIVE & FLAMMABLE HAZARDS 24 CFR 51C</p>		
<p>NOISE ABATEMENT & CONTROL NCA; QCA; 24 CFR 51B</p>		
<p>AIRPORT CLEAR ZONES & ACCIDENT POTENTIAL ZONES 24 CFR 51D</p>		<p>See completed Airport checklist and radius map.</p>
<p>CONTAMINATION & TOXIC SUBSTANCES 24 CFR 50.3(i), 58.5(i)(2)</p>		<p>See completed Toxic checklist and EnviroFacts.</p>
<p>ENVIRONMENTAL JUSTICE EO 12898</p>		<p>Project will not negatively affect low and moderate incomes and minority populations. Memo Date-</p>

DETERMINATION:

This project converts to Exempt, per § 58.34(a)(12), because it does not require any mitigation for compliance with any listed statutes or authorities, nor requires any formal permit or license (*Status "A" has been determined in the status column for all authorities. Complete an A-16, also.*) Funds may be drawn down for this (now) EXEMPT project;

OR

This project cannot convert to Exempt and is Categorically Excluded because one or more statutes/authorities require consultation or mitigation. Complete consultation/mitigation requirements, publish NOI/RROF and obtain Authority to Use Grant Funds (HUD 7015.16) per §§ 58.370 and 58.71 before drawing down funds;

OR

The unusual circumstances of this project may result in a significant environmental impact. This project requires preparation of an Environmental Assessment (EA). Prepare the EA according to 24 CFR Part 58 Subpart E.

OR

This is documentation as an ERR addendum. The original ERR is still current/valid.

Signature of preparer

Date

Title of preparer

Signature of Certifying Officer

Date

Title of Certifying Officer

Certification of Exemption for HUD funded projects

Determination of activities not subject to 24 CFR 58.34(a)
May be subject to provisions of 24 CFR 58.6, as applicable

Project Name:

Project Description:

Address:

Funding Source: CDBG Other _____

Funding Amount: Grant Number:

If truck or equipment, check box #7.

If CE converting to Exempt, check box #12.

	1. Environmental and other studies, resource identification and the development of plans and strategies;
	2. Information and financial services;
	3. Administrative and management activities;
	4. Public services that will not have a physical impact or result in any physical changes, including but not limited to services concerned with employment, crime prevention, child care, health, drug abuse, education, counseling, energy conservation and welfare or recreational needs;
	5. Inspections and testing of properties for hazards or defects;
	6. Purchase of insurance;
	7. Purchase of tools;
	8. Engineering or design costs;
	9. Technical assistance and training;
	10. Assistance for temporary or permanent improvements that do not alter environmental conditions and are limited to protection, repair, or restoration activities necessary only to control or arrest the effects from disasters or imminent threats to public safety including those resulting from physical deterioration;
	11. Payment of principal and interest on loans made or obligations guaranteed by HUD;
	12. Any of the categorical exclusions listed in Sec. 58.35(a) provided that there are no circumstances that require compliance with any other Federal laws and authorities cited in 24 CFR 58.5.

If your project falls into any of the above categories, you do not have to submit a Request for Release of Funds (RROF), and no further approval from HUD/ECD will be needed by the recipient for the drawdown of funds to carry out exempt activities and projects. However, the responsible entity must still document in writing its compliance with and/or applicability of “other requirements” per 24CFR58.6 (included with this document).

By signing below the Responsible Entity certifies in writing that each activity or project is exempt and meets the conditions specified for such exemption under section 24 CFR 58.34(a). Please keep a copy of this determination in your project files.

Certifying Official Name & Title (please print): _____

Certifying Official Signature

Date

8-STEP DECISION MAKING PROCESS DOCUMENTATION

(Decision Making Process under E.O. 11988 and 24 CFR 55.20)

[Attach additional pages as necessary for any step in the process.]

STEP 1 – Determine if the proposed action/project is located in a 100-year floodplain/wetland, or 500-year floodplain for a critical action.

Attach the FEMA Firmette of the Flood Insurance Rate Map, mark the project site clearly on the map, and complete the following:

Community Name/Number: _____

Map Panel and Date of Map Panel: _____

(Continue to Step 2 if the area has been mapped.)

Check here if the area has not been mapped by FEMA, and continue below.

If the area has not been mapped by FEMA, obtain and attach the best information available from one or more of the following accepted source (check all sources used):

Community Flood Administrator

US Army Corps of Engineers

US Geological Survey Maps

USDA Natural Resources conservation Service Soils Map

Regional Planning Commission/Regional Council of Governments Mapping

Local flood control or levee district

Other _____

STEP 2 – Involve the public in the decision-making process.

Publish the Early Notice and Public Review.

The Early Notice and Public Review is a notice of the proposal to consider an action in a floodplain/wetland. The Notice must be published in the non-legal section of the newspaper of widest circulation. A minimum 15-day comment period begins the day after publication. Indicate if comments were received. If the RE receives any written comments, the RE must respond in writing, resolve any issues and provide copies to CDBG. A copy of the publication must be enclosed in the ERR.

Name of Newspaper: _____

Date of publication: _____

Were adverse comments received in writing? **Yes** **No**
(If yes, attach all correspondence.)

STEP 3 – Evaluate alternatives to locating the proposed action in a floodplain.

Explain in detail each of the following to determine if the floodplain and/or wetland can be avoided:
(Attach additional pages if necessary.)

a. Identify and explain if alternative sites suitable for the project exist outside the floodplain/wetland:
(Refer to the engineer/architect, or engineering/architectural report for alternatives. Other buildings and/or sites and No Action alternatives must be evaluated.)

b. Identify and explain if feasible alternative actions/methods may be used to fulfill the identical project objective: (Can different or modified actions with less chance for impact be used to fulfill the same project?)

c. Identify and explain if threats to lives and property and/or adverse impacts to the floodplain/wetland outweigh benefits of the proposed project: (Explain if impacts are too severe to human and natural environments to complete the project.)

STEP 4 – Identify indirect and direct impacts associated with occupying or modifying the floodplain/wetland.

If the RE determines the only practicable alternative for the project/action is occupying or modifying the floodplain/wetland, then impacts to lives and properties and impacts to floodplains and/or wetland, must be identified. If the RE determines an alternative site of the project exists out of the floodplain/wetland, project activities may still have an impact on the nearby floodplain/wetland and must also be identified to determine ways to minimize harm.

Explain in detail how the project/activity will affect the floodplain/wetland regarding the following types of impacts:

Positive or beneficial impacts to the floodplain/wetland, both direct and indirect:

Negative or harmful impacts to the floodplain/wetland, both direct and indirect:

Concentrated impacts – those occurring at or near the floodplain/wetland:

Dispersed or remote impacts occurring distant from the floodplain/wetland:

Short-term impacts to the floodplain/wetland (temporary impacts occurring immediately after an action lasting as short while):

Long-term impacts to the floodplain/wetland (impacts occurring during or after an action that persist for considerable time or indefinitely):

Explain if project encourages development in the floodplain/wetland:

STEP 5 – Identify mitigation measures to minimize impacts to and to preserve benefits of the floodplain/wetland. *(Consult project engineer/architect and/or engineering/architectural report.)*

a. Explain how actions will be designed and/or modified to minimize harm to or within the floodplain/wetland.

b. Explain how actions will be designed and/or modified to restore and/or preserve as much of the natural and beneficial floodplain/wetland values as possible.

STEP 6 – Re-evaluate alternatives identified in Step 3. Take into account all identified impacts & mitigation measures.

a. Explain whether it is possible to modify or relocate the project/activity and why.

b. If there are no alternatives, explain why the project/activity should occur. Consider impacts determined in Step 4 and minimization efforts identified in Step 5.

STEP 7 – If re-evaluation results in no practicable alternative to relocate the project out of the floodplain/wetland, the decision must be made public.

Publish the Final Notice and Public Explanation

The Final notice must be published in a non-legal section of the newspaper of widest circulation. *A 7-day comment period begins the day after publication.* This notice may be published concurrently with the Concurrent Notice or the NOI/RROF. (24 CFR Subpart C § 55.20(b)(1).

If the RE receives written comments, the RE must respond in writing, resolve issues and provide copies to CDBG. A copy of the publication must be enclosed in the ERR.

Name of Newspaper: _____

Date of publication: _____

Were adverse comments in writing received? <i>(If Yes, attach all correspondence.)</i>	Yes	No
--	------------	-----------

STEP 8 – Implement the Project.

Project implementation can only proceed provided compliance has been demonstrated with respect to all of the prior steps and provided the project has been approved by the state in accordance with HUD regulation 254 CFR part 58.

The Responsible Entity has a continuing responsibility to ensure that the mitigating measures identified in Step 7 are implemented. Mitigation measures must be incorporated, as appropriate, in project contract and all related agreement documents.

Additional Information/Explanations:

Preparer's signature/title

Date

Farmland Protection

Checklist for Responsible Entity

General requirements	Legislation	Regulation
The Farmland Protection Policy Act discourages Federal activities that would convert farmland to nonagricultural purposes.	Farmland Protection Policy Act of 1981 (7 U.S.C. 4201 et seq.)	7 CFR Part 658

1. Does your project include new construction, acquisition of undeveloped land or change in use of land or property?

No: STOP here. The Farmland Protection Policy Act does not apply. Record your determination

Yes: PROCEED to #2

2. Does your project meet one of the following exemptions?

- Construction limited to on-farm structures needed for farm operations.
- Construction limited to new minor secondary (accessory) structures such as a garage or storage shed
- Project on land used for water storage or already in or committed urban development (this includes land with a density of 30 structures per 40 acre area. It also includes lands identified as “urbanized area” (UA) on the Census Bureau Map, or as urban area mapped with a “tint overprint” on the USGS topographical maps, or as “urban built-up” on the USDA Important Farmland Maps. Please note that land “zoned” for development, i.e. non-agricultural use, does not exempt a project from compliance with the FPPA).

No: PROCEED to #3

Yes: STOP here. The Farmland Protection Policy Act does not apply. Record your determination

3. Does “important farmland” regulated under the Farmland Protection Policy Act occur on the project site? This includes prime farmland, unique farmland and/or land of statewide or local importance (You may use the links below to determine if important farmland occurs on the project site):

- Utilize USDA Natural Resources Conservation Service’s (NRCS) Web Soil Survey <http://websoilsurvey.nrcs.usda.gov/app/HomePage.htm>
- Check with your city or county’s planning department and ask them to document if the project is on land regulated by the FPPA (zoning important farmland as non-agricultural does not exempt it from FPPA requirements)
- Contact NRCS at the local USDA service center <http://offices.sc.egov.usda.gov/locator/app?agency=nrcs> or your NRCS state soil scientist http://www.nrcs.usda.gov/Internet/FSE_DOCUMENTS/stelprdb1254316.pdf for assistance

- No: STOP here. The project does not convert farmland to nonagricultural purposes. Record your determination on the Statutory Worksheet and attach documentation used to make your determination
- Yes: PROCEED to #4

4. Consider alternatives to completing the project on important farmland and means of avoiding impacts to important farmland.

Complete form AD-1006, "Farmland Conversion Impact Rating"

http://www.nrcs.usda.gov/Internet/FSE_DOCUMENTS/stelprdb1045394.pdf and contact the state soil scientist before sending it to the local NRCS District Conservationist. Work with NRCS to minimize the impact of the project on the protected farmland.

Return a copy of Form 1006 to the USDA-NRCS State Soil Scientist or his/her designees informing them of your determination once you have finished the analysis.

DISCLAIMER: This document is intended as a tool to help TN CDBG grantees complete environmental requirements. This document is subject to change. This is not a policy statement, and the Farmland Protection Legislation and Regulations take precedence over any information found in this document.

Preparer signature and Title

Date

Explosive and Flammable Operations

Checklist for Responsible Entity

General requirements	Legislation	Regulation
Establish safety standards that can be used a basis for calculating acceptable separation distances for assisted projects.	Sec. 2 Housing and Urban Development Act of 1969 (42 U.S.C. 1441 (a))	24 CFR 51 Subpart C

1. **Does the proposed project involve any of the following residential activities: development, construction (reconstruction), rehabilitation, modernization or conversion?**
For modernization and rehabilitation, does the work increase residential densities, convert a building for habitation or make a vacant building habitable?

Does the proposed project involve new construction, construction of line extensions or increase the number of people exposed to potential hazards?

No: STOP here. The project is not subject to 254 CFR Part 51 C. Record the determination in your ERR “Project will not increase the number of people exposed to potential hazards.” Place the A-27 in the Environmental Review Record.

Yes: PROCEED to #2

2. **Are there aboveground storage tanks within 1 mile of the project site more than 100 gallons in size? Are there plans to install such aboveground storage tanks within 1 mile of the project site?**

***A site visit is required to assess the area for hazards and must be documented.**

The site visit should be completed by the County Emergency Services management or local Fire Chief. The site visit is required to ensure that there are no storage tanks within one mile of the project site. A letter/memo from the individual completing the site visit should be placed as documentation in your ERR, along with a radius map and this checklist.

TIP: You do not have to consider all tanks at all sizes within 1 mile of your project. Screen further by determining the Acceptable Separation Distance (ASD) for specific tank sizes and using that information to narrow your search. For instance, the maximum ASD for a 100 gallon tank is 115 feet. You do not need to map 100 gallon tanks farther than 115 feet from your project site.

<https://www.hudexchange.info/environmental-review/explosive-and-flammable-facilities/>
<http://www.hud.gov/offices/cpd/environment/asduserguide.pdf>

(HUD’s stated position is that 24 CFR Part 51 C does not apply to storage tanks ancillary to the operation of the assisted 1-4 family residence, for example the home heating or power source. It does apply to all other tanks, including tanks for neighboring 1-4 family residences.)

No: STOP here. The project is not subject to 24 CFR Part 51 C. Documentation to be placed in the ERR is the A-27 and a copy of the site visit notes signed by the County EMS management or local Fire Chief and a radius map.

Yes: PROCEED to #3

3. Is the Separation Distance from the project acceptable based on standards in 24 CFR 51 C?

Use the online tool to calculate ASD:

<https://www.hudexchange.info/environmental-review/asd-calculator/>

Yes: STOP here. Include signed site visit report, map(s), ASD calculations and this checklist in your ERR.

No: PROCEED to #4

4. With mitigation, can the Separation Distance become acceptable?

No: PROJECT IS NOT ACCEPTABLE-DO NOT FUND

Yes: STOP here. Maintain documentation supporting your determination in your ERR. Documentation could include a finding by a qualified data source (i.e. Fire Marshal, etc.), copies of pictures, maps, technical calculations and information describing the mitigation measures taken.

MITIGATION OPTIONS

If the Acceptable Separation Distance (ASD) cannot be met your options are:

No action

- Cancel the project at this location

Mitigation

- Contact your Field or Regional Environmental Officer
<http://www.hud.gov/offices/cpd/environment/contact/>.
- Incorporate natural or existing man-made barriers.
- Have the storage containers (tank) buried • Reconfigure the site plan - To increase the distance between the hazard and the project.
- Modify the building design - To compensate for the ASD
- Construct a Barrier for blast overpressure and thermal radiation.

Other reasonable alternatives

- Choose an alternate site

DISCLAIMER: This document is intended as a tool to help TN CDBG grantees complete environmental requirements. This document is subject to change. This is not a policy statement, and the appropriate legislation and regulations take precedence over any information found in this document.

Preparer signature and Title

Date

Clear Zones (CZ) and Accident Potential Zones (APZ)

Checklist for Responsible Entity

General requirements	Legislation	Regulation
Promote compatible land uses around civil airports and military airfields	Section 2 of the Housing Act of 1949 as amended, 42 U.S.C 1331, affirmed by Section 2 of the Housing and Urban Development Act of 1969, P.L. No 90-448; Section 7(d) of the Dept. HUD Act of 1965, 42 U.S.C. 3535 (d).	24 CFR Part 51 Subpart D 32 CFR Part 256

1. Is the Project located within 2,500 feet for a civil airport or within 15,000 feet for a military airfield of the end of a runway?

No: STOP here. The project is not within a Clear Zone (also known as Runway Protection Zone) or Accident Potential Zone. Record your determination as listed below.

Maintain in your ERR a radius map with the project area marked that identifies airports and lists the distance between the CA and/or APZ and the project area. The regulations only apply to military and civil primary and commercial service airports. The Federal Aviation Administration updates the list of applicable airports annually: http://www.faa.gov/airports_airtraffic/airports/planning_capacity/passenger_allcargo_stats/passenger

Yes: PROCEED to #2

2. Is the Project in the CZ or APZ?

"

Contact the airport operator and obtain written documentation of the Clear Zone (also known as Runway Protection Zone) and for military airfields, the Accident Potential Zone, and a determination of whether your project is in the APZ or CZ. Include the documentation in the ERR.

No: STOP here. Record your determination that the project is not in a CZ or APZ.

Yes: PROCEED TO #3

For Civil and Military Airports, is the activity for new construction, major rehabilitation*, or any other activity which significantly prolongs the physical or economic life of existing facilities? For Accident Potential Zones at Military Airfields, does the project change the use of a facility so that it becomes one which is no longer acceptable in accordance with Department of Defense standards (Please see 32 CFR Part 256 for *Land Use Compatibility Guidelines for Accident Potential Zones*), significantly increases the density or number of people at the site, or introduces explosive, flammable or toxic materials to the area?

No: STOP here. The project is not subject to the regulations. Record your determination.

Yes: PROCEED to #4

4. Will the project frequently be used or occupied by people?

Yes: The project cannot be assisted with HUD funds. STOP HERE.

No: Obtain written assurance from the airport operator to the effect that there are no plans to purchase the land involved with the project as a portion of a Runway Clear Zone or Clear Zone acquisition program. Maintain copies of all of the documents you have used to make your determination

* Rehabilitation is major when the estimated cost of the work is 75% or more of the total estimated cost of replacement after rehab (Please see 24 CFR 58.35(a) for complete definition of major rehabilitation thresholds.)

DISCLAIMER: This document is intended as a tool to help TN CDBG grantees complete environmental requirements. This document is subject to change. This is not a policy statement. Legislation and Regulations take precedence over any information found in this document.

Preparer signature and title

Date

Toxic Chemicals and Radioactive Materials

Checklist for Responsible Entity

General Requirements	Legislation	Regulation
All property proposed for use in HUD programs must be free of hazardous materials, contamination, toxic chemicals and gasses and radioactive substances, where a hazard could affect the health and safety of occupants or conflict with the intended utilization of the property.	Comprehensive Environmental Response, Compensation, and Liability Act of 1980 as amended by Superfund Amendments and Reauthorization Act	24 CFR 58.5(i)

You are required to consider all hazards that could affect the health and safety of occupants and use current techniques by qualified professionals to undertake investigations determined necessary.

1. Is the project for any type of acquisition (not just housing), any type of new construction (including line extensions) and/or rehabilitation of a one-to-four family residential property?

No: PROCEED to #2

Yes: PROCEED to #3 to determine the likelihood of hazardous conditions existing nearby or on the property which could affect the health and safety of proposed occupants.

2. Is the project for multifamily housing with 5 or more dwelling units (including leasing), or non-residential property?

No: PROCEED to #3

Yes: The environmental review **must** include the evaluation of previous uses of the site or other evidence of contamination on or near the site, to assure that the occupants of proposed sites are not adversely affected by hazardous materials, contamination, toxic chemicals and gases, and radioactive substances. **For acquisition and new construction projects, HUD strongly advises that the review include an ASTM Phase 1 assessment or equivalent analysis, including an update if the assessment is over 180 days old, in order to meet real estate transaction standards of due diligence.** Your review should also cover the information in the questions below. PROCEED to #3.

3. Is the answer Yes to any of the following questions?

Is the property or surrounding neighborhood listed on an EPA Superfund National Priorities, the SEMS List, or equivalent State list?

Internet sites that may be helpful:

National Priorities list: www.epa.gov/superfund/sites/npl.

Envirofacts Homepage: <http://www.epa.gov/enviro/>

Enviromapper: <http://www.epa.gov/emefdata/em4ef.home>

No

Yes

Is the property located near a toxic or solid-waste landfill site?

An internet site that may be helpful is <http://www.epa.gov/emefdata/em4ef.home>. Maps, site inspections and documentation from the local planning department may also be useful in making your determination.

No

Yes

Are there any underground storage tanks (not including residential fuel tanks) on or near the property?

Consider past uses of the property when making your determination.

No

Yes

Is the property known or suspected to be contaminated by toxic chemicals or radioactive materials?

No

Yes

“No” to all questions: The toxic chemicals and radioactive materials review is complete; record your determination on the Statutory Worksheet and maintain appropriate documentation in the ERR (this form completed and a copy of the Envirofacts report page).
Yes to any of the above questions: PROCEED to #4

HUD’s “Choosing an Environmentally ‘Safe’ Site” provides guidance in considering potential environmental issues: http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_12823.pdf. In considering the site the guidance suggests that you:

- Make a visual inspection of the site for signs of distressed vegetation, vents or fill pipes, storage/oil tanks or questionable containers, pits, ponds or lagoons, stained soil or pavement, pungent, foul or noxious odors, dumped material or soil, mounds of dirt, rubble, fill etc.
- Research the past uses of the site and obtain a disclosure of past uses from the owner. Certain past and present uses such as the following signal concerns of possible contamination and require a more detailed review: gasoline stations, vehicle repair shops, car dealerships, garages, depots, warehouses, commercial printing facilities, industrial or commercial warehouses, dry cleaners, photo developing laboratories, hospitals, junkyard or landfills, waste treatment, storage disposal, processing or recycling facilities, agricultural/farming operations (including hog and poultry operations) and tanneries.
- Identify adjoining properties in the surrounding area for evidence of any facilities as described above.
- Research Federal, State and local records about possible toxins and hazards at the site.

4. Could nearby toxic, hazardous or radioactive substances affect the health and safety of project occupants or conflict with the intended utilization of the property?

Gather all pertinent information concerning any on-site and nearby toxic hazards. Consider, at a minimum, each of the areas identified in Question 3. Consider if your ASTM Phase 1 or equivalent analysis identifies any Recognized Environmental Conditions (RECs)? If appropriate and/or required, obtain independent professional reviews of the site (e.g., an ASTM Phase 2 or equivalent analysis). Contact appropriate Federal, State and Local resources for assistance in assessing exposure to health hazards.

- No: The toxic chemicals and radioactive materials review is complete, unless there are other hazards that could affect the health and safety of occupants. Record your determination that there are no hazards that could affect the safety of occupants or impact the intended use of the project and maintain appropriate documentation in the ERR
- Yes: PROCEED to #5

5. Can the adverse environmental condition be mitigated?

- No: Do not provide HUD assistance for the project at this site
- Yes: Mitigate according to the requirements of the appropriate Federal, State or local oversight agency. Record your determination that there are no hazards that could affect the safety of occupants or impact the intended use of the project and maintain appropriate documentation in the ERR. HUD assistance should be conditioned on completion of appropriate mitigation. Deny HUD assistance if, after mitigation, the property is still determined to be unsafe or unhealthy. For more details please refer to HUD’s “Choosing an Environmentally ‘Safe’ Site.”

DISCLAIMER: This document is intended as a tool to help TN CDBG grantees complete environmental requirements. This document is subject to change. This is not a policy statement. Legislation and Regulations take precedence over any information found in this document.

Preparer signature and Title

Date

**Early Notice and Public Review of a Proposed
Activity in a 100-Year Floodplain**

To: All interested Agencies - Federal, State, and Local - Groups and Individuals

This is to give notice that **[Responsible Entity]**
under CFR 24 Part 58 has conducted an evaluation as required by Executive Order 11988 and/or 11990, in
accordance with HUD regulations at 24 CFR 55.20 Subpart C Procedures for Making Determinations on Floodplain
Management, to determine the potential affect that its activity in the floodplain and wetland will have on the human
environment for a Community Development Block Grant under **[HUD grant number]**.

**[Describe the activity, e.g. purpose, type of assistance, the size of the site, proposed number of units, size of
footprint, type of floodplain, natural value. State the total number of acres of floodplains].**

The proposed project(s) is located **[at addresses]** in
[Name of City], [Name of County].

There are three primary purposes for this notice. First, people who may be affected by activities in floodplains and those who have an interest in the protection of the natural environment should be given an opportunity to express their concerns and provide information about these areas. Second, an adequate public notice program can be an important public educational tool. The dissemination of information about floodplains can facilitate and enhance Federal efforts to reduce the risks associated with the occupancy and modification of these special areas. Third, as a matter of fairness, when the Federal government determines it will participate in actions taking place in floodplains, it must inform those who may be put at greater or continued risk.

Written comments must be received by **[Responsible Entity]** at the following
address on or before **[month, day, year]** *(a minimum 15 calendar day comment period will begin the
day after the publication and end on the 16th day after the publication).*

**[Responsible Entity]
[Address]**

Attention: **[phone number]**,
[Name of Certifying Officer], **[Title].**

Comments may also be submitted or further information can be requested via email at
[email address].

A full description of the project may also be reviewed from **[enter available office hours]**
at **[enter address or state that the**
address is the same as the office address above].

Date:

Name of Certifying Officer:

Title of Certifying Officer:

Final Notice and Public Explanation of a Proposed Activity in a 100-Year Floodplain

To: All interested Agencies - Federal, State, and Local - Groups and Individuals

This is to give notice that the **[Responsible Entity]** under CFR 24 Part 58 has conducted an evaluation as required by Executive Order 11988 and/or 11990, in accordance with HUD regulations at 24 CFR 55.20 Subpart C Procedures for Making Determinations on Floodplain Management, to determine the potential affect that its activity in the floodplain and wetland will have on the human environment for a Community Development Block Grant under **[HUD grant number]**. The proposed project(s) is located **[at addresses]** in **[Name of City, Name of County]**.

[Describe the activity, e.g. purpose, type of assistance, the size of the site, proposed number of units, size of footprint, type of floodplain, natural values]. [State the total number of acres of floodplains involved].

[Responsible Entity] has considered the following alternatives and mitigation measures to be taken to minimize adverse impacts and to restore and preserve natural and beneficial values:

[List (i) ALL of the reasons why the action must take place in a floodplain, (ii) alternatives considered and reasons for non-selection, (iii) all mitigation measures to be taken to minimize adverse impacts and to restore and preserve natural and beneficial values; cite

the date of any final or conditional LOMR's or LOMA's from FEMA where applicable; acknowledge compliance with state and local floodplain protection procedures]

[Responsible Entity] has reevaluated the alternatives to building in the floodplain and has determined that it has no practicable alternative. Environmental files that document compliance with steps 3 through 6 of Executive Order 11988 and/or 11990, are available for public inspection, review and copying upon request at the times and location delineated in the last paragraph of this notice for receipt of comments. This activity will have no significant impact on the environment for the following reasons:

[Give reasons why there is no significant impact]

There are three primary purposes for this notice. First, people who may be affected by activities in floodplains and those who have an interest in the protection of the natural environment should be given an opportunity to express their concerns and provide information about these areas. Second, an adequate public notice program can be an important public educational tool. The dissemination of information about floodplains can facilitate and enhance Federal efforts to reduce the risks associated with the occupancy and modification of these special areas. Third, as a matter of fairness, when the Federal government determines it will participate in actions taking place in floodplains, it must inform those who may be put at greater or continued risk.

Written comments must be received by the **[Responsible Entity]** at the following address on or before **[month, day, year]** *(a minimum 7 calendar day comment period will begin the day after the publication and end on the 8th day after the publication):*

[Name of Responsible Entity]
[Address]
[phone number]
Attention: **[Name of Certifying Officer],** **[Title].**

Comments may also be submitted or further information can be requested via email at **[email address]**. A full description of the project may also be reviewed from **[enter available office hours]** at **[enter address or state that the address is the same as the office address above].**

Date:

Name of Certifying Officer:

Title of Certifying Officer:

NOTICE OF INTENT TO REQUEST RELEASE OF FUNDS

Date of Notice

Name of Responsible Entity (RE) *[RE = Grantee]*

Address (e.g., Street No. or P.O. Box)

City, State, Zip Code

Telephone Number of RE

On or about *[Date]* the *[name of RE]* will submit a request to the Tennessee Department of Economic and Community Development for the release of Block Grant funds under Title I of the Housing and Community Development Act of 1974, as amended, to undertake a project known as *[project title]* for the purpose of

[nature/scope of project, estimated funding (include non-HUD funding sources if applicable) and project location if applicable.]

The activities proposed

[alternative #1: are categorically excluded under HUD regulations at 24 CFR Part 58 from National Environmental Policy Act (NEPA) requirements or alternative #2: comprise a project for which a Finding of No Significant Impact on the environment] was

[published/posted] on *[date of Finding publication/posting]*. An Environmental Review Record (ERR) that documents the environmental determinations for this project is on file at

[name and address of RE office where ERR can be examined and name and address of other locations where the record is available for review] and may be examined or copied weekdays
A.M. to P.M.

PUBLIC COMMENTS

Any individual, group, or agency may submit written comments on the ERR to the *[RE designated office responsible for receiving and responding to comments]*. All comments received by *[if notice is published: notice date plus seven days; if notice is mailed and posted: mailing and posting date plus ten days]* will be considered by the *[name of RE]* prior to authorizing submission of a request for release of funds.

ENVIRONMENTAL CERTIFICATION

The *[name of RE]* certifies to the Tennessee Department of Economic and Community Development that *[name of Certifying Officer (CO)]* in his/her capacity as *[Official Title]* consents to accept the jurisdiction of the Federal Courts if an action is brought to enforce responsibilities in relation to the environmental review process and that these responsibilities have been satisfied. The Tennessee Department of Economic and Community Development's approval of the certification satisfies its responsibilities under NEPA and related laws and authorities and allows the *[name of RE]* to use Program funds.

OBJECTIONS TO RELEASE OF FUNDS

The Tennessee Department of Economic and Community Development will accept objections to its release of fund and the *[name of RE]* certification for a period of fifteen days following the anticipated submission date or its actual receipt of the request (whichever is later) only if they are on one of the following bases: (a) the certification was not executed by the Certifying Officer of *[name of RE]*; (b) the [name of RE] has omitted a step or failed to make a decision or finding required by HUD regulations at 24 CFR part 58; (c) the grant recipient or other participants in the development process have committed funds, incurred costs or undertaken activities not authorized by 24 CFR Part 58 before approval of a release of funds by the Tennessee Department of Economic and Community Development; or (d) another Federal agency acting pursuant to 40 CFR Part 1504 has submitted a written finding that the project is unsatisfactory from the standpoint of environmental quality. Objections must be prepared and submitted in accordance with the required procedures (24 CFR Part 58, Sec. 58.76) and shall be addressed to The Tennessee Department of Economic and Community Development, Community and Rural Development, 312 Rosa L. Parks Avenue, 27th Floor, Nashville, TN 37243-1102. Potential objectors should contact Community and Rural Development to verify the actual last day of the objection period.

Name and Title of RE Certifying Officer

Date:

Name of Certifying Officer:

Title of Certifying Officer:

DISTRIBUTION LIST

Tennessee Historical Commission
2941 Lebanon Road
Nashville, Tennessee 37243-0442

Heinz Mueller, Chief
Environmental Policy Section
U.S. EPA Region IV
Atlanta Federal Center, 61 Forsyth Street, S.W.
Atlanta, Georgia 30303

Director, Federal Agency Liaison Division
Office of Federal Activities (A-104)
Environmental Protection Agency
Washington, D.C. 20460

State of Tennessee
Department of Transportation
Attn: Environmental Analysis Office
Suite 900, James K. Polk Building
Nashville, Tennessee 37243-0341

William L. James
Chief, Eastern Section
Regulatory Branch
U.S. Army Corps of Engineers
3701 Bell Road
Nashville, Tennessee 37214-2660
(floodplain projects only)

William R. Straw, Ph.D.
Dept. of Homeland Security
FEMA Regional Environmental Office
3003 Chamblee Tucker Road
Atlanta, Georgia 30341-4112
(floodplain projects only)

All Required Tribal Consultations (See A-20 – A-23)

Local Development District

Request for Release of Funds and Certification

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

OMB No. 2506-0087
(exp. 03/31/2020)

This form is to be used by Responsible Entities and Recipients (as defined in 24 CFR 58.2) when requesting the release of funds, and requesting the authority to use such funds, for HUD programs identified by statutes that provide for the assumption of the environmental review responsibility by units of general local government and States. Public reporting burden for this collection of information is estimated to average 36 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Part 1. Program Description and Request for Release of Funds (to be completed by Responsible Entity)

1. Program Title(s)	2. HUD/State Identification Number	3. Recipient Identification Number (optional)
4. OMB Catalog Number(s)	5. Name and address of responsible entity	
6. For information about this request, contact (name & phone number)		
8. HUD or State Agency and office unit to receive request	7. Name and address of recipient (if different than responsible entity)	

The recipient(s) of assistance under the program(s) listed above requests the release of funds and removal of environmental grant conditions governing the use of the assistance for the following

9. Program Activity(ies)/Project Name(s)	10. Location (Street address, city, county, State)
--	--

11. Program Activity/Project Description

Part 2. Environmental Certification (to be completed by responsible entity)

With reference to the above Program Activity(ies)/Project(s), I, the undersigned officer of the responsible entity, certify that:

1. The responsible entity has fully carried out its responsibilities for environmental review, decision-making and action pertaining to the project(s) named above.
2. The responsible entity has assumed responsibility for and complied with and will continue to comply with, the National Environmental Policy Act of 1969, as amended, and the environmental procedures, permit requirements and statutory obligations of the laws cited in 24 CFR 58.5; and also agrees to comply with the authorities in 24 CFR 58.6 and applicable State and local laws.
3. The responsible entity has assumed responsibility for and complied with and will continue to comply with Section 106 of the National Historic Preservation Act, and its implementing regulations 36 CFR 800, including consultation with the State Historic Preservation Officer, Indian tribes and Native Hawaiian organizations, and the public.
4. After considering the type and degree of environmental effects identified by the environmental review completed for the proposed project described in Part 1 of this request, I have found that the proposal did did not require the preparation and dissemination of an environmental impact statement.
5. The responsible entity has disseminated and/or published in the manner prescribed by 24 CFR 58.43 and 58.55 a notice to the public in accordance with 24 CFR 58.70 and as evidenced by the attached copy (copies) or evidence of posting and mailing procedure.
6. The dates for all statutory and regulatory time periods for review, comment or other action are in compliance with procedures and requirements of 24 CFR Part 58.
7. In accordance with 24 CFR 58.71(b), the responsible entity will advise the recipient (if different from the responsible entity) of any special environmental conditions that must be adhered to in carrying out the project.

As the duly designated certifying official of the responsible entity, I also certify that:

8. I am authorized to and do consent to assume the status of Federal official under the National Environmental Policy Act of 1969 and each provision of law designated in the 24 CFR 58.5 list of NEPA-related authorities insofar as the provisions of these laws apply to the HUD responsibilities for environmental review, decision-making and action that have been assumed by the responsible entity.
9. I am authorized to and do accept, on behalf of the recipient personally, the jurisdiction of the Federal courts for the enforcement of all these responsibilities, in my capacity as certifying officer of the responsible entity.

Signature of Certifying Officer of the Responsible Entity

Title of Certifying Officer

Date signed

X

Address of Certifying Officer

Part 3. To be completed when the Recipient is not the Responsible Entity

The recipient requests the release of funds for the programs and activities identified in Part 1 and agrees to abide by the special conditions, procedures and requirements of the environmental review and to advise the responsible entity of any proposed change in the scope of the project or any change in environmental conditions in accordance with 24 CFR 58.71(b).

Signature of Authorized Officer of the Recipient

Title of Authorized Officer

Date signed

X

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

CLEARANCE OF LOREC NOTATIONS for P&S APPROVAL

Project Name _____

Contract Number _____

Agency, Date and Notation 1:

Response to Notation 1:

Agency, Date and Notation 2:

Response to Notation 2:

Agency, Date and Notation 3:

Response to Notation 3:

Signature, Title

Date

This form must accompany Plans and Specifications sent to ECD.

ENVIRONMENTAL REVIEW RECORD CHECKLIST

Project Year and Title:

	Requirements	n/a	Environmental Assessment	Categorically Excluded	Categorically Excluded Converted to Exempt	Exempt	Aggregate - previous ERR still valid	Adoption of Other Agencies' EA	Addendum / Scope Change
Corresponds to form(s):	Corresponds to ERR Chapter pgs:		7-11	11-13	13	14	15	14	14-15
EA Worksheets	Environmental Assessment Narrative								only description
	Statutory Worksheet								
	NEPA Checklist								
	Signature/Dates on all forms Signature Dates*								
CES Worksheets	CES Narrative								
	Statutory Worksheet								
	Signature/Dates on all forms								
	Signature Dates*								
Exempt Worksheets	Exempt Checklists and Certification								
	Signatures/Dates on all forms Signature Date(s)								
	Map w/ project delineated								
	SHPO Letter Response Date*								
	All Tribal Consultations Sent Date* Tribe(s) & Response Date(s)								

* The signature date must precede the publication date of the NOI/RROF or the Concurrent Notice and the Distribution List letters

Requirements	n/a	Environmental Assessment	Categorically Excluded	Categorically Excluded Converted to Exempt	Exempt	Aggregate - previous ERR still valid	Adoption of Other Agencies' EA	Addendum / Scope Change
Early Notice and Public Review (for floodplain projects) Publication Date								
Final Notice and Public Explanation (for floodplain projects) Publication Date								1
Concurrent Notice Publication Date OR Posting Date								
Notice of Intent to Request Release of Funds Publication Date OR Posting Date								
Distribution List (with proof) Date EN&PR Letters Sent FN&PE / Other Notice Date Letters Sent								
Documentation of Flood Insurance (for structures only)								
Copy of Adopted EIS/EA								
Addendum of Validity Signature Date								
Request for Release of Funds/Certification Signature Date**						2		

** The signature date must be after local review

1 Check with ECD before completing - only needed if original ERR was an EA.

Certification of Exemption for HUD funded projects

Determination of activities not subject to 24 CFR 58.34(a)
May be subject to provisions of 24 CFR 58.6, as applicable

Project Name:

Project Description:

Address:

Funding Source: CDBG Other _____

Funding Amount: Grant Number:

If truck or equipment, check box #7.

If CE converting to Exempt, check box #12.

	1. Environmental and other studies, resource identification and the development of plans and strategies;
	2. Information and financial services;
	3. Administrative and management activities;
	4. Public services that will not have a physical impact or result in any physical changes, including but not limited to services concerned with employment, crime prevention, child care, health, drug abuse, education, counseling, energy conservation and welfare or recreational needs;
	5. Inspections and testing of properties for hazards or defects;
	6. Purchase of insurance;
	7. Purchase of tools;
	8. Engineering or design costs;
	9. Technical assistance and training;
	10. Assistance for temporary or permanent improvements that do not alter environmental conditions and are limited to protection, repair, or restoration activities necessary only to control or arrest the effects from disasters or imminent threats to public safety including those resulting from physical deterioration;
	11. Payment of principal and interest on loans made or obligations guaranteed by HUD;
	12. Any of the categorical exclusions listed in Sec. 58.35(a) provided that there are no circumstances that require compliance with any other Federal laws and authorities cited in 24 CFR 58.5.

If your project falls into any of the above categories, you do not have to submit a Request for Release of Funds (RROF), and no further approval from HUD/ECD will be needed by the recipient for the drawdown of funds to carry out exempt activities and projects. However, the responsible entity must still document in writing its compliance with and/or applicability of “other requirements” per 24CFR58.6 (included with this document).

By signing below the Responsible Entity certifies in writing that each activity or project is exempt and meets the conditions specified for such exemption under section 24 CFR 58.34(a). Please keep a copy of this determination in your project files.

Certifying Official Name & Title (please print): _____

 Certifying Official Signature

 Date

Compliance Documentation Checklist
24 CFR 58.6

PROJECT NAME:

"

Level of Environmental Review Determination (Select One):

Exempt per 24 CFR 58.34 or Categorically Excluded subject to statutes per § 58.35(a))

STATUTES AND REGULATIONS LISTED AT 24 CFR 58.6

FLOOD DISASTER PROTECTION ACT

1. Does the project involve acquisition, construction or rehabilitation of structures located in a FEMA-identified Special Flood Hazard?

No - **Stop here** and provide source documentation: FIRM map(s) #

This element is completed.

Yes – Continue To Question 2.

2. Is the community participating in the National Flood Insurance Program (or has less than one year passed since FEMA notification of Special Flood Hazards)?

Yes - Flood Insurance under the National Flood Insurance Program must be obtained and maintained for the economic life of the project, in the amount of the total project cost. A copy of the flood insurance policy declaration must be kept on file.

No - **Federal assistance may not be used in the Special Flood Hazards Area unless the community is participating in the National Flood Insurance Program.**

COASTAL BARRIERS RESOURCES ACT

1. Is the project located in a coastal barrier resource area?

N/A - Tennessee does not have any coastal barrier resource areas.

AIRPORT RUNWAY CLEAR ZONES AND CLEAR ZONES DISCLOSURES

1. Is the project located within 3,000 feet from the end of the runway at a civil airport? Is the project located within 2.5 miles from the end a runway at a military airfield?

No – **Stop here** and provide source documentation: Airport checklist and radius map

This element is completed.

Yes – Continue to Question 2.

2. Does the project involve the sale or acquisition of existing property within a Civil Airport's Runway Clear Zone or a Military Installation's Clear Zone?

No - Source Documentation: _____

(Project complies with 24 CFR 51.303[a][3]).

Yes – **A disclosure statement must be provided** to buyer and a copy of the signed disclosure must be maintained in this Environmental Review Record.

Prepared by (name and title, please print): _____

Signature: _____ Date: _____

If the project is for generators, there must be a consult response included in the ERR documentation from Tennessee Department of Environment and Conservation, Air Pollution Control (TDEC APC).

Clear Zones (CZ) and Accident Potential Zones (APZ)

Checklist for Responsible Entity

General requirements	Legislation	Regulation
Promote compatible land uses around civil airports and military airfields	Section 2 of the Housing Act of 1949 as amended, 42 U.S.C 1331, affirmed by Section 2 of the Housing and Urban Development Act of 1969, P.L. No 90-448; Section 7(d) of the Dept. HUD Act of 1965, 42 U.S.C. 3535 (d).	24 CFR Part 51 Subpart D 32 CFR Part 256

1. Is the Project located within 2,500 feet for a civil airport or within 15,000 feet for a military airfield of the end of a runway?

No: STOP here. The project is not within a Clear Zone (also known as Runway Protection Zone) or Accident Potential Zone. Record your determination as listed below.

Maintain in your ERR a radius map with the project area marked that identifies airports and lists the distance between the CA and/or APZ and the project area. The regulations only apply to military and civil primary and commercial service airports. The Federal Aviation Administration updates the list of applicable airports annually: http://www.faa.gov/airports_airtraffic/airports/planning_capacity/passenger_allcargo_stats/passenger

Yes: PROCEED to #2

2. Is the Project in the CZ or APZ?

"

Contact the airport operator and obtain written documentation of the Clear Zone (also known as Runway Protection Zone) and for military airfields, the Accident Potential Zone, and a determination of whether your project is in the APZ or CZ. Include the documentation in the ERR.

No: STOP here. Record your determination that the project is not in a CZ or APZ.

Yes: PROCEED TO #3

For Civil and Military Airports, is the activity for new construction, major rehabilitation*, or any other activity which significantly prolongs the physical or economic life of existing facilities? For Accident Potential Zones at Military Airfields, does the project change the use of a facility so that it becomes one which is no longer acceptable in accordance with Department of Defense standards (Please see 32 CFR Part 256 for *Land Use Compatibility Guidelines for Accident Potential Zones*), significantly increases the density or number of people at the site, or introduces explosive, flammable or toxic materials to the area?

No: STOP here. The project is not subject to the regulations. Record your determination.

Yes: PROCEED to #4

4. Will the project frequently be used or occupied by people?

Yes: The project cannot be assisted with HUD funds. STOP HERE.

No: Obtain written assurance from the airport operator to the effect that there are no plans to purchase the land involved with the project as a portion of a Runway Clear Zone or Clear Zone acquisition program. Maintain copies of all of the documents you have used to make your determination

* Rehabilitation is major when the estimated cost of the work is 75% or more of the total estimated cost of replacement after rehab (Please see 24 CFR 58.35(a) for complete definition of major rehabilitation thresholds.)

DISCLAIMER: This document is intended as a tool to help TN CDBG grantees complete environmental requirements. This document is subject to change. This is not a policy statement. Legislation and Regulations take precedence over any information found in this document.

Preparer signature and title

Date

ADDENDUM OF VALIDITY

Project Name:

Date of ORIGINAL environmental review completion:

Project Description:

Environmental Review Category (check one):

- Aggregate – previous project ERR still valid
(Attach these items: a map with the project area delineated and a completed Request for Release of Funds and Certification form.)

By my signature below, I am certifying that the original environmental review being referenced here is still valid, and there still are no adverse impacts found. The project scope is the same and the area being addressed is within the boundaries of the original ERR. The Statutory Worksheet is valid, *as well as the NEPA EA Checklist if applicable.*

- Adoption of Another Agency’s Environmental Review
(Attach these items: map with project area delineated, completed Statutory Worksheet with documentation, NEPA EA Checklist (only if CDBG EA is required), publications as required, distribution notices, for structures only - flood insurance documentation, copy of the adopted environmental review, and Request for Release of Funds and Certification form.)

List other Agency’s Name and address

"
"
"
"
"
"

By my signature below, I am certifying that the other agency environmental review being referenced here is valid and there are no adverse impacts found.

Addendum

(Attach these items: map with project area delineated and newly completed Statutory Worksheet with documentation)

By my signature below, I am certifying that the original environmental review being referenced here is still valid and there still are no adverse impacts found. If the NEPA EA Checklist was completed on the original ERR, I am certifying that it is still valid and does not need updating.

Certifying Officer:

Printed name and title

Signature

Date

Certifying Officer Address:

REQUIRED TRIBAL CONSULTATION BY TENNESSEE COUNTY

TN County	Alabama-Coushatta Tribe of Texas	Alabama-Quassarte Tribal Town	Catawba Indian Nation	Chickasaw Nation	Choctaw Nation of Oklahoma	Coushatta Tribe of Louisiana	Eastern Band of Cherokee Indians	Eastern Shawnee of Oklahoma	Mississippi Band of Choctaw Indians	Muscogee (Creek) Nation	Quapaw
	Monroe Co. only			Shelby Co. only			Lauderdale Co. only				
Anderson	X					X	X			X	
Bedford				X		X	X			X	
Benton				X		X				X	
Bledsoe						X	X			X	
Blount	X					X	X			X	
Bradley	X					X	X			X	
Campbell						X	X			X	
Cannon						X	X			X	
Carroll				X		X					
Carter						X	X			X	
Ceatham						X	X	X		X	
Chester				X		X				X	
Claiborne						X	X			X	
Clay						X	X			X	
Cocke	X					X	X			X	
Coffee				X		X	X			X	
Crockett				X		X					
Cumberland						X	X			X	
Davidson	X					X	X	X		X	
Decatur				X		X				X	
DeKalb						X	X			X	
Dickson				X		X	X			X	
Dyer				X		X					X
Fayette		X		X		X				X	X
Fentress						X	X			X	
Franklin	X	X		X		X	X			X	
Gibson				X		X					
Giles	X	X		X		X	X			X	
Grainger						X	X			X	
Greene						X	X			X	
Grundy				X		X	X			X	

REQUIRED TRIBAL CONSULTATION BY TENNESSEE COUNTY

TN County	Alabama-Coushatta Tribe of Texas	Alabama-Quassarte Tribal Town	Catawba Indian Nation	Chickasaw Nation	Choctaw Nation of Oklahoma	Coushatta Tribe of Louisiana	Eastern Band of Cherokee Indians	Eastern Shawnee of Oklahoma	Mississippi Band of Choctaw Indians	Muscogee (Creek) Nation	Quapaw
	Monroe Co. only			Shelby Co. only			Lauderdale Co. only				
Hamblen	X					X	X			X	
Hamilton	X					X	X	X		X	
Hancock						X	X			X	
Hardeman		X		X		X				X	
Hardin		X		X		X	X			X	
Hawkins						X	X			X	
Haywood				X		X					
Henderson				X		X					
Henry				X		X				X	
Hickman				X		X	X			X	
Houston				X		X	X			X	
Humphreys				X		X	X			X	
Jackson						X	X			X	
Jefferson	X					X	X			X	
Johnson						X	X			X	
Knox	X					X	X			X	
Lake				X		X					X
Lauderdale				X		X		X			X
Lawrence	X	X		X		X	X			X	
Lewis				X		X	X			X	
Lincoln	X	X		X		X	X			X	
Loudon	X					X	X			X	
Macon						X	X			X	
Madison				X		X				X	
Marion	X	X				X	X			X	
Marshall				X		X	X			X	
Maury	X			X		X	X			X	
McMinn	X					X	X			X	
McNairy		X		X		X				X	
Meigs	X					X	X			X	
Monroe	X		X			X	X			X	

REQUIRED TRIBAL CONSULTATION BY TENNESSEE COUNTY

TN County	Alabama-Coushatta Tribe of Texas	Alabama-Quassarte Tribal Town	Catawba Indian Nation	Chickasaw Nation	Choctaw Nation of Oklahoma	Coushatta Tribe of Louisiana	Eastern Band of Cherokee Indians	Eastern Shawnee of Oklahoma	Mississippi Band of Choctaw Indians	Muscogee (Creek) Nation	Quapaw
			Monroe Co. only		Shelby Co. only			Lauderdale Co. only			
Montgomery						X	X			X	
Moore				X		X	X			X	
Morgan						X	X			X	
Obion				X		X					X
Overton						X	X			X	
Perry				X		X	X			X	
Pickett						X	X			X	
Polk	X					X	X			X	
Putnam						X	X			X	
Rhea	X					X	X			X	
Roane	X					X	X			X	
Robertson						X	X			X	
Rutherford						X	X			X	
Scott						X	X			X	
Sequatchie						X	X			X	
Sevier	X					X	X			X	
Shelby		X		X	X	X				X	X
Smith						X	X			X	
Stewart				X		X	X			X	
Sullivan						X	X			X	
Sumner						X	X			X	
Tipton				X		X				X	X
Trousdale						X	X			X	
Unicoi						X	X			X	
Union	X					X	X			X	
Van Buren						X	X			X	
Warren						X	X			X	
Washington						X	X			X	
Wayne		X		X		X	X			X	
Weakley				X		X					

REQUIRED TRIBAL CONSULTATION BY TENNESSEE COUNTY

TN County	Alabama-Coushatta Tribe of Texas	Alabama-Quassarte Tribal Town	Catawba Indian Nation	Chickasaw Nation	Choctaw Nation of Oklahoma	Coushatta Tribe of Louisiana	Eastern Band of Cherokee Indians	Eastern Shawnee of Oklahoma	Mississippi Band of Choctaw Indians	Muscogee (Creek) Nation	Quapaw
	Monroe Co. only			Shelby Co. only			Lauderdale Co. only				
White						X	X	X		X	
Williamson	X			X		X	X			X	
Wilson						X	X			X	

Tribal Consultation Under the National Historic Preservation Act

ANYTIME TENNESSEE SHPO IS CONSULTED, APPROPRIATE TRIBES MUST BE CONSULTED.

If there are no specific directives given in the “When to Consult” column, they still **MUST** be consulted.

Consultation Process:

- a. Once tribes with a potential interest in the project are have been identified, the Certifying Officer (CO) mails/emails a letter to each tribal entity listed to invite consultation. The letter (and any publication notices), **must be on City/County letterhead, and signed by the Certifying Officer. Email consultations must be sent from Grantee (City/County) staff.**
- b. The letter that invites consultation should contain a request for assistance in identifying historic properties of religious and cultural significance in the project area - archeological sites, burial grounds, sacred landscapes or features, ceremonial areas, traditional cultural places, traditional cultural landscapes, plant and animal communities, and buildings and structures with significant tribal association - and any initial concerns with impacts of the project on those resources.
- c. Some tribes have both a tribal leader and a Tribal Historic Preservation Officer (THPO). Send letters to all persons listed in the chart that follows.
- d. You must add a description of the project into the letter. The description should include, as applicable: the location and size of the property; type of project; type and scale of new building(s) or structures; construction materials; number of housing units; depth and area of ground disturbance; introduction of visual, audible or atmospheric changes; or transfer, lease or sale of property.
- e. Enclose a map showing the location of the project and the Area of Potential Effect (APE), which may be larger than the project property. For urban sites, a map generated from a site like Google Earth is preferred. **For rural sites**, a USGS topographic map is preferred.
- f. HUD’s policy is to request a response to the invitation to consult within **30 days from the date the tribe receives the letter.** For gauging the beginning and end of the 30 day period, a CO may assume that an emailed letter is received on the date it is sent. For a hard copy letter, a CO may send the letter certified mail, or, if mail delivery is predictable and reliable, the CO may assume a 5-day delivery period, and assume that the period ends 35 days after the letter is mailed.

If a tribe wishes to be a consulting party, the tribe must provide within 30 days an indication of their desire to consult. The tribe does not need to actually provide information about historic properties of religious and cultural significance within 30 days; that may take longer. If a tribe responds that they do not want to consult, document the response in the ERR. If a tribe does not respond to the invitation to consult within 30 days-email request or 35 days-USPS request, the CO should include documentation of the invitation in the ERR; further consultation is not required.

See Required Tribal Consultation by Tennessee County

If there are no specific directives given in the “When to Consult” column, you still **MUST** request a consult them.

Tribe	When to Contact
<p>Alabama-Coushatta Tribe of Texas Nita Battise Chairperson 571 State Park Road 56 Livingston, TX 77351 p. 936.563.1100 f. 936.563.4170 tcnbattise@actribe.org</p> <hr/> <p>Bryant Celestine THPO 571 State Park Road 56 Livingston, TX 77351 p. 936.563.1181 f. 936.563.4170 Celestine.Bryant@actribe.org</p> <hr/> <p>alabama-coushatta.com</p> <hr/>	<p>Consult request to be sent for all projects</p> <p>PREFER CONSULTATION VIA EMAIL</p> <p>Please include in the consult request:</p> <ul style="list-style-type: none"> Maps – topographically also Past and present usage of site Current photos of the area Any archeological research completed by TNSHPO Any completed surveys

Tribe	When to Contact
<p>Alabama-Quassarte Tribal Town Tarpie Yargee Town King P.O. Box 187 Wetumka, OK 74883 p. 405.452.3987 f. 405.452.3968 chief@alabama-quassarte.org</p> <p>Molly Franks THPO P.O. Box 187 Wetumka, OK 74883 p. 405.452.3881 f. 405.452.3889 aqhpo@mail.com</p> <p>www.alabama-quassarte.org</p>	<p>Consult as a party of interest on new construction with soil disturbance.</p> <p>Use email and hard copy letters when sending consultations.</p> <p>Include: Maps (topographic) Past and present usage of site Current photos of area Any archeological research completed by TNSHPO Any completed surveys</p>
<p>Catawba Indian Nation Bill Harris Chief 996 Avenue of the Nations Rock Hill, SC 29730 p. 803.366.4792 f. 803.366.0629 bill.harris@catawbaindian.net</p> <p>Dr. Wenonah G. Haire THPO 1536 Tom Steven Road Rock Hill, SC 29730 p. 803.328.2427, x 224 f. 803.328.5791 Email: wenonahh@ccppcrafts.com</p> <p>Caitlin Rogers THPO 1536 Tom Steven Road Rock Hill, SC 29730 p. 803-328-2427 ext. 226 caitlinh@ccppcrafts.com</p> <p>www.catawbaindian.net</p>	<p><i>Monroe County only.</i></p> <p>Initiate Section 106 consultation anytime you consult with SHPO, but only if disturbing any soil.</p> <p><u>They will not accept email.</u> When requesting consult, send photos of project area facing all directions, topographic map, copy of any archeological surveys (within ½ mile of project sites as well as sites within a ½ mile of the project area), a copy of the SHPO letter, and previous land use history.</p> <p>Dr. Haire is only in the office on Thursdays and Fridays.</p>

Tribe	When to Contact
<p>The Chickasaw Nation Bill Anoatubby Governor P.O. Box 1548 Ada, OK 74821 Tel: (580) 436-2603 Fax: (580) 436-4287 tammy.gray@chickasaw.net</p> <p>Karen Brunso Tribal Historic Preservation Officer P.O. Box 1548 Ada, OK 74821 p. (580) 272-1106 karen.brunso@chickasaw.net</p>	<p>Language to include when contacting this tribe:</p> <p>“Pursuant to statute, the State, as the recipient of HUD funds, assumes the role of the federal agency and the responsibility for compliance with environmental laws, including Section 106 of the national Historic Preservation Act and its implementing regulations, 36 CFR Part 800 “Protection of Historic Properties.” First and foremost, the goal of compliance is to avoid harm to historic properties. If any inadvertent discoveries occur, the regulations prescribe how to address them in 35 CFR 800 (b). [City/County] of Tennessee must certify to HUD that the project complies with Section 106,. Failure to comply could lead to HUD issuing a finding of non-compliance and possible corrective actions or sanctions. The [City/County] of Tennessee will pursue protection of any historic properties of religious and cultural significance in the project area, and we would greatly value your assistance in identifying such resources and helping to assess any potential project impacts on them. We hope that you will choose to begin consultation with us on this project within the requested 30-day timeframe.”</p> <p>Use both email and hard copy letters when sending consultation request. Copy all email correspondence to: hpo@chickasaw.net. Also include: SHPO clearance, any archeological studies, copies of any other Tribal responses, any completed surveys, and topographic maps.</p>

Tribe	When to Contact
<p>Choctaw Nation of Oklahoma Gary Batton Chief P.O. Drawer 1210 Durant, OK 74702 p. 580.924.8280 f. 580.924.1150 gbatton@choctawnation.com</p> <p>Lindsey Bilyeu Section 106 P.O. Box 1210 Durant, OK 74702-1210 p. 800.522.6170. x 2631 f. 580.920.3102 lbilyeu@choctawnation.com</p> <p>Maddie Currie Compliance Review Officer P.O. Box 1210 Durant, OK 74702-1210 mcurrie@choctawnation.com www.choctawnation.com</p>	<p><i>Shelby County only.</i></p> <p>Initiate Section 106 consultation anytime you consult with SHPO, <u>but only if disturbing any soil</u></p> <p>Include:</p> <p>Detailed project description that gives a good idea of the level of ground disturbance</p> <p>Latitude and longitude coordinates</p> <p>Project boundary map</p> <p>Any archeological survey reports that cover the tract</p> <p>The names and trinomials of any known archeological sites within the tract</p>

Coushatta Tribe of Louisiana

Dr. Linda Langley

THPO

P.O. Box 10

Elton, LA 70532

f. 337.584.1585

llangley@coushattatribela.org

Raynella Fontenot

Acting Section 106 Coordinator

P.O. Box 10

Elton, LA 70532

f. 337.584.1585

rdfontenot@coushatta.org

Prefers request to consult via email.

If the file(s) are too large, they will notify you of a link to a drop box.

Consult on new construction and projects with soil disturbance.

Include: topographic map, past and present usage of site, current photos of the area, any archeological research completed by TNSHPO, and any past surveys

Does not need to receive consult requests on projects with no ground disturbance, rehabs of existing structures, resurfacing (paving).

Tribe	When to Contact
<p>Eastern Band of Cherokee Indians Richard G. Sneed Principal Chief P.O. Box 1927 Cherokee, NC 28719 p. 828.497.2771 f. 828.497.7007 richsnee@nc-chokeee.com</p> <p>Stephen J. Yerka Historic Preservation Specialist, THPO P.O. Box 455 Cherokee, NC 28719 p. 828.359.6852 f. 828.488.2462 syerka@nc-chokeee.com</p> <p>www.ebci.com</p>	<p><u>Prefers request to consult via email.</u></p> <p>In the request list County and State where project is located, type of Federal funding, any information about previous ground disturbance at project site, if the project is replacing existing structures, and if the area is within a town/city. Also, send copies of topos.</p>
<p>Eastern Shawnee Tribe of Oklahoma Glenna Wallace Chief P.O. Box 350 Seneca, MO 64865 p. 918.666.2435 f. 888.971.3905 chief@estoo.net</p> <p>Robin Dushane THPO P.O. Box 350 Seneca, MO 64865 p. 918.666.2435 RDushane@estoo.net</p> <p>www.estoo-nsn.gov</p>	<p>Consult as a party of interest on new construction and projects with soil disturbance.</p> <p>Include: topographic map, past and present usage of site, current photos of the area, any archeological survey completed by TNSHPO, any completed surveys.</p> <p><u>Prefers request to consult via email.</u></p>

<p>Tribe</p> <p>Mississippi Band of Choctaw Indians Phyliss Anderson Chief P.O. Box 6010 Choctaw, MS 39350 p. 601.656.5251 f. 601.656.1992 Phyliss.Anderson@choctaw.org</p> <p>Ken Carleton Archeologist p. 601.650.7316 kcarleton@choctaw.org</p>	<p>When To Contact</p> <p>Lauderdale County only.</p> <p>Prefers email for consultation request.</p> <p>Include: topographic maps, past and present usage of site, current photos of area, any archeological research completed by TNSHPO, any completed surveys</p>
<p>www.choctaw.org</p> <p>Muscogee (Creek) Nation Corain Lowe-Zepeda THPO P.O. Box 580 Okmulgee, OK 74447 p. 918.732.7835f. 918.758.0649 clowe@mcn-nsn.gov section106@mcn-nsn.gov "y y 0 eo /pup0 qx"</p>	<p>Consult for new soil disturbance.</p> <p>Prefers request to consult via email.</p> <p>SEND TO BOTH EMAIL ADDRESSES.</p> <p>Include: any known archeological sites</p> <p>Any known archaeological sites within 1 mile of the APE, Does the APE consider construction and ground disturbing activity have any indirect effects outside of the view shed of the proposed project exist, Is the project reviewed by someone that meets the Secretary of the Interior's Professional Qualification Standards (36 CFR Part 61), Is a color topographic map provided that shows the APE as well as all previously known sites within 1 mile of the project area and any previous surveys within one mile of the project area (this is in case a survey has not been completed for the project), Provide a good legal description (address and/or latitudes and longitudes), Archaeological surveys completed prior to 1982 did not require shovel testing. Any archaeological surveys completed now must include shovel testing for Phase I survey. Pedestrian survey only will not be accepted. Reasons for lack of survey in a particular area must be specifically noted and why, Provide a copy of archaeological survey, Survey should meet the state standards for survey methodology (each state will be different and those guidelines are all online)</p>

<p>Quapaw Tribe of Oklahoma John Berrey Chairperson P.O. Box 765 Quapaw, OK 74363 p. 918.542.1853 f. 918.542.4694 jberrey@ogahpah.com</p> <p>Everett Bandy THPO P.O. Box 765 Quapaw, OK 74363-0765 p. 918.238.3100 f. 918.542.4694 ebandy@quapawtribe.com</p> <p>www.quapawtribe.com</p>	<p>Email correspondence is okay.</p> <p>Include: maps (including topographic), past and present usage of site, current photos of the</p> <p>Area, any archeological research completed by TNSHPO, any completed surveys.</p>
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COMPLETING THE B-3 STATUTORY WORKSHEET

Directions and Threshold Guidelines

DOCUMENTS AND STATUS COLUMN DETERMINATION (A/B COLUMN)

(Thresholds for each category follow on pages 9-18.)

Note: All maps should be titled, have project area designated, and be in color.

Note: TDEC contact list for Environmental Review Consultation requests may be found here: <http://www.tn.gov/environment/topic/policy-environmental-consultation-requests>

Historic Preservation

Status Colum: A

SHPO: List clearance letter(s) response date(s). List SHPO response.

If additional study(s) were completed and clearance received, list that information as well.

THPO: List clearance letter(s) response date(s). List THPO response(s).

If no response, include Tribe name in ‘List of Tribes that did not respond.’ Required

Documentation: SHPO consult request letter and response; THPO/Tribal consult request letter(s) and response(s); any required studies.

Housing projects require a SHPO clearance for every address under consideration that is over 50 years old or in an historic district. However, multiple addresses may receive clearance on one letter issued from the SHPO.

Status Column: B

List measures required by SHPO/THPO/Tribes that have to be taken before/during construction.

RequiredDocumentation: responses from SHPO/THPO/Tribes that require mitigation and plan for how that will be addressed.

Floodplain Management

Not in floodplain

Status Column: A

List map panel number(s) and wording “not in floodplain, no effect.” Required

Documentation: floodplain map(s) with project area marked conspicuously

In a floodplain

Status Column: B

List map panel number(s) and wording “In flood plain; 8-Step Process completed and no alternative was identified as feasible.” *Complete A-5 / 8-Step Process documentation.*

RequiredDocumentation: floodplain map(s) with project area marked conspicuously and completed A-5 with supporting documentation

Floodplain Mgmt. continued

FEMA Flood Map Service Center (MSC)

<http://msc.fema.gov/portal>

Wetland Protection

Rehab without expansion / no new construction / Main Street Commercial Facade

Status Column: A

List “No new construction - no potential to affect wetlands”

RequiredDocumentation: No documentation needed as long as project description is clear that the project will not involve new construction.

If new construction, line extensions, or rehab with expansion:
--

Status Column: A

List date of USACE clearance letter and state “no effect according to USACE”

RequiredDocumentation: letter from the appropriate U.S. Army Corps of Engineers District office stating no permit required

OR

List “No wetlands present – see attached wetlands map and soil survey” Required

Documentation: maps from Wetlands Inventory

<http://www.fws.gov/wetlands/Data/Mapper.html> and Soil Survey

<http://websoilsurvey.sc.egov.usda.gov/App/HomePage.htm> showing no wetlands present

Status Column: B

List date of USACE clearance letter, as well as any permits required or plan for permits

RequiredDocumentation: letter from the appropriate U.S. Army Corp of Engineers District office with potential or required list of permit(s)

The A-5 / 8-Step process has to be completed if work is to proceed in a wetlands area.

Coastal Zone Management

Status Column: A

List “There are no coastal zones in Tennessee. See attached documentation.”

Required Documentation: print this web page and highlight Coastal Zone Management portion

<http://portal.hud.gov/hudportal/HUD?src=/states/shared/working/r4/environment/guidancetn>

Sole Source Aquifers

Status Column: A

List “There are no sole source aquifers in Tennessee. See attached documentation.”

Documents: print this web page and highlight Sole Source Aquifer portion

<http://portal.hud.gov/hudportal/HUD?src=/states/shared/working/r4/environment/guidancetn>

Endangered Species

No new construction, rehab without expansion (*see below for line rehab-extension or infrastructure improvements*), no ground disturbance and no atypical noise, Main Street Commercial Facade:

Status Column: A

List “No ground disturbance, vegetation removal or atypical noise – no potential to affect”

RequiredDocumentation: No documentation needed as long as project description is clear that the project will not involve new construction or infrastructure improvements.

If new construction, line rehabilitation or extension, infrastructure improvements, rehab with expansion or project with unusual noise:

Status Column: A

List date of USFWS clearance letter and state “no endangered species affected”

RequiredDocumentation: a “Self-Certification” letter from U.S. Dept. of Interior – USFWS

For all CDBG project post-2019, the USFWS request that the “Self Certification Process” be used. Guidance and steps for getting self-certified can be found here:

https://www.fws.gov/cookeville/project_review.html

Status Column: B

List date of USFWS clearance letter, dates of clearance from any studies, as well as any mitigation requirements.

RequiredDocumentation: a letter from U.S. Dept. of Interior – FWS listing mitigation measures and/or copies of any required studies with all correspondence

*If USFWS requires a consult/study done with Tennessee Wildlife Resource Agency, please use the contact information below sending, at a minimum, the following information:

Map of project area

GIS coordinates

Brief description of project

Robert Todd

Fish and Wildlife Environmentalist

Tennessee Wildlife Resources Agency

Ellington Agricultural Center

Endangered Species continued

P.O. Box 40747
Nashville, TN 37204
Office: 615.781.6572
Cell: 931.881.8240
rob.todd@tn.gov

Wild and Scenic Rivers

If not within 1 mile of the 45.3 miles of the Obed River

Status Column: A

List “No Wild and Scenic River in _____ (project’s county) County – see attached map.”

RequiredDocumentation: go to <http://www.rivers.gov/tennessee.php> , print map and mark/label conspicuously the project area. Do the same for the National Rivers Inventory - <https://www.nps.gov/subjects/rivers/nationwide-rivers-inventory.htm>

If located within 1 mile of the Obed River

Status Column: A

List “Project is located with a mile of the NWSR – Obed River; National Park Service (NPS) has cleared project activities.” List date of clearance letter

RequiredDocumentation: NPS clearance letter

Status Column: B

List “Project is located within a mile of the NWSR – Obed River; NPS requires mitigation”

RequiredDocumentation: US National Park Service letter, mitigation required and plan for mitigation.

Clean Air

If in an attainment area

Status Column: A

List “This project is in an attainment area – see attached (map or list).” Required Documentation: map and/or list of attainment or nonattainment counties

If map is used, mark project area. <http://www.epa.gov/airquality/greenbook/map/mappoll.pdf>

List is found here – Status of SIP Requirements for Designated Tennessee Areas

http://www.epa.gov/airquality/urbanair/sipstatus/reports/tn_areabypoll.html

If in a nonattainment area

Status Column: B

List date of TDEC APC letter

Required Documentation: letter from State TDEC Air Quality (Pollution Control) division. Contact the TDEC field office that corresponds with the City/County in which the project is taking place (see list below).

***Projects with generators – even if exempt category – require a letter from TDEC APC consultation.**

Farmland Protection

If no new construction or acquisition of undeveloped land or new construction is in an urbanized area:

Status Column: A

List “See completed A-26. No new construction involved - no potential to affect prime farmland.”

Or

“See completed A-26. New construction in an urbanized area – no potential to affect prime farmland.”

Required Documentation: completed exhibit A-26.

If project includes farmland:

Status Column: B

List date of clearance letter

Required Documentation: clearance letter from NCRS

Explosive and Flammable Operations

Housing rehabilitation (NOT reconstruction) projects and system rehabilitation projects with **no new construction** AND no potential to increase number of people exposed to potential hazard

Status Column: A

List “Project will not increase the number of people exposed to potential hazards. A-27 documented.”

Required Documentation: completed A-27

Housing reconstruction, new construction, water and sewer line extensions, OR increase in number of people potentially exposed

Status Column: A

List “No above ground storage tanks (AST) within 1 mile of project area. See radius map and memo from fire/EMS chief dated xxxx.”

Required Documentation: radius map and memo from fire chief or EMS director stating that a site visit was conducted and there were no above ground storage tanks of more than 100 gallons in the 1-mile project radius.

If ASTs are present, but the Acceptable Separation Distance (ASD) is acceptable

Status Column: A

List “Project falls within ASD. See ASD calculations, completed A-27 and Fire Chief/EMS mgmt. memo dated xxxx.”

Required Documentation: map with 1 mile circumference and a list of containers in the area; copy of ASD Calculation(s) and memo from fire chief or EMS director stating that a site visit was conducted and the project area is cleared.

If Status Column: B / **Notify ECD as soon in the ERR process as possible.**

List Mitigation required to meet ASD.

Required Documentation: ASD calculations and mitigation plan for storage tanks that do not meet ASD requirements.

ASD calculator can be found here

<https://www.hudexchange.info/environmental-review/asd-calculator/>

(list on the calculation page the distance from the project to the above-ground storage tank)

Sample ASD calculation page at end of online Environmental Chapter.

Noise Abatement and Control

Any work on utilities

Status Column: A

List “Project involves work on utilities.”

Required Documentation: none as long as the project description is clear that the project involves work on utilities/infrastructure

All housing projects – each address must have a Day/Night Noise Level (DNL) calculation

Status Column: A

List “Project does not exceed acceptable noise threshold. See DNL calculations.”

DNL calculator can be found here:

<https://www.hudexchange.info/environmental-review/dnl-calculator>

Required Documentation: copy of DNL calculations

Sample DNL calculation page at end of online Environmental Chapter.

All other projects

Status Column: A

List “Project is not within 1,000 feet of a highway, 3,000 feet of a railroad, 5 miles of a civilian airport, or 15 miles of a military airport. See attached maps.” OR “Project does not exceed noise threshold. See DNL calculations”

Required Documentation: map(s) showing distance to highways, railroads, airports OR copy of DNL calculations

Housing reconstruction

If Status Column: B / **Notify ECD as soon in the ERR process as possible.**

List “Project exceeds acceptable DNL calculations. Attenuation plan enclosed.”

Required Documentation: approved attenuation plan

Airport Clear Zones

Status Column: A

List “Radius map and completed A-28 included. Project is not within a CZ or APZ.” Required Documentation: radius map marking project and showing any airports; completed A-28 Airport Checklist - Clear Zones and Accident Potential Zones

*If this cannot be stated, contact ECD as soon in the ERR process as possible.

Hazardous, Toxic or Radioactive Substances

If utility work (line extensions considered new construction -see below):

Status Column: A

List “Project does not involve new construction or rehab of residential property or work near any known toxic sites. A-29 completed.”

RequiredDocumentation: completed Toxic Chemicals Checklist (A-29) and Envirofacts

<http://www.epa.gov/enviro/>

Ifnewconstruction(lineextensions)or rehab of housing:

Status Column: B

List “completed A-29, EPA Envirofacts, TDEC clearance letter dated - - - - - “ Required

Documentation: A-29, Envirofacts <http://www.epa.gov/enviro/> EPA and TDEC SWM letter

*If project located in or near a Superfund or Brownfield area, contact ECD.

Environmental Justice

Status Column: A

List date of letter w/ Mayor’s name and “Project will not disproportionately affect low and moderate income and minority populations.”

RequiredDocumentation: signed letter/memo from Mayor/Certifying Officer.

Flood Insurance Documentation

Documents: Grantees must estimate the amount and period of flood insurance coverage that is required for building in a SFHA:

- Estimate coverage amount of flood insurance
- Indicate coverage period
- Year in which flood insurance policy is to start
- Year in which flood insurance policy is to end

Threshold Guidelines for the Statutory Checklist (*exhibit A-3*)

24 CFR §58.5 Statutes, Executive Orders & Regulations

Consult HUD Regulations for complete requirements

HUD Environmental Review Requirements

<http://portal.hud.gov/hudportal/HUD?src=/states/shared/working/r4/environment/guidancetn>

Historic Preservation

Threshold: When new construction, rehabilitation or demolition is proposed, impacts to the historic character of an area must be considered according to Section 106 of the Historic Preservation Act. If the project is considered an undertaking (i.e. if it is funded in whole or in part by the federal government) and it has the potential to cause effects to historic properties (i.e. properties on or eligible for inclusion in the National Register), the State Historic Preservation Officer must be consulted.

Documentation must include a copy of the letter submitted to and the response received from the State Historic Preservation Officer (SHPO) and, where applicable, Tribal Historic Preservation Officer (THPO) (The need to contact the THPO may be determined through direction given in exhibits A-20 and A-21.). If the SHPO or THPO responses indicate that historic properties will not be adversely affected by the project or that historic properties are not present, no further action is required. However, if the SHPO or THPO(s) indicates that historic properties will or may be adversely affected by the project, then you must consult with SHPO/THPO or the Advisory Council on Historic Preservation to resolve or mitigate adverse effects prior to completing the Environmental Review (ER). See www.achp.gov for more information. If consultation is required, notify ECD.

Tennessee Historic Preservation Officer:

Mr. E. Patrick McIntyre, Jr.

Executive Director, Tennessee Historical Commission

ATTN: Section 106 Review and Compliance

2941 Lebanon Road

Nashville, Tennessee 37243-0442

Tel: 615.532.1550

patrick.mcintyre@tn.gov

<http://www.tn.gov/environment/section/thc-tennessee-historical-commission>

Floodplain Management

Threshold: Projects located within a floodplain are subject to Executive Order 11988 (Floodplain Management). HUD's implementing regulations at 24 CFR Part 55 - Floodplain Management prescribe measures for protecting floodplains. For proposed financial assistance for such activities, including substantial improvement (see definition below) of existing single-family properties within a floodplain, it will require 30 to 60 days in most cases to perform the required processing and notices.

Proposed project sites should be outside the base floodplain (i.e. 100-year floodplain or 500-year for critical actions) whenever federal assistance is requested for the project. Executive Order 11988's purpose is to avoid, to the greatest extent possible, the long and short term adverse impacts associated with the occupancy and modification of floodplains and to avoid direct or indirect support of floodplain development wherever there is a practicable alternative. When evaluating projects, the review should consider both potential flood hazards on site as well as offsite resulting from project construction. To determine the applicability of floodplain management issues to the site, consult the **FEMA Map Service Center** <https://msc.fema.gov> to determine whether the proposed site lies within either Flood Zone A or V, also referred to as the 100-year floodplain, or Zone B, C, or X for critical actions (such as hazardous facilities, mobility impaired housing, emergency centers, etc.). If the project is located in or affects development in a floodplain, consult ECD to determine how to best mitigate these concerns. The 8-Step Process will be required to determine alternatives.

Assisted property acquisition, repair, rehabilitation, conversion, new construction and project-based leasing located within a floodplain are subject to HUD's decision-making process under E.O. 11988. The decision-making process does not apply to existing single-family properties proposed for lease or acquisition involving either non-substantial improvement or no improvement as long as the existing property is not located within a floodway or coastal high hazard area. Under these executive orders, HUD must avoid financial support for covered activities, unless it can demonstrate that there are no practicable alternatives outside the floodplain or wetlands. Where flood-free sites are available within the community or housing market area, these are considered practicable.

Definition: Substantial improvement for flood hazard purposes is defined in 24 CFR 55.2(b)(8).

Wetland Protection

Threshold: Executive Order 11990 requires all Federal agencies to avoid impacts to wetlands, directly or indirectly, by discouraging construction in wetlands whenever there is a practicable alternative.

If the project involves rehabilitation without expansion and no new construction, no documentation is required provided the project description is clear that no expansion or new construction will occur.

If the project involves new ground disturbance (including auxiliary features such as stormwater treatment facilities, roads, driveway, storage facilities, borrow or waste areas, etc.), determine the presence or absence of wetlands, including non-jurisdictional wetlands, through the U.S. Fish and Wildlife Service wetlands mapper (<http://www.fws.gov/wetlands/Data/Mapper.html>) AND the soil survey (<http://websoilsurvey.sc.egov.usda.gov/App/HomePage.htm>) OR by contacting the local U.S. Army Corps of Engineers (USACE) office.

If the project impacts a wetland, the Responsible Entity must complete the 8-Step Decision-Making Process at 24 CFR § 55.20 in writing; and publish the public process. Consult the HUD regulations at 24 CFR Part 55 for more information. In addition to the USACE requirements,

projects impacting the wetlands may require State Water Quality program authorization prior to beginning construction.

The USACE office for your state, territory or region may be identified by visiting:
<http://www.usace.army.mil/Locations.aspx>

Area covered by Memphis District

Memphis District, Regulatory Office
U.S. Army Corps of Engineers
167 North Main Street
Memphis, TN 38103-1894
901.544.3461
901.544.0736

<http://www.mvm.usace.army.mil/About/Offices/Regulatory.aspx>

West Branch Chief
Tim Wilder – Timothy.C.Wilder@usace.army.mil

West Branch ER Reviewer
Brian K. Gary – Brian.K.Gary@usace.army.mil

Area covered by Nashville District

For faster responses and less chance of “misplacements,” you can actually email the reviews to NashvilleRegulatory@usace.army.mil This email is checked regularly.

Nashville District, Regulatory Office
U.S. Army Corps of Engineers
3701 Bell Road
Nashville, TN 37214
615.369.7500

<http://www.lrn.usace.army.mil/Missions/Regulatory.aspx>

Nashville Office Biologist
Katherine C. Alston - Katherine.C.Alston@usace.army.mil

For more information see: <http://water.epa.gov/type/wetlands/index.cfm>.

Coastal Zone Management

Threshold: There are no coastal zones in the State of Tennessee.

Sole Source Aquifers

Threshold: There are no sole source aquifers in Tennessee.

Federal Endangered Species

Threshold: The Endangered Species Act (ESA) of 1973 mandates that Federally-assisted activities not jeopardize the existence of plants and animals listed or proposed for listing on the endangered species list. Activities proposed for areas harboring such species must avoid adversely modifying or destroying their habitat. Projects that can affect listed endangered or threatened species or critical habitats require consultation with the Department of Interior – U.S. Fish and Wildlife Service in compliance with the procedure of Section 7 of the ESA.

<http://www.fws.gov/Endangered/>

For all CDBG project post-2019, the USFWS request that the “Self Certification Process” be used. Guidance and steps for getting self-certified can be found here:

https://www.fws.gov/cookeville/project_review.html

If mitigation measures are necessary and a Phase I must be completed. USFWS staff are happy to provide a suggested list of environmental consultants upon request

If a project does not involve construction, rehabilitation with expansion, atypical noise or ground disturbance, there is no potential to affect endangered species. If infrastructure improvements, new construction, rehabilitation with expansion or unusual noise are involved, the US FWS needs to be involved in the review process.

Department of Interior
U.S. Fish and Wildlife Service
USFWS Tennessee Ecological Field Office:

Lee Andrews (Field Supervisor)

446 Neal Street

Cookeville, TN 38501

Phone: 931-528-6481

Fax: 931-528-7075

Lee_andrews@fws.gov

Wild and Scenic Rivers

Threshold: The Obed River is the only National WSR in Tennessee. HUD-assisted activities are subject to the requirements of the Wild and Scenic Rivers Act (16 U.S.C. 1271 et seq.). New construction, the acquisition of undeveloped land for water resources projects (i.e., water and sewer lines, water retention ponds, etc.), change of land use or major rehabilitation which are proposed in areas within one mile of a listed wild and scenic river, have the potential for impacting this natural resource and the National Park Service must be consulted and approve the project.

<http://www.nps.gov/rivers/>

Clean Air

Threshold: The Clean Air Act (42 U.S.C. 7401 et seq.) prohibits federal assistance to projects that are not in conformance with the air quality State Implementation Plan (SIP). New construction and conversion, which are located in "non-attainment" or "maintenance" areas as determined by the EPA, may need to be modified or mitigation measures developed and implemented to conform to the SIP. If a project is in an attainment area, the project area can be marked on the map of non-attainment counties and proceed as planned. If in a non-attainment area, consultation with TDEC is required.

Status of SIP Requirements for Designated Tennessee Areas can be found here:

http://www.epa.gov/airquality/urbanair/sipstatus/reports/tn_areabypoll.html

For questions about or consultation on a project, contact

Tennessee Department of Environment and Conservation

Division of Air Pollution Control

Martie L. Carpenter| Deputy Director of Field Operations

TDEC -APCD

711 R.S. Gass Blvd. Nashville, TN 37243

615.687.7000

Air.Pollution.Control@tn.gov

Farmland Protection

Threshold: A finding of compliance with the requirements of the Farmland Protection Policy Act of 1981 (7 U.S.C. 4201 et seq.) must be made for assisted new construction activities and the acquisition of undeveloped land (this does not apply to rehabilitation projects). Complete the FPPA checklist, exhibit [A-25, to determine application of the Act.](#)

Contact information for projects that affect prime farmland in Tennessee can be found here:

Tennessee USDA site: <http://www.nrcs.usda.gov/wps/portal/nrcs/site/tn/home/>

Tennessee Local Service Centers:

<http://www.nrcs.usda.gov/wps/portal/nrcs/main/tn/contact/local/>

Explosive and Flammable Operations

Threshold: Properties that are located near hazardous industrial operations handling fuels or chemicals of an explosive or flammable nature are subject to HUD safety standards (24 CFR 51, Subpart C). In the case of tanks containing common liquid fuels, the requirement for an acceptable separation distance (ASD) calculation only applies to storage tanks that have a capacity of more than 100 gallons and only applies if the project will increase the density of people that would be exposed to the hazard.

For projects that do not involve housing, new construction or an increase in the number of people that could potentially be exposed to a hazard, the grantee can document that to meet the requirements. If the project could result in more people being exposed to a hazard or if new construction or housing construction or reconstruction is involved, the acceptable separation distance calculation must be applied.

ASD calculator can be found at:

<https://www.hudexchange.info/environmental-review/asd-calculator/>

*If project does not fall within ASD calculations, complete these 5 steps and document:

The grantee provides ECD a finding by a qualified consultant stating: (1) that the grantee's proposed property is located within the immediate vicinity of hazardous industrial operations handling fuel or chemicals of an explosive or flammable nature; (2) the type and scale of such hazardous operations; (3) the distance of such operations from the proposed property; (4) a preliminary calculation of the acceptable separation distance (ASD) between such operations and the proposed property; and (5) a recommendation as to whether it is safe to use the property in accord with 24 CFR Part 51, Subpart C.

Coordinate with your local Fire Chief or TEMA Manager to assess and formulate a mitigation plan

Noise Abatement and Control

Threshold: The environmental review must provide either:

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Rev. 1

- a. a finding that the property proposed for new construction, major rehabilitation, or conversion is not located within:
 - i. 1,000 feet of a major noise source, road, or highway;
 - ii. 3,000 feet of a railroad; or,
 - iii. 5 miles of a civil airport or 15 miles of a military airfield; or
- b. a finding that the property is located within a normally unacceptable or unacceptable noise zone, in which case it must:
 - i. state that the plans for the property proposed for new construction, major rehabilitation or conversion activity incorporates noise attenuation features in accord with HUD environmental criteria and standards contained in Subpart B--Noise Abatement and Control of 24 CFR 51; and
 - ii. provide the plans as evidence and a statement of the anticipated interior noise levels.

HUD environmental procedures at 24 CFR 50.4(k) and 24 CFR 58.5(i) cite environmental criteria and standards in 24 CFR Part 51. For proposed new construction which is to occur in high noise areas, the environmental review must incorporate noise attenuation features to the extent required by Subpart B-- Noise Abatement and Control of 24 CFR 51. This applies to the acquisition of undeveloped land if the land will be used for development. The location of site and noise generators near sites which are noisy include major roads, railroads, industrial plants, etc. Traffic maps and land use maps from highway departments, planning agencies, railroads, and airport authorities may document such noise generators.

Site DNL calculator can be found here:

<https://www.hudexchange.info/environmental-review/dnl-calculator>

Standards for High Noise Areas

High noise areas are those in which the day-night average of exterior noise exceeds 65 decibels.

Guidance for Noise Abatement and Control

There are several thresholds. All sites whose environmental or community noise exposure exceeds the day night average sound level (DNL) of 65 decibels (dB) are considered high noise areas. For new construction that is proposed in high noise areas, grantees shall incorporate noise attenuation features to the extent required by HUD environmental criteria and standards contained in Subpart B (Noise Abatement and Control) of 24 CFR Part 51.

The "Normally Unacceptable" noise zone includes community noise levels from above 65 decibels to 75 decibels. Approvals in this noise zone require a minimum of 5 dB additional sound attenuation for buildings having noise-sensitive uses if the day-night average sound level is greater than 65 dB but does not exceed 70 dB, or a minimum of 10 decibels of additional sound attenuation if the day-night average sound level is greater than 70 dB but does not exceed 75 dB. Special approval is needed to build in these areas, contact ECD for more information.

For new construction and major rehabilitation, locations with day-night average noise levels above 75 dB have unacceptable noise exposure. Noise attenuation measures in these locations require the approval of the Assistant Secretary for Community Planning and Development (for projects reviewed under Part 50) or the Responsible Entity's Certifying Officer (for projects reviewed under Part 58). The acceptance of such locations normally requires an Environmental Impact Statement. For major rehabilitation projects in the "Normally Unacceptable" and "Unacceptable" noise zones, HUD actively seeks to have project sponsors incorporate noise attenuation features, given the extent and nature of the rehabilitation being undertaken and the level of exterior noise exposure.

In "Unacceptable" noise zones, HUD strongly encourages conversion of noise-exposed sites to land uses compatible with the high noise levels. Contact ECD if your site is in an unacceptable noise zone.

Existing Construction and HUD Noise Standards

For major rehabilitation projects (rehabilitation of 75% or more of the cost of the home or reconstruction) and conversions in the "normally unacceptable" and "unacceptable" noise zones, HUD actively seeks to have noise attenuation features incorporated as part of the rehabilitation to be undertaken. For those properties in "unacceptable noise zones" HUD will go even further and strongly encourage the conversion of such properties to land uses more compatible with the high noise levels.

Required Information

The noise regulation requires that projections be made for noise levels 10 years from the completion date of project under review. This usually means that traffic projections must be incorporated into the Noise Assessment Guidelines to calculate the future noise level for the site.

Airport Clear Zones

Threshold: HUD policy as described in 24 CFR 51, Subpart D, is that assistance for construction or major rehabilitation of any real property located on a clear zone site is prohibited for a project to be frequently used or occupied by people. For properties located within 2,500 feet of the end of a civil airport runway or 15,000 feet of the end of a military airfield runway, the airport operator should make a finding stating whether or not the property is located within a runway clear zone for civil airports or a clear zone or accident potential zone at a military airfield.

For a project not to be frequently used or occupied by people, HUD assistance may be approved only when written assurances are provided to HUD by the airport operator to the effect that there are no plans to purchase the land involved with such facilities as part of a Runway Clear Zone or Clear Zone acquisition program.

Definition: Rehabilitation (including conversion) is "major" or "substantial" when the estimated cost of the work is 75 percent or more of the property value after rehabilitation or, in the case of property in an Accident Potential Zone, when the work changes the use of the facility to a use that is not generally consistent with the recommendations in the Department of Defense "Land

Use Compatibility Guidelines for Accident Potential Zones," significantly increases the density or number of people at the site, or introduces explosive, flammable or toxic materials to the area (24 CFR 51.302(b)(1), (2), and (3)).

HUD financial assistance in a clear zone is allowed for existing properties proposed for acquisition or lease (24 CFR 51.302(c)) with or without minor rehabilitation or repair. Upon HUD approval for acquisition of a property in a clear zone, (a) HUD will give advance written notice to the prospective property buyer in accord with 24 CFR 51.303(a)(3); and (b) a copy of the HUD notice signed by the prospective property buyer will be placed in the property file. The written notice informs the prospective property buyer of: (i) the potential hazards from airplane accidents which studies have shown more likely to occur within clear zones than in other areas around the airport/airfield; and (ii) the potential acquisition by airport or airfield operators, who may wish to purchase the property at some point in the future as part of a clear zone acquisition program. For properties located within the accident potential zone (APZ), HUD shall determine whether the use of the property is generally consistent with Department of Defense "Land Use Compatibility Guidelines for Accident Potential Zones."

Hazardous, Toxic or Radioactive Substances

Threshold: It is HUD policy, as described in 24 CFR 50.3(i), that "(1)... all property proposed for use in HUD programs be free of hazardous materials, contamination, toxic chemicals and gasses, and radioactive substances, where a hazard could affect the health and safety of occupants or conflict with the intended utilization of the property. (2) HUD environmental review of multifamily and non-residential properties shall include evaluation of previous uses of the site and other evidence of contamination on or near the site, to assure that occupants of proposed sites are not adversely affected by the hazards..." Sites known or suspected to be contaminated by toxic chemicals or radioactive materials include but are not limited to sites: (i) listed on an EPA Superfund National Priorities or SEMS List, or equivalent State list; (ii) located within 3,000 feet of a toxic or solid waste landfill site; or (iii) with an underground storage tank.

Sites that can assist the grantee with determining if hazards may exist include EPA Envirofacts - <http://www.epa.gov/enviro/>

Additional info for Hazardous, Toxic, or Radioactive Substances

The location of toxic sites may be found in the U.S. EPA's list of sites declared toxic under SEMS and RCRA. For other possible polluted sites, site inspections and building and use permit records as well as Sanborn Co. maps show previous land uses which could have left toxic residues.

- **Explosive Hazards:** *ASD Guidebook*
<http://www.hud.gov/offices/cpd/environment/asduserguide.pdf>
The location of explosive hazards and their potential explosive impact zones may be found in a number of sources including land use maps, special surveys, aerial photos, local use permits, and special local, state, and federal transport permits.
- **Seismic Hazards:** *USGS web site*
<http://earthquake.usgs.gov/>

The U.S. Geological Survey has announced several new products related to the USGS

national seismic hazard maps. Many new features have been added to the maps' Internet Web site. For example, users can now look up the seismic hazard in any part of the continental U.S. by zip code, and the Survey has added a custom mapping feature, through which the user can specify latitude and longitude bounds and produce customized hazard maps of the selected area.

Should follow-up consultation(s) be necessary for open SEMS/ACRES sites, please contact the following TDEC division staff:

Alison Henley
TDEC- Div. of Remediation
Environmental Consultant
615-532-0932
Please forward request to: Division.Remediation@tn.gov

Environmental Justice

Threshold: Executive Order 12898 - "Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations," applies in low-income or minority neighborhoods where the grantee proposes the acquisition of housing, the acquisition of land for development, and new construction. Environmental justice issues may include, but are not limited to new, continued or historically disproportionate potential for high and adverse human health and environmental effects on minority or low-income populations. The grantee will need to determine if the site or neighborhood suffers from disproportionate adverse health and environmental effects relative to the community at large. See the [Executive Order](#)

The Environmental Justice Mapper can be used to help determine if a neighborhood or project location may have environmental risks. It can be accessed here: <https://www.epa.gov/ejscreen>

Flood Insurance Documentation

Threshold: The Flood Disaster Protection Act of 1973, as amended, requires that property owners purchase flood insurance for buildings located within Special Flood Hazard Areas (SFHA), when Federal financial assistance is used to acquire, repair, improve, or construct a building.

Duration of Flood Insurance Coverage: The statutory period for flood insurance coverage may extend beyond project completion. For loans, loan insurance or loan guarantees, flood insurance coverage must be continued for the term of the loan. For grants and other non-loan forms of financial assistance, flood insurance coverage must be continued for the life of the building irrespective of the transfer of ownership.

30-Day Waiting Period: There is typically a 30-day waiting period from date of purchase before a new flood policy goes into effect. Here are the only exceptions:

- If your lender requires flood insurance in connection with the making, increasing, extending, or renewing of your loan;
- If an additional amount of insurance is required as a result of a map revision;
- If flood insurance is required as a result of a lender determining that a loan that does not have flood insurance coverage should be protected by flood insurance; or
- If an additional amount of insurance is being obtained in connection with the renewal of a policy.

Dollar Amount of Flood Insurance Coverage: For loans, loan insurance or guarantees, the amount of flood insurance coverage need not exceed the outstanding principal balance of the loan. For grants and other non-loan forms of financial assistance, the amount of flood insurance coverage must be at least equal to the maximum limit of coverage made available by the Act with respect to the particular type of building involved (i.e., Single Family, Other Residential, Non-Residential, or Small Business), or the development or project cost, whichever is less. The development or project cost is the total cost for acquiring, constructing, repairing or improving the building. This cost covers both the Federally-assisted and the non-Federally assisted portion of the cost, including any machinery, equipment, fixtures, and furnishings. If the Federal assistance includes any portion of the cost of any machinery, equipment, fixtures, or furnishings, the total cost of that item must also be covered by flood insurance.

Proof of Purchase of Flood Insurance Protection: Once HUD has approved a specific SFHA property, the grantee's file for any SFHA property shall contain proof of purchase of flood insurance protection. The standard documentation for compliance is the Policy Declarations Form issued by the National Flood Insurance Program (NFIP) or by any property insurance company offering coverage under NFIP. The insured should have its insurer automatically forward to the grantee, in the same manner as to the insured, an information copy of the Policy Declarations form, which is used to verify compliance.

Documentation: Grantees must estimate the amount and period of flood insurance coverage that is required for building in a SFHA:

- Estimate coverage amount of flood insurance
- Indicate coverage period
- Year in which flood insurance policy is to start and end

For more information about how to contact the local TDEC Environmental Field Office (EFO), or which Division should be contacted for certain consultation request, please see below:

TDEC contact list for Environmental Review Consultation requests may be found here:

<https://www.tn.gov/environment/program-areas/opsp-policy-and-sustainable-practices/policy/opsp-environmental-consultation-requests/division-of-air-pollution-control.html>

TDEC Environmental Review Contact Guidance

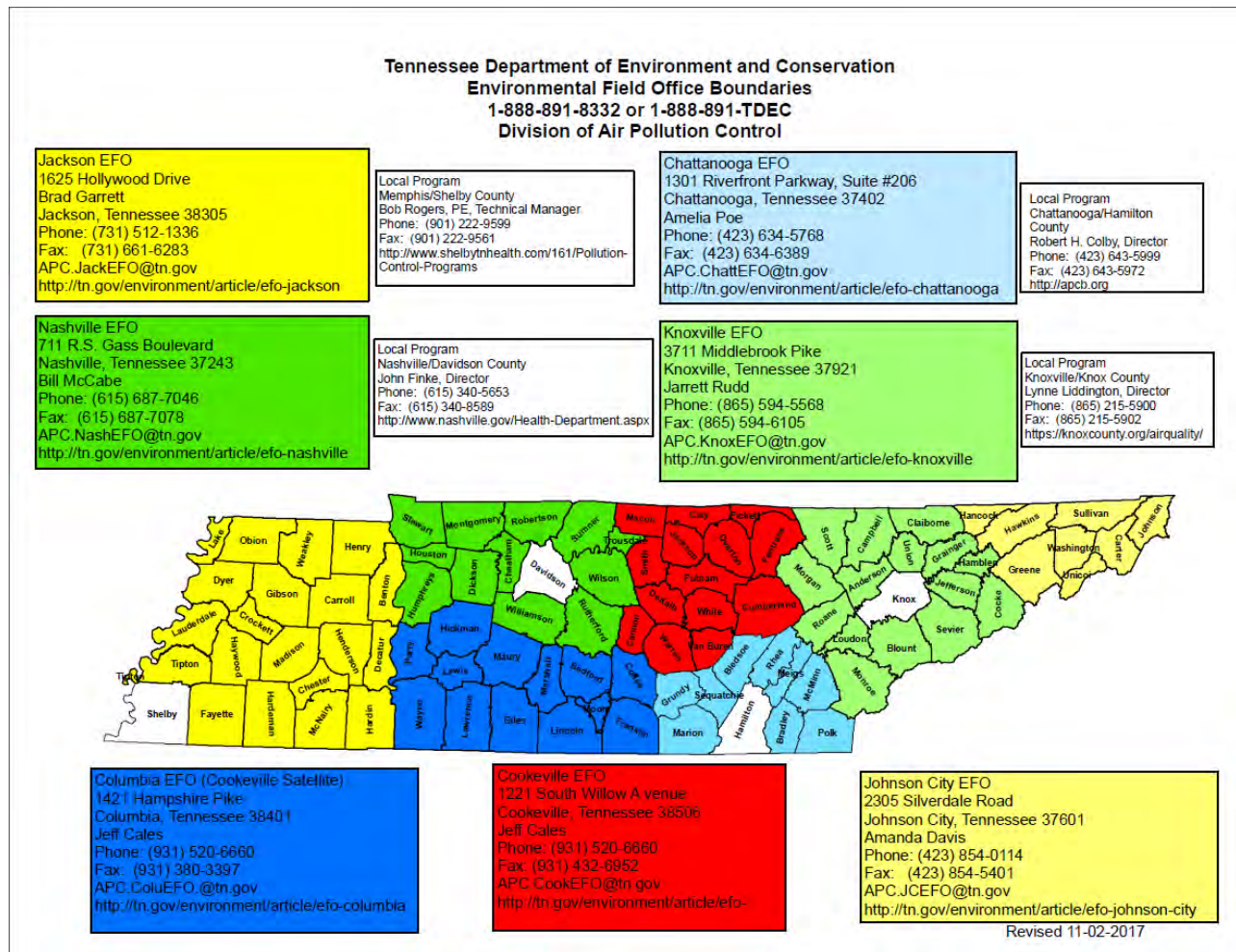
1. **Chattanooga Field Office** - Regulates the following counties: Bledsoe, Bradley, Grundy, Hamilton, Marion, McMinn, Meigs, Polk, Rhea, Sequatchie. Any reviews that take place in these counties should be addressed the APC Field Office Manager, Amelia Poe at Amelia.Poe@tn.gov. If needed, Amelia's phone # is (423) 634-5768.
 - **Chattanooga / Hamilton County** has their own local air pollution program. Reviews pertaining to facilities in Hamilton County should be directed to Robert Colby. Robert's email address is bcolby@chattanooga.gov. Robert's phone # is (423) 643-5970.
2. **Cookeville Field Office** - Regulates the following counties: Cannon, Clay, Cumberland, Dekalb, Fentress, Jackson, Macon, Overton, Pickett, Putnam, Smith, Van Buren, Warren, White. Any reviews that take place in these counties should be addressed the APC Field Office Manager, Jeff Cales at Jeff.Cales@tn.gov. Jeff manages the APC staff in both the Columbia and Cookeville Field Offices. If needed, Jeff's phone # is (931) 520-6660.
3. **Columbia Field Office** - Regulates the following counties: Bedford, Coffee, Franklin, Giles, Hickman, Lawrence, Lewis, Lincoln, Marshall, Maury, Moore, Perry, Wayne. Any reviews that take place in these counties should be addressed the APC Field Office Manager, Jeff Cales at Jeff.Cales@tn.gov. Jeff manages the APC staff in both the Columbia and Cookeville Field Offices. If needed, Jeff's phone # is (931) 520-6660.
4. **Jackson Field Office** – Regulates all of the following counties: Benton, Carroll, Chester, Crockett, Decatur, Dyer, Fayette, Gibson, Hardeman, Hardin, Haywood, Henderson, Henry, Lake, Lauderdale, Madison, McNairy, Obion, Tipton and Weakley. Any projects that take place in these counties should be addressed the APC Field Office Manager, Brad Garrett at Brad.Garrett@tn.gov. If needed my phone # is 731-512-1336.
5. **Johnson City Field Office** - Regulates the following counties: Carter, Greene, Hancock, Hawkins, Johnson, Sullivan, Unicoi, Washington. Any reviews that take place in these counties should be addressed the APC Field Office Manager, Amanda David at Amanda.L.Davis@tn.gov. If needed, Amanda's phone # is (423) 854-0114.
6. **Knoxville Field Office** - Regulates the following counties: Anderson, Blount, Campbell, Claiborne, Cocke, Grainger, Hamblen, Jefferson, Knox, Loudon, Monroe, Morgan, Roane, Scott, Sevier, Union. Any reviews that take place in these counties should be addressed the APC Field Office Manager, Jarrett Rudd at Jarret.L.Rudd@tn.gov. If needed, Jarrett's phone # is (865) 594-5568.
 - **Knoxville / Knox County** has their own local air pollution program. Reviews pertaining to facilities in Knox County should be directed to Lynne Liddington. Lynne's email address is laliddington@aqm.co.knox.tn.us. Lynne's phone # is (865) 215-5900.

7. **Memphis Field Office** – There are no air pollution staff working in the Memphis Field Office. This office covers 3 counties – Tipton, Fayette and Shelby.

- Any reviews that take place in Tipton County or of Fayette County should be addressed to Brad Garrett in the Jackson Field Office. My email address is Brad.Garrett@tn.gov. If needed my phone # is 731-512-1300. Any State Park projects in Shelby County should also be directed to Brad Garrett as well.
- **Memphis/ Shelby County** has their own local air pollution program. Reviews pertaining to facilities in Shelby County should be directed to Bob Rogers. Bob’s email address is bob.rogers@shelbycountyttn.gov. Bob’s phone # is (901) 222-9599.

8. **Nashville Field Office** – Regulates the following counties: Cheatham, Davidson, Dickson, Houston, Humphreys, Montgomery, Robertson, Rutherford, Stewart, Sumner, Trousdale, Williamson and Wilson. Any reviews that take place in these counties should be addressed the APC Field Office Manager, Bill McCabe at Bill.McCabe@tn.gov. If needed Bill’s phone # is (615) 687-7046.

- **Nashville / Davidson County** has their own local air pollution program. Reviews pertaining to facilities in Davidson County should be directed to John Finke. John’s email address is john.finke@nashville.gov. John’s phone # is (615) 340-5653



NEPA Environmental Assessment Checklist Documentation

Green Book (http://portal.hud.gov/hudportal/documents/huddoc?id=env_review_guide.pdf) used for suggestions on experts to contact.

A “No Response” is NOT accepted in any category. Contact ECD if you have a difficult time finding an expert who will respond.

Category	Experts to Contact	Required documentation
Land Development		
Conformance with Plans / Compatible Land Use and Zoning / Scale and Urban Design/Comprehensive Plans and Zoning	local development district; local zoning review officer or administrator; local planning commission; regional planning agency	signed, dated memo/letter/email from individual who gave the consult including their review information
Soil Suitability / Slope / Erosion / Drainage / Storm Water Runoff	city-county engineer; project engineer; soils engineer; state/local highway dept. OR CSRR	signed, dated memo/letter/email addressing their review or a copy of the Custom Soils Resource Report
Hazard and Nuisances including Site Safety and Noise	project engineer	signed, dated memo/letter/email from individual who gave the consult including their review information
Energy Consumption	project engineer; utility admins.; local public works admins.	signed, dated memo/letter/email from individual who gave the consult including their review information
Socioeconomic		
Demographic Character Changes, Displacement	local development district; local planning commission; Chamber of Commerce; regional planning agency	signed, dated memo/letter/email from individual who gave the consult including their review information
Employment and income patterns	local development district; local planning commission; Chamber of Commerce; regional planning agency	signed, dated memo/letter/email from individual who gave the consult including their review information
Community Facilities and Services		
Educational and Cultural Facilities	School superintendent; Director of Schools AND Director of Chamber of Commerce	signed, dated memo/letter/email from BOTH individuals who gave the consult including their review information
Commercial Facilities	local Chamber of Commerce; commercial realtor; commercial development specialist; local planning agency	signed, dated memo/letter/email from individual who gave the consult including their review information
Health Care and Social Services	area health systems agency; local public health dept. AND social services dept.; public welfare office; council on aging; social security office; local council of voluntary human service agencies	signed, dated memo/letter/email from BOTH individuals who gave the consult including their review information
Solid Waste Disposal / Recycling	city / county engineering dept.; public utilities admin.	signed, dated memo/letter/email from individual who gave the consult including their review information

Category	Experts to Contact	Required documentation
Waste Water / Sanitary Sewers	city / county engineering dept.; public utilities admin.	signed, dated memo/letter/email from individual who gave the consult including their review information
Water Supply	city / county engineering dept.; public utilities admin.	signed, dated memo/letter/email from individual who gave the consult including their review information
Public Safety: Police, Fire, Emergency Medical	chief of local fire dept.; chief of local police dept.; administrator of local emergency agency	signed, dated memo/letter/email from individual who gave the consult including their review information
Parks, Open Space and Recreation	planners at local parks and recreation depts.; local cultural commission; local society of Landscape architects; Chamber of Commerce	signed, dated memo/letter/email from individual who gave the consult including their review information
Transportation and Accessibility	local/state highway dept.; local transit authority; local traffic dept.; police dept.	signed, dated memo/letter/email from individual who gave the consult including their review information
Natural Features		
Unique natural features, Water Resources	TDEC Division of Water Resources	TDEC DWR letter/memo/email
Vegetation, Wildlife	TDEC Natural Heritage Program AND Tennessee Wildlife Resource Agency (TWRA)	TDEC NHP AND TWRA letter/memo/email

Note: TDEC home office (Nashville) contact list for Environmental Review Consultation requests may be found here:

<https://www.tn.gov/environment/program-areas/opsp-policy-and-sustainable-practices/opsp-environmental-consultation-requests.html>

List of Applicable Laws and Regulations for Fair Housing and Equal Opportunity

Federal Laws and Regulations (included amendments)	Fair Housing and Nondiscrimination	Accessibility	Equal Employment and Contracting
Title VI of the Civil Rights Act of 1964: This Act provides that no person shall on the basis of race, color, or national origin be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance.	X		
Title VIII of the Civil Rights Act of 1968 (The Fair Housing Act): This Act prohibits discrimination in housing on the basis of race, color, religion, sex, or national origin. This law also requires actions which affirmatively promote fair housing.	X	X	
Civil Rights Restoration Act of 1987: This Act restores the broad scope of coverage and clarifies the application of the Civil Rights Act of 1964. It also specifies that an institution which receives Federal financial assistance is prohibited from discriminating on the basis of race, color, national origin, religion, sex, disability, or age in a program or activity which does not directly benefit from such assistance.	X		
Section 109 of Title I of the Housing and Community Development Act of 1974: This section of Title I provides that no person shall on the basis of race, color, national origin, or sex be excluded from participation in (including employment), be denied the benefits of, or be subject to discrimination under any program or activity funded in whole or in part under Title I of the Act.	X		X
The Fair Housing Amendment of 1988: This Act amended the original Fair Housing Act by providing for the protection of families with children and people with disabilities, strengthening penalties for acts of housing discrimination, expanding the Justice Department's jurisdiction to bring suit on behalf of victims in Federal district courts, and creating an exemption to the provisions barring discrimination on the basis of familial status for those housing developments that qualify as housing for persons age 55 or older.	X		
The Housing for Older Persons Act of 1995 (HOPA): This Act retains the requirement that housing must have one person who is 55 years of age or older living in at least 80 percent of its occupied units. The Act also retains the requirement that housing facilities publish and follow policies and procedures that demonstrate intent to be housing for persons 55 and older.	X		
The Age Discrimination Act of 1975: This Act provides that no person shall on the basis of age be excluded from participation in, denied the benefits of, or be subject to discrimination under any program or activity receiving Federal funding assistance. Effective January 1987, the age cap of 70 was deleted from the laws. Federal law preempts any state law currently in effect on the same topic, including scattered sections of Title 4, Chapter 21 of the Tennessee Code Annotated.	X		

Federal Laws and Regulations (included amendments)	Fair Housing and Nondiscrimination	Accessibility	Equal Employment and Contracting
<p>Section 504 of the Rehabilitation Act of 1973: This section provides that no otherwise qualified individual shall, solely by reason of his or her disability, be excluded from participation in (including employment), be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal funding assistance. Section 504 also contains design and construction accessibility provisions for multi-family dwellings developed or substantially rehabilitated for first occupancy on or after March 13, 1991.</p>	X	X	X
<p>The American with Disabilities Act of 1990 (ADA): This Act modifies and expands the Rehabilitation Act of 1973 to prohibit discrimination against “a qualified individual with a disability” in employment and public accommodations. The ADA requires that an individual with a physical or mental impairment who is otherwise qualified to perform the essential functions of a job, with or without reasonable accommodation, be afforded equal employment opportunity in all phases of employment. Tennessee adopted similar protections in the Tennessee Disability Act, as amended, codified at T.C.A. § 8-50-103, and in scattered sections of Title 4, Chapter 21 of the Tennessee Code Annotated.</p>	X	X	X
<p>Executive Order 11063: This Executive Order provides that no person shall be discriminated against any person on the basis of race, color, religion, creed, sex, or national origin in housing and related facilities provided with Federal assistance, and lending practices with respect to residential property when such practices are connected with loans insured or guaranteed by the Federal government.</p>	X		
<p>Executive Order 12892: This Executive Order provides that the administration of all Federal programs and activities relating to housing and urban development must be carried out in a manner to further housing opportunities throughout the United States.</p>	X		
<p>The Equal Employment Opportunity Act of 1972: This Act empowers the Equal Employment Opportunity Commission (EEOC) to bring civil action in Federal court against private sector employers after the EEOC has investigated the charge, found “probable cause” of discrimination, and failed to obtain a conciliation agreement acceptable to the EEOC. It also brings Federal, state, and local governments under the Civil Rights Act of 1964.</p>			X
<p>The Immigration Reform and Control Act of 1986 (IRCA): Under IRCA, employers may hire only persons who may legally work in the U.S., meaning citizens and nationals of the U.S. and aliens authorized to work in the U.S. The employer must verify the identity and employment eligibility of anyone to be hired, in part, by completing the Employment Eligibility Verification Form I-9.</p>			X

Federal Laws and Regulations (included amendments)	Fair Housing and Nondiscrimination	Accessibility	Equal Employment and Contracting
<p>The Uniform Guidelines on Employee Selection Procedures adopted by the EEOC in 1978: These guidelines, codified at 29 CFR Part 1607, apply to employee selection procedures in the areas of hiring, retention, promotion, transfer, demotion, dismissal and referral. They are designed to assist employers, labor organizations, employment agencies, and licensing and certification boards in complying with the requirements of Federal laws prohibiting discriminatory employment.</p>			X
<p>Section 3 of the Housing and Development Act of 1968, as amended: This section requires the provision of opportunities for training and employment that arise through HUD-financed projects to lower-income residents of the project area, to the greatest extent feasible and consistent with Federal, state and local laws and regulations. Additionally, contracts must be awarded to businesses that provide economic opportunities for low- and very low-income persons residing in the area. 1992 amendments to Section 3 included requirements for providing these opportunities in contracts for housing rehabilitation, including lead-based paint abatement, and other construction contracts.</p>			X
<p>The Vietnam Era Veterans' Readjustment Assistance Act of 1974 (as amended by the Jobs for Veterans Act of 2002): This Act was passed and amended to ensure equal employment opportunities for veterans of the Vietnam War and other qualified covered veterans. Affirmative action is required in the hiring and promotion of veterans.</p>			X
<p>Executive Order 11246: This Executive Order, as amended, applies to all Federally assisted construction contracts and subcontracts, and provides that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin.</p>			X

THE SECTION 3 CLAUSE

A. The work to be performed under this contract is on a project assisted under a program providing direct Federal financial assistance from the Department of Housing and Urban Development and 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 requires that to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the area of the Section 3 covered project, and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the area of the Section 3 covered project.

B. The parties of this contract will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 Part CFR 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.

C. The contractor will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this section 3 clause and shall post copies of the notice in conspicuous places available

to employees and applicants for employment or training.

D. The contractor will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant for or recipient of Federal Financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR Part 135. The contractor will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

E. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of the contract, shall be a condition of the Federal financial assistance provided to the project, binding upon the applicant or recipient, its contractors and subcontractors, its successors, and assigns to those sanctions specified by the grant or loan agreement or contract through which Federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

SECTION 3

- | | YES | NO |
|---|--------------------------|--------------------------|
| 1. Is your grant amount \$200,000 or more?
If No, Section 3 does not apply. No additional information is needed. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. If Yes, will this project necessitate the hiring of new employees on your payroll or training of present employees?
If No, Section 3 does not apply to grantee's new hires. | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Will any activities that generates employment opportunities necessitate issuing contracts of \$100,000 or more?
If No, Section 3 does not apply to the contractor. No additional information is needed. | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. If Yes, the following documentation should be completed and maintained on file demonstrating your efforts to enhance the employment of Section 3 residents or businesses: | | |

Types of outreach efforts to inform businesses and area low-income residents of Section 3 opportunities.

Numbers of Section 3 area residents provided jobs and/or training.

Numbers and dollar amounts of contractors awarded to businesses within the Section 3 covered project area (metropolitan area or non metropolitan county).

Documentation provided by contractors/subcontractors of their outreach efforts, employment, and training statistics.

POLICY OF NONDISCRIMINATION

The _____ does not discriminate on the basis of race, color, religion, national origin, sex, age or disability status in the admission or access to, or treatment or employment in, its federally assisted programs or activities.

(Name)

(Address)

(City)

(State)

(Zip)

() _____ (Voice)
(Telephone Number)

() _____ (TDD)
(Telephone Number)

has been designated to coordinate compliance with the nondiscrimination requirements contained in the Department of Housing and Urban Development's (HUD) regulations implementing Section 504 (24 CFR Part 8, dated June 2, 1988), Section 3 (24 CFR Part 135, as amended June 30, 1994) (Use of Small and Disadvantaged Businesses and Hiring Lower Income Residents of the Project Area), Equal Employment Opportunity Act of 1978 (In House Equal Employment Opportunity), Executive Order 11246, as amended by Executive Order 12086 (Equal Employment Opportunity on Federal Assisted Construction Contracts), and Executive Order 11625 (Minority Entrepreneurship).

Are You a Victim of Housing Discrimination?

Fair Housing is Your Right!

If you have been denied your housing rights...you may have experienced unlawful discrimination.



U.S. Department of Housing and Urban Development

WHERE TO MAIL YOUR FORM OR INQUIRE ABOUT YOUR CLAIM

**For Connecticut, Maine, Massachusetts,
New Hampshire, Rhode Island, and Vermont:
NEW ENGLAND OFFICE**

Fair Housing Hub
U.S. Dept. of Housing and Urban Development
Thomas P. O'Neill, Jr. Federal Building
10 Causeway Street, Room 321
Boston, MA 02222-1092
Telephone (617) 994-8320 or 1-800-827-5005
Fax (617) 565-7313 • TTY (617) 565-5453
E-mail: Complaints_office_01@hud.gov

**For New Jersey and New York:
NEW YORK/NEW JERSEY OFFICE**

Fair Housing Hub
U.S. Dept. of Housing and Urban Development
26 Federal Plaza, Room 3532
New York, NY 10278-0068
Telephone (212) 264-1290 or 1-800-496-4294
Fax (212) 264-9829 • TTY (212) 264-0927
E-mail: Complaints_office_02@hud.gov

**For Delaware, District of Columbia, Maryland,
Pennsylvania, Virginia, and West Virginia:
MID-ATLANTIC OFFICE**

Fair Housing Hub
U.S. Dept. of Housing and Urban Development
The Wanamaker Building
100 Penn Square East
Philadelphia, PA 19107
Telephone (215) 656-0663 or 1-888-799-2085
Fax (215) 656-3419 • TTY (215) 656-3450
E-mail: Complaints_office_03@hud.gov

**For Alabama, the Caribbean, Florida, Georgia, Kentucky, Missis-
sippi, North Carolina, South Carolina, and Tennessee:
SOUTHEAST/CARIBBEAN OFFICE**

Fair Housing Hub
U.S. Dept. of Housing and Urban Development
Five Points Plaza
40 Marietta Street, 16th Floor
Atlanta, GA 30303-2808
Telephone (404) 331-5140 or 1-800-440-8091
Fax (404) 331-1021 • TTY (404) 730-2654
E-mail: Complaints_office_04@hud.gov

**For Illinois, Indiana, Michigan, Minnesota,
Ohio, and Wisconsin:
MIDWEST OFFICE**

Fair Housing Hub
U.S. Dept. of Housing and Urban Development
Ralph H. Metcalfe Federal Building
77 West Jackson Boulevard, Room 2101
Chicago, IL 60604-3507
Telephone (312) 353-7776 or 1-800-765-9372
Fax (312) 886-2837 • TTY (312) 353-7143
E-mail: Complaints_office_05@hud.gov

**For Arkansas, Louisiana, New Mexico, Oklahoma, and Texas:
SOUTHWEST OFFICE**

Fair Housing Hub
U.S. Dept. of Housing and Urban Development
801 North Cherry, 27th Floor
Fort Worth, TX 76102
Telephone (817) 978-5900 or 1-888-560-8913
Fax (817) 978-5876 or 5851 • TTY (817) 978-5595
E-mail: Complaints_office_06@hud.gov

**For Iowa, Kansas, Missouri and Nebraska:
GREAT PLAINS OFFICE**

Fair Housing Hub
U.S. Dept. of Housing and Urban Development
Gateway Tower II
400 State Avenue, Room 200, 4th Floor
Kansas City, KS 66101-2406
Telephone (913) 551-6958 or 1-800-743-5323
Fax (913) 551-6856 • TTY (913) 551-6972
E-mail: Complaints_office_07@hud.gov

**For Colorado, Montana, North Dakota, South Dakota,
Utah, and Wyoming:
ROCKY MOUNTAINS OFFICE**

Fair Housing Hub
U.S. Dept. of Housing and Urban Development
1670 Broadway
Denver, CO 80202-4801
Telephone (303) 672-5437 or 1-800-877-7353
Fax (303) 672-5026 • TTY (303) 672-5248
E-mail: Complaints_office_08@hud.gov

**For Arizona, California, Hawaii, and Nevada:
PACIFIC/HAWAII OFFICE**

Fair Housing Hub
U.S. Dept. of Housing and Urban Development
600 Harrison Street, Third Floor
San Francisco, CA 94107-1300
Telephone (415) 489-6524 or 1-800-347-3739
Fax (415) 489-6558 • TTY (415) 436-6594
E-mail: Complaints_office_09@hud.gov

**For Alaska, Idaho, Oregon, and Washington:
NORTHWEST/ALASKA OFFICE**

Fair Housing Hub
U.S. Dept. of Housing and Urban Development
Seattle Federal Office Building
909 First Avenue, Room 205
Seattle, WA 98104-1000
Telephone (206) 220-5170 or 1-800-877-0246
Fax (206) 220-5447 • TTY (206) 220-5185
E-mail: Complaints_office_10@hud.gov

***If after contacting the local office nearest you, you still have ques-
tions – you may contact HUD further at:***

U.S. Dept. of Housing and Urban Development
Office of Fair Housing and Equal Opportunity
451 7th Street, S.W., Room 5204
Washington, DC 20410-2000
Telephone (202) 708-0836 or 1-800-669-9777
Fax (202) 708-1425 • TTY 1-800-927-9275

To file electronically, visit: www.hud.gov

PLACE
POSTAGE
HERE

MAIL TO:

Public Reporting Burden for this collection of information is estimated to average 20 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The Department of Housing and Urban Development is authorized to collect this information by Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, (P.L. 100-430); Title VI of the Civil Rights Act of 1964, (P.L. 88-352); Section 504 of the Rehabilitation Act of 1973, as amended, (P.L. 93-112); Section 109 of Title I- Housing and Community Development Act of 1974, as amended, (P.L. 97-35); Americans with Disabilities Act of 1990, (P.L. 101-336); and by the Age Discrimination Act of 1975, as amended, (42 U.S.C. 6103).

The information will be used to investigate and to process housing discrimination complaints. The information may be disclosed to the United States Department of Justice for its use in the filing of pattern and practice suits of housing discrimination or the prosecution of the person(s) who committed that discrimination where violence is involved; and to State or local fair housing agencies that administer substantially equivalent fair housing laws for complaint processing. Failure to provide some or all of the requested information will result in delay or denial of HUD assistance.

Disclosure of this information is voluntary.



HOUSING DISCRIMINATION INFORMATION

Departamento de Vivienda y Desarrollo Urbano Oficina de Derecho Equitativo a la Vivienda
U.S. Department of Housing and Urban Development Office of Fair Housing and Equal Opportunity

Instructions: (Please type or print) Read this form carefully. Try to answer all questions. If you do not know the answer or a question does not apply to you, leave the space blank. You have one year from the date of the alleged discrimination to file a complaint. Your form should be signed and dated.

Your Name

Your Address

City

State

Zip Code

Best time to call

Your Daytime Phone No

Evening Phone No

Who else can we call if we cannot reach you?

Contact's Name

Best Time to call

Daytime Phone No

Evening Phone No

Contact's Name

Best Time to call

Daytime Phone No

Evening Phone No

1 What happened to you?

How were you discriminated against?

For example: were you refused an opportunity to rent or buy housing? Denied a loan? Told that housing was not available when in fact it was? Treated differently from others seeking housing?

State briefly what happened.

HOUSING DISCRIMINATION INFORMATION

Departamento de Vivienda y Desarrollo Urbano Oficina de Derecho Equitativo a la Vivienda
U.S. Department of Housing and Urban Development Office of Fair Housing and Equal Opportunity

2 Why do you think you are a victim of housing discrimination?

Is it because of your:

· race · color · religion · sex · national origin · familial status (families with children under 18) · disability?

For example: were you denied housing because of your race? Were you denied a mortgage loan because of your religion? Or turned down for an apartment because you have children?

Briefly explain why you think your housing rights were denied and circle the factor(s) listed above that you believe apply.

3 Who do you believe discriminated against you?

For example: was it a landlord, owner, bank, real estate agent, broker, company, or organization?

Identify who you believe discriminated against you.

Name

Address

4 Where did the alleged act of discrimination occur?

For example: Was it at a rental unit? Single family home? Public or Assisted Housing? A Mobile Home?

Did it occur at a bank or other lending institution?

Provide the address.

Address

City

State

Zip Code

5 When did the last act of discrimination occur?

Enter the date

____ / ____ / ____

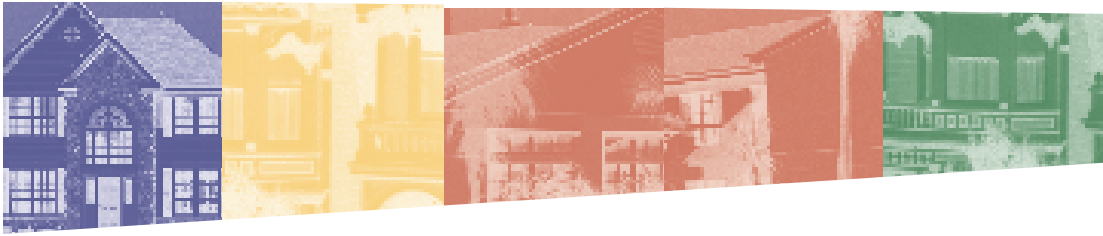
Is the alleged discrimination continuing or ongoing?

Yes No _____

Signature

Date

Send this form to HUD or to the fair housing agency nearest you. If you are unable to complete this form, you may call that office directly. See address and telephone listings on back page.



It is Unlawful to Discriminate in Housing Based on These Factors...

- Race
- Color
- National origin
- Religion
- Sex
- Familial status (families with children under the age of 18, or who are expecting a child)
- Handicap (if you or someone close to you has a disability)

If You Believe Your Rights Have Been Violated...

- HUD or a State or local fair housing agency is ready to help you file a complaint.
- After your information is received, HUD or a State or local fair housing agency will contact you to discuss the concerns you raise.

Detach here. Fold and close with glue or tape (no staples)

Keep this information for your records.

Date you mailed your information to HUD:

____/____/____

Address to which you sent the information:

Office

Telephone

Street

City

State

Zip Code

If you have not heard from HUD or a State or local fair housing agency within three weeks from the date you mailed this form, you may call to inquire about the status of your complaint. See address and telephone listings on back page.

ARE YOU A VICTIM OF HOUSING DISCRIMINATION?

“The American Dream of having a safe and decent place to call ‘home’ reflects our shared belief that in this nation, opportunity and success are within everyone’s reach.

Under our Fair Housing laws, every citizen is assured the opportunity to build a better life in the home or apartment of their choice — regardless of their race, color, religion, sex, national origin, family status or disability.”

Alphonso Jackson
Secretary

HOW DO YOU RECOGNIZE HOUSING DISCRIMINATION?

Under the Fair Housing Act, it is Against the Law to:

- Refuse to rent to you or sell you housing
- Tell you housing is unavailable when in fact it is available
- Show you apartments or homes only in certain neighborhoods
- Set different terms, conditions, or privileges for sale or rental of a dwelling
- Provide different housing services or facilities
- Advertise housing to preferred groups of people only
- Refuse to provide you with information regarding mortgage loans, deny you a mortgage loan, or impose different terms or conditions on a mortgage loan
- Deny you property insurance
- Conduct property appraisals in a discriminatory manner
- Refuse to make reasonable accommodations for persons with a disability if the accommodation may be necessary to afford such person a reasonable and equal opportunity to use and enjoy a dwelling.
- Fail to design and construct housing in an accessible manner
- Harass, coerce, intimidate, or interfere with anyone exercising or assisting someone else with his/her fair housing rights

SAMPLE - HIRING POLICY

The City/County of _____ is an Equal Opportunity Employer. All personnel actions shall be made on a non-discriminatory basis without regard to race, color, religion, sex, disability, age or national origin.

In compliance with Section 504, the City/County will make whatever reasonable accommodations that are needed for employment of otherwise qualified people with disabilities.

As vacancies occur and/or new positions are created every effort will be made to upgrade employees from lower classification positions.

Applications will be accepted at any time and a list will be maintained of all applicants.

If no qualified applications are on file, the position will be publicly advertised and contain a statement pledging non-discrimination.

Vacancies will be filled to the greatest extent feasible with qualified lower income residents. The City/County will make every effort to increase both its minority and female employment.

**MINORITY EMPLOYMENT GOALS
BY ECONOMIC AREA FOR
STATE OF TENNESSEE**

**(U. S. Department of Labor
Federal Register, Volume. 45, No. 194, 10/3/80)**

Until further notice, the following goals for minority utilization in each construction craft and trade shall be included in all Federal or Federally assisted construction contracts and subcontracts in excess of \$10,000 to be performed in the respective geographical areas. The goals are applicable to the contractor's aggregate on-site construction workforce whether or not part of that workforce is performing work on a Federal or Federally assisted construction contract or subcontract. A covered contractor or subcontractor shall apply the goals of the relevant area where the contract is being performed. **The female goal for the State is 6.9%.**

Minority Goal (%)	Area	Minority Goal (%)	Area
	051 CHATTANOOGA, TN		
	SMSA		TN Johnson VA Buchanan VA Dickenson VA Lee VA Russell VA Smyth VA Tazewell VA Wise VA Norton WV McDowell WV Mercer
12.5	1560 Chattanooga, TN-GA		
	GA Catoosa GA Dade GA Walker TN Hamilton TN Marion TN Sequatchie		
8.6	Non-SMSA Counties		053 KNOXVILLE, TN
	AL DeKalb AL Jackson GA Chattanooga GA Murray GA Whitfield TN Bledsoe TN Bradley TN Grundy TN McMinn TN Meigs TN Monroe TN Polk TN Rhea	6.6	SMSA 3840 Knoxville, TN TN Anderson TN Blount TN Knox TN Union
	062 JOHNSON CITY - KINGSPORT BRISTOL, TN-VA	4.5	Non-SMSA Counties KY Bell KY Harlan KY Knox KY Laurel KY McCreary KY Wayne KY Whitley TN Campbell TN Claiborne TN Cocke TN Cumberland TN Fentress TN Grainger TN Hamblen TN Jefferson TN Loudon TN Morgan TN Roane TN Scott TN Sevier
	SMSA		
2.6	3660 Johnson City - Kingsport - Bristol, TN-VA		
	TN Carter TN Hawkins TN Sullivan TN Unicoi TN Washington VA Scott VA Washington VA Bristol		
3.2	Non-SMSA Counties		
	TN Greene TN Hancock		

Minority Goal (%)	Area	Minority Goal (%)	Area
	054 NASHVILLE, TN		TN Marshall
	SMSA		TN Maury
18.2	1660 Clarksville - Hopkinsville, TN-KY		TN Moore
	KY Christian		TN Overton
	TN Montgomery		TN Perry
15.8	5360 Nashville -Davidson, TN		TN Pickett
	TN Cheatham		TN Putnam
	TN Davidson		TN Smith
	TN Dickson		TN Stewart
	TN Robertson		TN Trousdale
	TN Rutherford		TN Van Buren
	TN Sumner		TN Warren
	TN Williamson		TN Wayne
	TN Wilson		TN White
			055 MEMPHIS, TN
			SMSA
		32.3	4920 Memphis, TN-AR-MS
12.0	Non-SMSA Counties		AR Crittenden
	KY Allen		MS DeSoto
	KY Barren		TN Shelby
	KY Butler		TN Tipton
	KY Clinton	26.5	Non-SMSA Counties
	KY Cumberland		AR Clay
	KY Edmonson		AR Craighead
	KY Logan		AR Cross
	KY Metcalfe		AR Greene
	KY Monroe		AR Lawrence
	KY Simpson		AR Lee
	KY Todd		AR Mississippi
	KY Trigg		AR Phillips
	KY Warren		AR Poinsett
	TN Bedford		AR Randolph
	TN Cannon		AR St. Francis
	TN Clay		MS Alcorn
	TN Coffee		MS Benton
	TN DeKalb		MS Bolivar
	TN Franklin		MS Calhoun
	TN Giles		MS Carroll
	TN Hickman		MS Chickasaw
	TN Houston		MS Clay
	TN Humphreys		MS Coahoma
	TN Jackson		
	TN Lawrence		
	TN Lewis		
	TN Macon		

Minority Goal (%)	Area	Minority Goal (%)	Area
26.5	MS Grenada		
	MS Itawamba		
	MS Lafayette		
	MS Lee		
	MS Leflore		
	MS Marshall		
	MS Monroe		
	MS Montgomery		
	MS Panola		
	MS Pontotoc		
	MS Prentiss		
	MS Quitman		
	MS Sunflower		
	MS Tallahatchie		
	MS Tate		
	MS Tippah		
	MS Tishomingo		
	MS Union		
	MS Washington		
	MS Webster		
	MS Yalobvsha		
	MO Dunklin		
	MO New Madrid		
	MO Pemiscot		
	TN Benton		
	TN Carroll		
	TN Chester		
	TN Crockett		
	TN Decatur		
	TN Dyer		
	TN Fayette		
	TN Gibson		
	TN Hardeman		
	TN Hardin		
	TN Haywood		
	TN Henderson		
	TN Henry		
	TN Lake		
	TN Lauderdale		
	TN McNairy		
	TN Madison		
	TN Obion		
	TN Weakley		
	050 HUNTSVILLE -FLORENCE, AL		
11.2	Non-SMSA Counties		
	TN Lincoln		

MEMO FOR MINORITY BUSINESS SOLICITATION
--

MEMORANDUM

To: FH/EO File
From: _____
Date: (Current Date)
Subject: Minority Business Participation

On (Date), (Company Name), (Company Address) was contacted and informed of solicitation of bids for the (Name and Contract # of Project). (Person Contacted) was informed of the project timeframe and where to pick up plans and specifications.

Letter on Minority Business Solicitation

(Current Date)

(Inside Address)

Dear _____:

This is to inform you that _____ *(Grantee)* has recently been awarded a Community Development Block Grant for _____ *(Project Description)*.

A copy of the advertisement for bids is attached, detailing the project and bidding procedures.

If you have any questions, please do not hesitate to contact me at _____ *(Telephone Number)*.

Sincerely,

(Signature)
(Title)
(Community)

XX:xxx

Attachment

PRELIMINARY ACQUISITION NOTICE*
--

This is to formally notify you of our interest in acquiring certain property or an easement on property** which you own located at:

(LOCATION OF PROPERTY TO BE ACQUIRED)

We are interested in purchasing or securing an easement on** the property you own to:

(BRIEF DESCRIPTION OF PROJECT)

THIS NOTICE IS PRELIMINARY IN NATURE AND IS NOT A NOTICE TO VACATE. IT DOES NOT ESTABLISH ELIGIBILITY FOR RELOCATION PAYMENTS OR OTHER RELOCATION ASSISTANCE. To help explain the acquisition procedures, we are enclosing a copy of the booklet, "When a Public Agency Acquires Your Property."

You may donate this property or an easement interest in this property** if you so desire.

If you have any questions before this office can contact you again, please call _____, who is the _____. Our telephone number is _____, and our regular office hours are _____ to _____, _____ through _____).

Sincerely,

_____ (Community official name)

_____ (Title)

* This notice (and all notices) should be hand-delivered and a signed receipt obtained or sent registered or certified mail, return receipt requested.

** You need to indicate whether you want to purchase the land or receive an easement.

www.hud.gov/relocation

Introduction

This booklet describes important features of the **Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970**, as amended (URA) and provides general information about public acquisition of real property (real estate) that should be useful to you.

Most acquisitions of real property by a public agency for a Federal project or a project in which Federal funds are used are covered by the URA. If you are notified that your property will be acquired for such a project, it is important that you learn your rights under this important law.

This booklet may not answer all of your questions. If you have more questions about the acquisition of your property, contact the Agency responsible for the project. (Check the back of this booklet for the name of the person to contact at the Agency.) Ask your questions before you sell your property. Afterwards, it may be too late.

General Questions

What Right Has Any Public Agency To Acquire My Property?

The Federal Government and every State government have certain powers which are necessary for them to operate effectively. For example, they have the power to levy taxes and the power to maintain order. Another government power is the power to acquire private property for public purposes. This is known as the power of eminent domain.

The rights of each of us are protected, however, by the Fifth and Fourteenth Amendments of the U.S. Constitution and by State constitutions and eminent domain laws which guarantee that if a public agency takes private property it must pay "just compensation" to the owner. The URA provides additional protections, as explained in this booklet.

Who Made The Decision To Buy My Property?

The decision to acquire a property for a public project usually involves many persons and many determinations. The final determination to proceed with the project is made only after a thorough review which may include public hearings to obtain the views of interested citizens.

If you have any questions about the project or the selection of your property for acquisition, you should ask a representative of the Agency which is responsible for the

project.

How Will The Agency Determine How Much To Offer Me For My Property?

Before making you an offer, the Agency will obtain at least one appraisal of your property by a competent real property appraiser who is familiar with local property values. The appraiser will inspect your property and prepare a report that includes his or her professional opinion of its current fair market value. After the appraiser has completed his work, a review appraiser will examine the appraisal report to assure that the estimate is fair and the work conforms with professional appraisal standards.

The Agency must offer you "just compensation" for your property. This amount cannot be less than the appraised fair market value of the property. "Just compensation" for your property does not take into account your relocation needs. If you are eligible for relocation assistance, it will be additional.

What Is Fair Market Value?

Fair market value is sometimes defined as that amount of money which would probably be paid for a property in a sale between a willing seller, who does not have to sell, and a willing buyer, who does not have to buy. In some areas a different term or definition may be used.

The fair market value of a property is generally considered to be "just compensation." Fair market value does not take into account intangible elements such as sentimental value, good will, business profits, or any special value that your property may have for you or for the Agency.

How Does An Appraiser Determine The Fair Market Value Of My Property?

Each parcel of real property is different and therefore no single formula can be devised to appraise all properties. Among the factors an appraiser typically considers in estimating the value of real property are:

- How it compares with similar properties in the area that have been sold recently.
- How much rental income it could produce.
- How much it would cost to reproduce the buildings and other structures, less any depreciation.

Will I Have A Chance To Talk To The Appraiser?

Yes. You will be contacted and given the opportunity to accompany the appraiser on his or her inspection of your property. You may then inform the appraiser of any special features which you believe may add to the value of your property. It is in your best interest to provide the appraiser with all the useful information you can in order to insure that nothing of allowable value will be overlooked. If you are unable to meet with the appraiser, you may wish to have a person who is familiar with your property represent you.

How Soon Will I Receive A Written Purchase Offer?

Generally, this will depend on the amount of work required to appraise your property. In the case of a typical single-family house, it is usually possible to make a written purchase offer within 45 to 60 days of the date an appraiser is selected to appraise the property.

Promptly after the appraisal has been reviewed (and any necessary corrections obtained), the Agency will determine just compensation and give you a written purchase offer in that amount along with a "summary statement," explaining the basis for the offer. No negotiations are to take place before you receive the written purchase offer and summary statement.

What Is In The Summary Statement Of The Basis For The Offer Of Just Compensation?

The summary statement of the basis for the offer of just compensation will include:

- An accurate description of the property and the interest in the property to be acquired.
- A statement of the amount offered as just compensation. (If only part of the property is to be acquired, the compensation for the part to be acquired and the compensation for damages, if any, to the remaining part will be separately stated.)
- A list of the buildings and other improvements covered by the offer. (If there is a separately held interest in the property not owned by you and not covered by the offer (e.g., a tenant-owned improvement), it will be so identified.)

Must I Accept The Agency's Offer?

No. You are entitled to present your evidence as to the amount you believe is the fair market value of your property and to make suggestions for changing the terms and conditions of the offer. The Agency will consider your evidence and suggestions. When fully justified by the available evidence of value, the offer price will be increased.

May Someone Represent Me During Negotiations?

Yes. If you would like an attorney or anyone else to represent you during negotiations, please inform the Agency. However, the URA does not require the Agency to pay the costs of such representation.

If I Reach Agreement With The Agency, How Soon Will I Be Paid?

If you reach a satisfactory agreement to sell your property and your ownership (title to the property) is clear, payment will be made at a mutually acceptable time. Generally, this should be possible within 30 to 60 days after you sign a purchase contract. If the title evidence obtained by the Agency indicates that further action is necessary to show that your ownership is clear, you may be able to hasten the payment by helping the Agency obtain the necessary proof. (Title evidence is basically a legal record of the ownership of the property. It identifies the owners of record and lists the restrictive deed covenants and recorded mortgages, liens, and other instruments affecting your ownership of the property.)

What Happens If I Don't Agree To The Agency's Purchase Offer?

If you are unable to reach an agreement through negotiations, the Agency may file a suit in court to acquire your property through an eminent domain proceeding. Eminent domain proceedings are often called condemnations. If your property is to be acquired by condemnation, the Agency will file the condemnation suit without unreasonable delay.

An Agency may also decide not to buy your property, if it cannot reach agreement on a price, and find another property to buy instead.

What Happens After The Agency Condemns My Property?

You will be notified of the action. Condemnation procedures vary, and the Agency will explain the procedures which apply in your case.

Generally, when an Agency files a condemnation suit, it must deposit with the court (or in an escrow account) an amount not less than its appraisal of the fair market value of the property. You should be able to withdraw this amount, less any amounts necessary to pay off any mortgage or other liens on the property and to resolve any special ownership problems. Withdrawal of your share of the money will not affect your right to seek additional compensation for your property.

During the condemnation proceeding, you will be provided an opportunity to introduce your evidence as to the value of your property. Of course, the Agency will have the same right. After hearing the evidence of all parties, the court will determine the amount of just compensation. If that amount exceeds the amount deposited by the Agency, you will be paid the difference, plus any interest that may be provided by law.

To help you in presenting your case in a condemnation proceeding, you may wish to employ an attorney and an appraiser. However, in most cases the costs of these professional services and other costs which an owner incurs in presenting his or her case to the court must be paid by the owner.

What Can I Do If I Am Not Satisfied With The Court's Determination?

If you are not satisfied with the court judgment, you may file an appeal with the appropriate appellate court for the area in which your property is located. If you are

considering an appeal, you should check on the applicable time limit for filing the appeal and consult with your attorney on whether you have a basis for the appeal. The Agency may also file an appeal if it believes the amount of the judgment is too high.

Will I Have To Pay Any Closing Costs?

You will be responsible for the payment of the balance on any mortgage and other liens on your property. Also, if your ownership is not clear, you may have to pay the cost of clearing it. But the Agency is responsible for all reasonable and necessary costs for:

- Typical legal and other services required to complete the sale, recording fees, revenue stamps, transfer taxes and any similar expenses which are incidental to transferring ownership to the Agency.
- Penalty costs and other charges related to prepayment of any recorded mortgage on the property that was entered into in good faith.
- Real property taxes covering the period beginning on the date the Agency acquires your property.

Whenever possible, the Agency will make arrangements to pay these costs directly. If you must incur any of these expenses yourself, you will be repaid--usually at the time of closing. If you later discover other costs for which you should be repaid, you should request repayment from the Agency immediately. The Agency will assist you in filing a claim. Finally, if you believe that you were not properly repaid, you may appeal the decision to the Agency.

May I Keep Any Of The Buildings Or Other Improvements On My Property?

Very often, many or all of the improvements on the property are not required by the Agency. This might include such items as a fireplace mantel, your favorite shrubbery, or even an entire house. If you wish to keep any improvements, please let the Agency know as soon as possible.

If you do arrange to keep any improvement, the Agency will deduct only its salvage value from the purchase price you would otherwise receive. (The salvage value of an item is its probable selling price if offered for sale on the condition that the buyer will remove it at his or her own expense.) Of course, if you arrange to keep any real property improvement, you will not be eligible to receive a relocation payment for the cost of moving it to a new location.

Can The Agency Take Only A Part Of My Property?

Yes. But if the purchase of only a part of your property reduces the value of the remaining part(s), you will be paid for the loss in value. Also, if any remaining part would have little or no utility or value to you, the Agency will offer to buy that remaining part from you.

Occasionally, a public project will increase the value of the part which is not acquired by the Agency. Under some eminent domain laws, the amount of such increase in value is deducted from the purchase payment the owner would otherwise receive.

Will I Have To Pay Rent To The Agency After My Property Is Acquired?

If you remain on the property after the acquisition, you may be required to pay a fair rent to the Agency. Such rent will not exceed that charged for the use of comparable properties in the area.

How Soon Must I Move?

If possible, a mutually agreeable date for the move will be worked out. Unless there is an urgent need for your property (e.g., your occupancy would present a health or safety emergency), you will not be required to move without at least 90 days advance written notice.

If you reach a voluntary agreement to sell your property, you will not be required to move before you receive the agreed purchase price. If the property is acquired by condemnation, you cannot be required to move before the estimated fair market value of the property has been deposited with the court so that you can withdraw your share.

If you are being displaced from your home, you will not be required to move before a comparable replacement home is available to you.

Will I Receive Relocation Assistance?

Title II of the URA requires that certain relocation payments and other assistance must be provided to families, individuals, businesses, farms, and nonprofit organizations when they are displaced or their personal property must be moved as a result of a project that is covered by the URA.

The Agency will furnish you a full explanation of any relocation assistance to which you may be entitled. If you have any questions about such assistance, please contact the Agency. In order for the Agency to fulfill its relocation obligations to you, you must keep the Agency informed of your plans.

My Property Is Worth More Now. Must I Pay Capital Gains Tax On The Increase?

Internal Revenue Service (IRS) Publication 544 explains how the Federal income tax would apply to a gain or loss resulting from the sale or condemnation of real property, or its sale under the threat of condemnation, for public purposes. If you have any questions about the IRS rules, you should discuss your particular circumstances with your personal tax advisor or your local IRS office.

I'm A Veteran. How About My VA Loan?

After your VA home mortgage loan has been repaid, you will be permitted to obtain another VA loan to purchase another property. Check on such arrangements with your nearest Veterans Administration Office.

Is It Possible To Donate Property?

Yes. You may donate your property or sell it to the Agency for less than its fair market value. The Agency must obtain an appraisal of the property and offer just compensation for it, unless you release the Agency from these obligations.

Additional Information

If you have any questions after reading this booklet, contact the Agency and discuss your concerns with the Agency representative.

Agency:

Address:

Office Hours:

Telephone Number:

Person to Contact:

**WAIVER OF RIGHTS AND BENEFITS OF THE UNIFORM RELOCATION ASSISTANCE AND
REAL PROPERTY ACQUISITION POLICIES ACT OF 1970**
(42 U.S.C. 4601)

WHEREAS, the City/County of _____ has received Community Development funds from the Department of Economic and Community Development; and

WHEREAS, one of the conditions imposed upon the use of such funds is compliance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601), hereinafter referred to as the Uniform Act, and the regulations pursuant thereto at 24 CFR part 42; and

WHEREAS, nothing in the Uniform Act or regulations prevents a person, after being informed of the right to receive just compensation, from making a gift or donation of real property or any interest therein, to the City/County, and that the landowner will be assured that property disturbed during construction will be put back or replaced in as good or as reasonably good condition than before; and

WHEREAS, as to the property specifically described as follows:

I hereby elect to donate the above described property or easement* and thereby waive any rights and benefits potentially accruing to me under the Uniform Act.

NOW, THEREFORE, let it be known that by my signature hereon, I freely and without duress waive any and all rights accruing to me under the Uniform Act. Specifically, I hereby release the City/County of _____ from the obligation to obtain an appraisal of the above described property prior to my donating a FEE SIMPLE or EASEMENT* interest in said property.

Acquiring Official

Property Owner

Date

* Indicate whether Fee Simple or easement is being donated.

INVITATION TO ACCOMPANY AN APPRAISER

Date

(Name of Owner)

(Address)

(City), (State) (Zip Code)

Dear _____:

I have been requested by _____ *(Community)* to prepare an appraisal of your property at _____ *(Address of Property)*. I will visit the property on _____ *(Date of Appraisal Visit)*. If you wish to accompany me, please phone me at _____ *(Telephone Number)* to arrange a mutually convenient time.

Sincerely,

(Appraiser's Name)

(Title)

SHORT APPRAISAL FORM FOR EASEMENT TAKINGS
--

Project Name _____

Parcel Address _____

Property Owner _____

Address _____

Owner Invited To Accompany Appraiser _____

Past Sales of Property (5 years) _____

Improvements to Property since Last Sale _____

 Lot: Zoning _____ Area _____ Sq. Ft. _____ Acres _____

Highest and Best Use of Property: Before _____ After _____

Assessed Valuation: Land _____ Buildings _____ Total _____

Unlawful Usage or Violation of Codes and Ordinances

Valuation: Before and After Value Estimates

1. BEFORE Property Value \$ _____

2. AFTER Property Value \$ _____

3. Value Part Taken on Damages, if any \$ _____

If there are benefits or damages as a result of the taking, then that should be included in valuation -- EXPLAIN:

NOTE: Appraiser has summarized above data based on his investigation and appraisal of subject property. Full documentation for values assigned can be furnished upon request.

PHOTO OF PROPERTY

SKETCH OF PROPERTY
(showing part taken)

Final value estimate is:

Land \$ _____ Buildings \$ _____ TOTAL \$ _____

_____	_____
Date	Appraiser
_____	_____
Parcel or Tax Number	_____
	Address

Supporting documentation is required.

NOTE: Appraiser may use his own short form as long as all the essential elements of this form are present.

APPRAISAL REPORT REVIEW

Project: _____ Name of Appraiser(s): 1. _____
 Block No. _____ Parcel No. _____ 2. _____
 Project Address: _____ 3. _____
 City: _____ 4. _____
 State: _____ 5. _____

Owner of Record: _____

Type of Appraisal(s): Fee Simple Easement Severance or Partial Take

Property Type: _____ Zoning: _____ Restrictions: _____

Purpose of the Appraisal: Market Value Estimate Other: _____

Date(s) of the Appraisal(s): _____

Appraisal(s) Signed and Dated: Yes No

Was the owner or a designated representative invited to accompany the appraisers on the property inspection?

Yes No

Has the appraisal contract been complied with by the appraiser(s)? Yes No

Comments:

I. DESCRIPTION

APPRAISER NO. 1
YES NO N/A

- A. City analysis acceptable?
- B. Neighborhood analysis acceptable?
 (location, percentage buildup, value range stated, present and proposed land uses, trends, occupancy, employment, distances to shopping, recreation, fire and police protection)
- C. Acceptable site description?
- D. Acceptable improvements description?
- E. Acceptable tax information?
- F. Acceptable highest and best use analysis?

This section must be completed for a valid appraisal.

II. APPRAISAL PROCESS

APPRAISER NO. 1		
YES	NO	N/A

A. Direct Sales Comparison Approach

1. Is the comparable sales date complete, i.e., sales date, grantor, grantee, comparable address, deed book and page no., sales price, complete description?
2. Is the adjustment analysis satisfactory?
3. Did the appraiser explain the reason for each adjustment and is this reasonable?
4. Is the market value reconciled correctly (i.e., no averaging and explanation is satisfactory)?

B. Cost Approach

1. Did the appraiser provide adequate support for the land cost estimate?
2. Did the appraiser provide adequate support for the building cost estimate?
3. Did the appraiser use acceptable method of estimating accrued depreciation?
4. Were all forms of depreciation supported?
5. Is the Cost Approach Summary acceptable?

C. Gross Rent Multiplier Analysis (*Residential Property*)

1. Was the GRM properly developed by market supported rentals of recent sales?
2. Is the market rent for the subject supported by market evidence?
3. Is the market value by Gross Rent Multiplier Analysis acceptable?

D. Income Approach (*Income Property*)

1. Is the Gross Potential Income supported and **Is it reasonable?**
2. Is the Vacancy and Credit Loss supported?
3. Is other income included?
4. Is the Effective Gross Income acceptable?
5. Are all fixed and variable operating expenses included and are they reasonable?
6. Is the Net Operating Income acceptable?
7. Was the capitalization rate property developed?
8. **Is it reasonable?**
9. Is the capitalization rate acceptable?

APPRAISER NO. 1
YES NO N/A

III. If an approach was not used, was an acceptable explanation provided?

IV. RECONCILIATION AND FINAL VALUE ESTIMATE

- A. Did the appraiser adequately explain how final value estimate was selected and was the explanation reasonable?
- B. Are all math computations correct?

List corrections required to make appraisal reports adequate and acceptable (including deficiencies not listed above.)

Appraiser 1:

Appraiser 2:

Reviewer's Recommendation of Fair Market Value \$ _____

Explain the basis for the Reviewer's Recommendation of Fair Market Value. (If there are 2 or more appraisals for each parcel, the reviewer should give a comparative analysis of each appraisal report and his reasoning for accepting the appraised value of one.)

I hereby certify that I have inspected the subject property and the appraiser's comparable sales; that I have no interest in the property, either past, present, or contemplated; that except as noted, the appraisals are complete and technically acceptable; and that the appraisals meet the requirements of the Department of Housing and Urban Development and of the appraiser's contracts.

Date	Reviewer
It is recommended that the appraiser's fee of	\$ _____

Be paid

Not be paid for the following reasons:

The reviewer recommends that the locality hire another appraiser to appraise this parcel.

NOTICE OF INTENT NOT TO ACQUIRE

(CURRENT DATE)

(Property Owner)

(ADDRESS)

Dear _____:

The _____ (COMMUNITY) has determined not to acquire your
_____ (LOCATION OF PROPERTY) property.

Any person moving from the premises from the date of this notice will not be eligible for
relocation payments or benefits.

Sincerely,

(COMMUNITY OFFICIAL)

cc: _____
(TENANT)

GENERAL INFORMATION NOTICE -- 180-DAY HOMEOWNER

(Agency Letterhead)

(date)

Subject: Voluntary Relocation Benefits

Dear _____:

The City of Anytown has received Federal Community Development Block Grant (CDBG) funds to be used in your area to rehabilitate or replace dwellings that do not meet the building code and are in need of repair.

This program is entirely voluntary and you do not have to participate in it if you do not wish. During the life of the CDBG program the City will not condemn your house, force you to fix your house, or force you to move to another dwelling. If you do not want to participate, the City will use the funds to help others in the area.

The City of Anytown has determined that because of your income you are eligible to participate in the program. The City has also determined that because of the dilapidated conditions of your house, it is not cost effective to rehabilitate it, you may be eligible for voluntary relocation benefits. If the City believes that it would be more cost effective, and in your and the City's interest, the City may offer to provide you with another house to take the place of your dilapidated house.

The City believes it can best assist you by providing the following relocation benefits.

- a. If you agree to donate your dilapidated dwelling to the City/County, they will demolish it at no cost to you and build (or purchase a manufactured home) as a new comparable replacement dwelling on the *same site*.

Or

The city should select the appropriate paragraph (a, b, or c.) that describes what is going to happen to the homeowner, and leave out the other paragraphs.

- b. If you agree to donate your present dilapidated dwelling to the City/County, they will demolish it at no cost to you and build (or purchase) a new comparable replacement dwelling on *another site*.

Or

- c. Your present dilapidated dwelling is located in a floodplain and subject to periodic flooding. It is impracticable to raise the dwelling high enough to prevent it from flooding. If you will donate the dwelling and the land to the City/County, they will demolish the present structure, then build (or purchase) you a comparable replacement dwelling *outside of the flood plain area*.

All settlement costs, recording fees, legal fees and other costs relating to the transfer of property will be paid for you.

The purpose of this offer by the City is so you will receive a new dwelling at no cost to you. The City does not intend that you should receive extra "cash" as a result of this program.

If you should sell this dwelling within five years, you will be expected to repay the City/County as described in the Policies and Procedures.

This is a voluntary process. The City will not force you to move. However, this offer is only good as long as the City has the funds to carry out the program.

Sincerely,

City Official

Received by _____

Date _____

Witness _____

Claim for Replacement Housing Payment for 180-Day Homeowner- Occupant (49 CFR 24.401)

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

OMB Approval No. 2506-0016
(exp. 10/31/2011)

For Agency Use Only Name of Agency	Project Name or Number	Case Number
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Instructions. This form is for the use of families and individuals applying for a replacement housing payment under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) for a 180-day homeowner occupant who elects to buy a replacement home. A homeowner-occupant who decides to rent rather than buy should also use form HUD-40058. The Agency will help you complete this form. HUD also provides information on these requirements and other guidance materials on its website at: www.hud.gov/relocation. If the full amount of your claim is not approved, the Agency will provide you with a written explanation of the reason. If you are not satisfied with the Agency's determination, you may appeal that determination. The Agency will explain how to make an appeal.

All claims for payment by a homeowner-occupant must be filed within 18 months after the latest of: a) the date of displacement or b) the date of final payment for the acquisition of the real property. Displaced 180-day homeowner occupants must purchase and occupy a decent, safe and sanitary replacement dwelling within 1 year after the later of: a) the date of final payment for the displaced dwelling (for condemnation, use the date just compensation deposited in court) or b) the date a comparable replacement dwelling is made available by the agency (see 24.204).

1. Your Name(s) (You are the Claimant(s)) and present Mailing Address	1a. Your Telephone Number(s)
---	------------------------------

2. Have all members of the household moved to the same dwelling? Yes No (If "no", attach a list of the names of all members and the addresses to which they moved.)

Dwelling	Address	When did you buy this unit?	When did you move to this unit?	When did you move out of this unit?
3. Unit That You Moved From				
4. Unit That You Moved To				

5. Certification of Legal Residency in the United States (Please read instructions below before completing this section.)
Instructions: To qualify for relocation advisory services or relocation payments authorized by the Uniform Relocation Assistance and Real Property Acquisition Policies Act, a "displaced person" must be a United States citizen or national, or an alien lawfully present in the United States. **The certification below must be completed in order to receive any relocation benefits.** (This certification may not have any standing with regard to applicable State laws providing relocation benefits.) **Your signature on this claim form constitutes certification.** See 49 CFR 24.208(g) & (h) for hardship exceptions.

Please address only the category (Individual or family) that describes your occupancy status. For item (2), please fill in the correct number of persons.

RESIDENTIAL HOUSEHOLDS

(1) Individual. I certify that I am: (check one)
 _____ a citizen or national of the United States
 _____ an alien lawfully present in the United States.

(2) Family. I certify that there are _____ persons in my household and that
 _____ are citizens or nationals of the United States and _____ are aliens lawfully present in the United States.

6. Computation of Replacement Housing Payment (A homeowner-occupant who elects to rent should complete only items 1, 3, 4 & 5)	To Be Completed By Claimant	For Agency Use Only
(1) Purchase Price of Comparable Replacement Dwelling (To be provided by the Agency)		
(2) Purchase Price of the Dwelling You Moved To (Not applicable for owner-occupant who elects to rent)		
(3) Lesser of line 6(1) or 6(2)		
(4) Price Paid by Agency for Dwelling That You Moved From		
(5) Price Differential Amount (Subtract line 6(4) from line 6(3). If amount on line 6(4) exceeds amount on line 6(3), enter 0) This is the maximum amount for a homeowner occupant who elects to rent.		
(6) Incidental Expenses (From line 7(10))		
(7) Mortgage Buydown Payment and Other Debt Service Costs (To be determined by Agency. See instructions in Item 8)		
(8) Total Amount of Replacement Housing Payment Claim (Add lines 6(5), 6(6), and 6(7))		
(9) Amount Previously Received, if any		
(10) Amount Requested (Subtract line 6(9) from line 6(8))		

7. Incidental Expenses in Connection With Purchase of Replacement Dwelling (24.401 (e))

	(a) Claimant	(b) For Agency Use Only
Instructions: Enter expenses incidental to the purchase of your new home. Do not include prepaid costs such as real estate taxes. Attach a copy of the closing statement and other receipts. * Not to exceed the costs for a comparable replacement dwelling.		
(1) Legal, closing and related costs, including title search, preparing conveyance instruments, notary fees, preparing surveys and plats, and recording fees	\$	\$
(2) Lender, FHA or VA Application and Appraisal Fees	\$	\$
(3) Loan Origination or Assumption Fees (Not Prepaid Interest).	\$	\$
(4) Professional Home Inspection, Certification of Structural Soundness, and Termite Inspection	\$	\$
(5) Credit Report	\$	\$
(6) Owner's and mortgagee's evidence of title, e.g. title insurance *	\$	\$
(7) Escrow Agent's Fee	\$	\$
(8) State Revenue or Documentary Stamps, Sales or Transfer Taxes *	\$	\$
(9) Other Costs (specify)	\$	\$
(10) Total Incidental Expenses (Add lines 7(1) through 7(9). Enter this amount on line 6(6)).	\$	\$

8. Mortgage Buydown Payment and Other Debt Service Costs (24.401(d))

Instructions: You are entitled to compensation to cover the additional costs you must pay to finance the purchase of a replacement dwelling. The "buydown" payment covers those costs that result because the interest rate you must pay for a new mortgage is higher than the interest rate on your old mortgage. The maximum buydown payment for which you can qualify is the amount needed to reduce your new mortgage balance to the amount which can be amortized with the same periodic payments for principal and interest as those for your old mortgage. (The Agency is required to advise you of its estimate of the maximum buydown payment and the interest rate, term and amount on which it was computed. You will need to borrow that amount over that term to qualify for the full payment.) If you have more than one mortgage on either your old or new home, complete a separate Item 8(13) for each computation and include the total amount of all such computations on line 6(7). Note: A mortgage on your old home that was in effect for less than 180 days before the Agency's initial written offer of just compensation for the property cannot be used as a basis for payment. Also, if the combination of interest and points for the new mortgage exceeds the current prevailing fixed interest rate and points for conventional mortgages and there is no justification for the excessive rate, then the current prevailing fixed interest rate and points shall be used in the computations.

Part A - Information from Mortgage Documents	(a) Old Mortgage	(b) New Mortgage	(c) Lesser of Col. (a) or (b)
(1) Outstanding principal balance	\$	\$	
(2) Annual interest rate of mortgage	%	%	
(3) Number of monthly payments remaining on mortgage	Mos.	Mos.	Mos.

Part B - Computation of Payment (Use mortgage amortization table with 6 decimal places.)

(4) Monthly payment required to amortize a loan of \$1,000 in _____ months (8(3)(c)) at an annual interest rate of _____ % (8(2)(b))	\$
(5) Monthly payment required to amortize a loan of \$1,000 in _____ months (8(3)(c)) at an annual interest rate of _____ % (8(2)(a))	\$
(6) Subtract line 8(5) from line 8(4)	\$
(7) Divide line 8(6) by line 8(4) (carry to 6 decimal places)	\$
(8) Enter old mortgage balance (amount on line 8(1)(a))	\$
(9) Multiply line 8(7) by line 8(8)	\$
(10) New loan needed (subtract 8(9) from 8(8))	\$
Note: If 8(10) is less than 8(1)(b), enter amount from line 8(9) onto line 8(13) and skip lines 8(11) and 8(12)	
(11) Divide 8(1)(b) by 8(10) (carry to 6 decimal places)	\$
(12) Multiply line 8(11) by line 8(9)	\$
(13) Enter amount from 8(9) or 8(12), as appropriate (This is the mortgage buydown payment)	\$
(14) Other debt service costs (Reimbursement of purchaser's points and loan origination fees is based on the new loan needed (8(10)), or the actual new loan balance (8(1)(b)), whichever is less. Do not include seller's points or any cost included as an incidental expense in 7(12).)	\$
(15) Add lines 8(13) and 8(14). Enter this amount on 6(7).	\$

9. Certification By Claimant(s): I certify that the information on this claim form and supporting documentation is true and complete and that I have not been paid for these expenses by any other source. Signature(s) of Claimant(s) & Date

x

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

To Be Completed by Agency

10. Effective Date of Eligibility for Relocation Assistance (mm/dd/yyyy)		11. Date of Referral to Comparable Replacement Dwelling (mm/dd/yyyy)	12. Date Replacement Dwelling Inspected and Found Decent, Safe and Sanitary (mm/dd/yyyy)	
Payment Action	Amount of Payment	Signature	Name (Type or Print)	Date (mm/dd/yyyy)
13. Recommended	\$			
14. Approved	\$			

Remarks

Public reporting burden for this collection of information is estimated to average 1.0 hour per response. This includes the time for collecting, reviewing, and reporting the data. The information is being collected under the authority of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and implementing regulations at 49 CFR Part 24 and will be used for determining whether you are eligible to receive a replacement housing payment for a 180-day homeowner and the amount of any payment. Response to this request for information is required in order to receive the benefits to be derived. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number.

Privacy Act Notice: This information is needed to determine whether you are eligible to receive a replacement housing payment for a 180-day homeowner. You are not required by law to furnish this information, but if you do not provide it, you may not receive this payment or it may take longer to pay you. This information is being collected under the authority of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and implementing regulations at 49 CFR 24. The information may be made available to a Federal agency for review.

**ACKNOWLEDGEMENT OF SERVICES AND PAYMENTS
FOR VOLUNTARY RELOCATION**

This is to certify that the relocation assistance, services and payments rendered by the Agency at the time of my voluntary relocation were done to my satisfaction.

I further certify that I have received the following benefits:

Moving Expense

_____ Reimbursement of paid receipt from a mover or direct payment to a mover of \$ _____

_____ I waive my right to moving payment.

Acquisition Payment (for dilapidated dwellings)

_____ Payment of \$ _____ based on appraisal.

_____ I waive my right to appraisal and acquisition payment.

Replacement Housing Payment (for new structure or replacement house)

_____ Replacement Housing Payment in the sum of \$ _____.

I further certify that I have inspected the dwelling that I have been relocated to and it is acceptable to me.

Date

Homeowner

Relocation File Checklist - Voluntary
--

(A separate file must be maintained for each household.)

Fully completed case file must include:

- General Information Notice

- Claim for Replacement Housing Payment for 180-Day Homeowner

- Acknowledgement of Services and Payment for Voluntary Relocation

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ADVERTISEMENT FOR BIDS

Project No. _____

_____ (Owner)

Separate sealed bids for _____ for

_____ will be received by _____

at the office of _____

until _____ o'clock A.M./P.M., C.S.T./E.S.T. _____, 20____, and then at said office publicly opened and read aloud.

The Information for Bidders, Form of Bid, Form of Contract, Plans, Specifications, and Forms of Bid Bond, Performance and Payment Bond, and other contract documents may be examined at the following:

Copies may be obtained at the office of _____ located at _____ upon payment of \$ _____ for each set. Any unsuccessful bidder, upon returning each set promptly and in good condition, will be refunded his payment, and any non-bidder upon so returning such a set will be refunded \$_____.

The owner reserves the right to waive any informalities or to reject any or all bids.

Each bidder must deposit with his bid, security in the amount, form and subject to the conditions provided in the Information for Bidders.

All bidders must be licensed General Contractors as required by the Contractor's Licensing Act of 1994 of the General Assembly of the State of Tennessee, and qualified for the type of construction being bid upon.

Attention of bidders is particularly called to the requirements as to conditions of employment to be observed and minimum wage rates to be paid under the contract, Section 3, Segregated Facility, Section 109 and E.O. 11246.

No bidder may withdraw his bid within 60 days after the actual date of the opening thereof.

_____ (Date) _____

INFORMATION FOR BIDDERS

1. Receipt and Opening of Bids

The _____ (herein called the "Owner), invites bids on the form attached hereto, all blanks of which must be appropriately filled in. Bids will be received by the Owner at the office of

_____ until _____ o'clock A.M./P.M.,
C.S.T/E.S.T, _____, 20____, and then at said office publicly opened and read aloud. The envelopes containing the bids must be sealed, addressed to _____ at _____ and designated as bid for _____.

The Owner may consider informal any bid not prepared and submitted in accordance with the provisions hereof and may waive any informalities or reject any and all bids. Any bid may be withdrawn prior to the above scheduled time for the opening of bids or authorized postponement thereof. Any bid received after the time and date specified shall not be considered. No bidder may withdraw a bid within 60 days after the actual date of the opening thereof.

2. Preparation of Bid:

Each bid must be submitted on the prescribed form and accompanied by Certification of Bidder Regarding Equal Employment Opportunity, Certification of Bidder Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion, Certification of Bidder Regarding Section 3 and Segregated Facilities, and Drug-Free Workplace Affidavit. All blank spaces for bid prices must be filled in, in ink or typewritten, in both words and figures, and the foregoing Certifications must be fully completed and executed when submitted.

Each bid must be submitted in a sealed envelope bearing on the outside the name of the bidder, his/her address, the name of the project for which the bid is submitted, license number, expiration date thereof, and license classification of the contractors applying to bid for the prime contract, and for the electrical, plumbing, heating, ventilation, and air conditioning contracts, and all other information required by State law..

All bidders must be licensed General Contractors as required by the Contractor's Licensing Act of 1994 of the General Assembly of the State of Tennessee, and qualified for the type of construction being bid upon. Each bidder shall write on the outside of the envelope containing its bid: 1) its Contractor's license number; 2) that part of the classification applying to the bid. If this is not done, the bid will not be opened.

3. Subcontracts:

The bidder is specifically advised that any person, for, or other party to whom it is proposed to award a subcontract under this contract:

- a. Must be acceptable to the owner; and
- b. Must submit Certification by Proposed Subcontractor Regarding Equal Employment Opportunity, and Certification of Proposed Subcontractor Regarding Section 3 and Segregated Facilities. Approval of the proposed subcontract award cannot be given by the owner unless and until the proposed subcontractor has submitted the Certifications and/or other evidence showing that it has fully complied with any reporting requirements to which it is or was subject.

Although the bidder is not required to attach such Certifications by proposed subcontractors to his/her bid, the bidder is here advised of this requirement so that appropriate action can be taken to prevent subsequent delay in subcontract awards.

4. Telegraphic Modification:

Any bidder may modify his/her bid by telegraphic communication at any time prior to the scheduled closing time for receipt of bids provided such telegraphic communication is received by the Owner prior to the closing time, and, provided further, the Owner is satisfied that a written confirmation of the telegraphic modification over the signature of the bidder was mailed prior to the closing time. The telegraphic communication should not reveal the bid price but should provide the addition or subtraction or other modification so that the final prices or terms will not be known by the Owner until the sealed bid is opened. If written confirmation is not received within two days from the closing time, no consideration will be given to the telegraphic modification.

5. Method of Bidding:

The Owner invites the following bid(s):

6. Qualification of Bidder:

The Owner may make such investigations as s/he deems necessary to determine the ability of the bidder to perform the work, and the bidder shall furnish to the Owner all such information and data for this purpose as the Owner may request. The Owner reserves the right to reject any bid if the evidence submitted by, or investigation of, such bidder fails to satisfy the owner that such bidder is properly qualified to carry out the obligations of the contract and to complete the work contemplated therein. Conditional bids will not be accepted.

7. Bid Security:

Each bid must be accompanied by cash, certified check of the bidder, or a bid bond prepared on the form of bid bond attached thereto, duly executed by the bidder as principal and having as surety thereon a surety company approved by the Owner, in the amount of 5% of the bid. Such cash, checks or bid bonds will be returned to all except the three lowest bidders within three days after the opening of bids, and the remaining cash, checks or bid bonds will be returned promptly after the Owner and the accepted bidder have executed the contract, or, if no award has been made within 60 days after the date of the opening of bids, upon demand of the bidder at any time thereafter, so long as he/she has not been notified of the acceptance of his/her bid.

8. Liquidated Damages for Failure to Enter into Contract:

The successful bidder, upon his/her failure to refusal to execute and deliver the contract and bonds required within 10 days after she/he has received notice of the acceptance of his/her bid, shall forfeit to the Owner, as liquidated damages for such failure or refusal, the security deposited with his/her bid.

9. Time of Completion and Liquidated Damages:

Bidder must agree to commence work on or before a date to be specified in a written "Notice to Proceed" of the Owner and to fully complete the project within _____ consecutive calendar days thereafter. Bidder must agree also to pay as liquidated damages, the sum of \$_____ for each consecutive calendar day thereafter as hereinafter provided in the Supplemental General Conditions.

10. Condition of Work:

Each bidder must inform him/herself fully of the conditions relating to the construction of the project and the employment of labor thereof. Failure to do so will not relieve a successful bidder of his/her obligation to furnish all material and labor necessary to carry out the provisions of his/her contract. Insofar as possible, the contractor, in carrying out the work, must employ such methods as will not cause any interruption of or interference with the work of any other contractor.

11. Addenda and Interpretations:

No interpretation of the meaning of the plans, specifications or other pre-bid documents will be made to any bidder orally.

Every request for such interpretation should be in writing addressed to

_____ at _____
and to be given consideration must be received at least five days prior to the date fixed for the opening of bids. Any and all such interpretations and any supplemental instructions will be in the form of written addenda to the specifications which, if issued, will be mailed by certified mail with return receipt requested or emailed to all prospective bidders (at the respective addresses furnished for such purposes), not later than two days prior to the date fixed for the opening of bids. Failure of any bidder to receive any such addendum or interpretation shall not relieve such bidder from any obligation under his/her bid as submitted. All addenda so issued shall become part of the contract documents.

12. Security for Faithful Performance:

Simultaneously with his/her delivery of the executed contract, the Contractor shall furnish a surety bond or bonds as security for faithful performance of this contract and for the payment of all persons performing labor on the project under this contract and furnishing materials in connection with this contract, as specified in the General Conditions included herein. The surety on such bond or bonds shall be a duly authorized surety company satisfactory to the Owner.

13. Power of Attorney:

Attorneys-in-fact who sign bid bonds or contract bonds must file with each bond a certified and effectively dated copy of their power of attorney.

14. Notice of Special Conditions:

Attention is particularly called to those parts of the contract documents and specifications which deal with the following:

- a. Inspection and testing of materials.
- b. Insurance requirements.
- c. Wage rates.
- d. Stated allowances.

15. Laws and Regulations:

The bidder's attention is directed to the fact that all applicable State laws, municipal ordinances, and the rules and regulations of all authorities having jurisdiction over construction of the project shall apply to the contract throughout, and they will be deemed to be included in the contract the same as though herein written out in full.

16. Method of Award - Lowest Qualified Bidder:

After receiving bids and determining the amount of funds estimated by the OWNER as available to finance the contract, the OWNER will award the contract to the lowest responsible bidder. The lowest responsible bidder will be determined upon the basis of the lowest base bid or lowest base bid combined with alternates (additive or deductive). If the contract is to be awarded based on the lowest base bid with alternates, alternates will be accepted in the numerical order in which they are listed in the Form of Bid.

17. Obligation of Bidder:

At the time of the opening of bids each bidder will be presumed to have inspected the site and to have read and to be thoroughly familiar with the plans and contract documents (including all addenda). The failure or omission of any bidder to examine any form, instrument or document shall in no way relieve any bidder from any obligation in respect of his/her bid.

18. Safety Standards and Accident Prevention: With respect to all work performed under this contract, the Contractor shall:

- a. Comply with the safety standards provisions of applicable laws, building and construction codes and the "Manual of Accident Prevention in Construction" published by the Associated General Contractors of America, the requirements of the Occupational Safety and Health Act of 1970 (Public Law 91-596), and the requirements of Title 29 of the Code of Federal Regulations, Section 1518 as published in the "Federal Register", Volume 36, No. 75, Saturday, April 17, 1971.
- b. Exercise every precaution at all times for the prevention of accidents and the protection of persons (including employees) and property.
- c. Maintain at his/her office or other well known place at the job site, all articles necessary for giving first aid to the injured, and shall make standing arrangements for the immediate removal to a hospital or a doctor's care of persons (including employees), who may be injured on the job site. In no case shall employees be permitted to work at a job site before the employer has made a standing arrangement for removal of injured persons to a hospital or a doctor's care.

BID BOND

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned, _____

_____ as Principal, and _____

as Surety, are hereby held and firmly bound unto _____

as owner in the penal sum of _____ for the

payment of which, well and truly to be made, we hereby jointly and severally bind ourselves, our heirs, executors, administrators, successors and assigns.

Signed, this _____ day of _____, 20____.

The condition of the above obligation is such that whereas the Principal has submitted to _____ a certain Bid, attached hereto and hereby made a part hereof to enter into a contract in writing for the

NOW, THEREFORE,

- (a) If said Bid shall be rejected, or in the alternate.
- (b) If said Bid shall be accepted and the Principal shall execute and deliver a contract in the Form of Contract attached hereto (properly completed in accordance with said Bid) and shall furnish a bond for his faithful performance of said contract, and for the payment of all persons performing labor or furnishing materials in connection therewith, and shall in all other respects perform the agreement created by the acceptance of said Bid, then this obligation shall be void, otherwise the same shall remain in force and effect, it being expressly understood and agreed that the liability of the Surety for any and all claims hereunder shall, in no event, exceed the penal amount of this obligation as herein stated.

The surety for value received, hereby stipulates and agrees that the obligations of said Surety and its bond shall be in no way impaired or affected by an extension of the time within which the Owner may accept such Bid; and said Surety does hereby waive notice of any such extension.

IN WITNESS WHEREOF, the Principal and the Surety have hereunto set their hand and seals, and such of them as are corporations have caused their corporate seals to be hereto affixed and these presents to be signed by their proper officers, the day and year first set forth above.

_____ (L.S.)

Principal

Surety

SEAL

By: _____

BID FOR UNIT PRICE CONTRACTS

Place _____

Date _____

Project No. _____

Proposal of _____ (hereinafter called "Bidder")¹ a corporation, organized and existing under the laws of the State of _____, partnership, or an individual doing business as _____.

To the _____ (hereinafter called "Owner")

Gentlemen:

The Bidder, in compliance with your invitation for bids for the construction of a

_____,
having examined the plans and specifications with related documents and the site of the proposed work, and being familiar with all of the conditions surrounding the construction of the proposed project including the availability of materials and labor, hereby proposes to furnish all labor, materials, and supplies, and to construct the project in accordance with the contract documents, within the time set forth therein, and at the prices stated below. These prices are to cover all expenses incurred in performing the work required under the contract documents, of which this proposal is a part.

Bidder hereby agrees to commence work under this contract on or before a date to be specified in written "Notice to Proceed" of the Owner and to fully complete the project within _____ consecutive calendar days thereafter as stipulated in the specifications. Bidder further agrees to pay as liquidated damages the sum of \$_____ for each consecutive calendar day thereafter as hereinafter provided in Paragraph 3.c. of the Supplemental General Conditions.

¹ _____
Insert corporation, partnership or individual as applicable.

Bidder acknowledges receipt of the following addendum:

Bidder agrees to perform all the _____ work described in the specifications and shown on the plans, for the following unit prices:

<u>ITEM NO.</u>	<u>EST. QTY.</u>	<u>DESCRIPTION</u>	<u>UNIT PRICE (Each)</u>	<u>Total</u>
1	_____	_____	_____ Dollars & Cents	_____ Dollars & Cents
			(\$_____)	(\$_____)
2	_____	_____	_____ Dollars & Cents	_____ Dollars & Cents
			(\$_____)	(\$_____)
3	_____	_____	_____ Dollars & Cents	_____ Dollars & Cents
			(\$_____)	(\$_____)
			TOTAL OF BID	\$_____

(Amounts are to be shown in both words and figures. In case of discrepancy, the amount shown in words will govern.)

The above unit prices shall include all labor, materials, bailing, shoring, removal, overhead, profit, insurance, etc., to cover the finished work of the several kinds called for.

Bidder understands that the Owner reserves the right to reject any or all bids and to waive any informalities in the bidding.

The bidder agrees that this bid shall be good and may not be withdrawn for a period of 60 days after the scheduled closing time for receiving bids.

Upon receipt of written notice of the acceptance of this bid, bidder will execute the formal contract attached within 10 days and deliver a Surety Bond or Bonds as required by Article 5 of the General Conditions. The bid security attached in the sum of

(\$ _____) is to become the property of the Owner in the event the contract and bond are not executed within the time above set forth, as liquidated damages for the delay and additional expense to the Owner caused thereby.

Respectfully submitted:

By: _____
(Title)

(SEAL - if bid is by a corporation)

BID FOR LUMP SUM CONTRACTS

Place _____

Date _____

Project No. _____

Proposal of _____ (hereinafter called "Bidder") (a

_____ corporation/a partnership/an individual doing

(State)

STRIKE OUT INAPPLICABLE TERMS

business as _____)

To the _____

(hereinafter called "Owner")

Gentlemen:

The Bidder, in compliance with your invitation for bids for the construction of

_____ having examined the plans and specifications with related documents and the site of the proposed work, and being familiar with all of the conditions surrounding the construction of the proposed project including the availability of materials and labor, hereby proposes to furnish all labor, materials, and supplies; and to construct the project in accordance with the Contract Documents, within the time set forth therein, and at the prices stated below. These prices are to cover all expenses incurred in performing the work required under the Contract Documents, of which this proposal is a part.

Bidder hereby agrees to commence work under this contract on or before a date to be specified in written "Notice to Proceed" of the Owner and to fully complete the project within _____ consecutive calendar days thereafter as stipulated in the specifications. Bidder further agrees to pay as liquidated damages, the sum of \$ _____ for each consecutive calendar day thereafter as hereinafter provided in Paragraph 3.c. of the Supplemental General Conditions.

Bidder acknowledges receipt of the following addendum:

BASE PROPOSAL: Bidder agrees to perform all of the _____

_____ work described in the

specifications and shown on the plans for the sum _____

_____ (\$ _____) (Amount shall be

shown in both words and figures. In case of discrepancy, the amount shown in words will govern.)

ALTERNATE PROPOSALS

Alternate No. 1: _____
 Deduct the sum of _____ (\$ _____)
 Alternate No. 2: _____
 Deduct the sum of _____ (\$ _____)
 Alternate No. 3: _____
 Deduct the sum of _____ (\$ _____)
 Alternate No. 4: _____
 Deduct the sum of _____ (\$ _____)

UNIT PRICES

For changing quantities of work items from those indicated by the contract drawings upon written instructions from the architect/engineer, the following unit prices shall prevail:

- 1. _____ \$ _____
- 2. _____ \$ _____
- 3. _____ \$ _____

The above unit prices shall include all labor, materials, bailing, shoring, removal, overhead, profit, insurance, etc., to cover the finished work of the several kinds called for. Changes shall be processed in accordance with Article 11.3.1 of the General Conditions.

Bidder understands that the Owner reserves the right to reject any or all bids and to waive any informalities in the bidding.

The bidder agrees that this bid shall be good and may not be withdrawn for a period of 60 calendar days after the scheduled closing time for receiving bids.

Upon receipt of written notice of the acceptance of this bid, the bidder will execute the formal contract attached within 10 days and deliver a Surety Bond or Bonds as required by Article 5 of the General Conditions.

The bid security attached in the sum of _____
(\$_____) is to become the property of the Owner in the event the contract
and bond are not executed within the time above set forth, as liquidated damages for the
delay and additional expense to the Owner caused thereby.

Respectfully submitted:

By: _____

(Signature)

(Title)

(Business Address & Zip Code)

(SEAL - if bid is by a corporation)

CERTIFICATION OF BIDDER REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION

INSTRUCTIONS

This certification is required pursuant to 24.CFR Section 24.510(b). It shall be completed, signed and submitted as part of the bid proposal.

1. By signing and submitting this proposal, the prospective lower-tier participant certifies that neither it, its principals nor affiliates, is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. Further, the Participant provides the certification set out below:
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that an erroneous certification was rendered, in addition to other remedies available to the Federal Government, the Department or agency with which this transaction originated may pursue available remedies.
3. Further, the Participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the Participant learns that this certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. By submitting this proposal, it is agreed that should the proposed covered transaction be entered into, the Participant will not knowingly enter into any lower-tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction unless authorized by the agency with which this transaction originated.
5. It is further agreed that by submitting this proposal, the Participant will include this Certification, without modification, in all lower-tier covered transactions and in all solicitations for lower-tier covered transactions.

Contractor Name and Title _____ Date _____

Signature _____ Address _____

City _____ State _____ Zip ____

NON-CERTIFICATION:

As the prospective lower-tier participant, I am unable to certify to statements in this Certification as explained in the attachment to this proposal.

Contractor Name and Title _____ Date _____

Signature _____ Address _____

City _____ State _____ Zip ____

The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

This form must be submitted to the State with the bid tabulations.

CERTIFICATION OF BIDDER REGARDING EQUAL EMPLOYMENT OPPORTUNITY

INSTRUCTIONS

This certification is required pursuant to Executive Order 11246 (30 F. R. 12319-25). The implementing rules and regulations provide that any bidder or prospective contractor, or any of their proposed subcontractors, shall state as an initial part of the bid or negotiations of the contract whether it has participated in any previous contract or subcontract subject to the equal opportunity clause; and, if so, whether it has filed all compliance reports due under applicable instructions.

Where the certification indicates that the bidder has not filed a compliance report due under applicable instructions, such bidder shall be required to submit a compliance report within seven calendar days after bid opening. No contract shall be awarded unless such report is submitted.

CERTIFICATION BY BIDDER

Name and Address of Bidder *(include Zip Code)*:

1. Bidder has participated in a previous contract or subcontract subject to the Equal Opportunity Clause.

Yes No

2. Compliance reports were required to be filed in connection with such contract or subcontract.

Yes No

3. Bidder has filed all compliance reports due under applicable instructions, including SF-100.

Yes No None Required

4. Have you ever been or are you being considered for sanction due to violation of Executive Order 11246, as amended?

Yes No

NAME AND TITLE OF SIGNER *(Please type)*

SIGNATURE

DATE

<h2 style="margin: 0;">CERTIFICATION OF BIDDER REGARDING USE OF FEMALE/MINORITY SUBCONTRACTORS</h2>	
INSTRUCTIONS	
<p>This certification is required for the contractor to demonstrate that when subcontractors are to be used on this project, an attempt will be made to utilize female/minority owned firms.</p> <p>Documentation must be on file to show who has been contacted.</p>	
CERTIFICATION BY BIDDER	
<p>Name and Address of Bidder (include Zip Code):</p> 	
<p>I, _____, certify that every attempt was made to utilize female/minority contractors on this project.</p> 	
<p>_____</p> <p>Name and Title of Signer</p>	
<p>Signature</p>	<p>Date</p>

CERTIFICATION OF BIDDER REGARDING SECTION 3 AND SEGREGATED FACILITIES

Name of Prime Contractor

Project Name & Number

The undersigned hereby certifies that

- (a) Section 3 provisions are included in the Contract.
- (b) If contract equals or exceeds \$100,000, HUD form 60002 will be submitted with the final pay estimate.
- (c) No segregated facilities will be maintained.

Name & Title of Signer (Print or Type)

Signature

Date

DRUG-FREE WORKPLACE AFFIDAVIT

STATE OF _____
COUNTY OF _____

The undersigned, principal officer of _____,
an employer of five (5) or more employees contracting with _____
government to provide construction services, hereby states under oath as follows:

- 1. The undersigned is a principal officer of _____
(hereinafter referred to as the "Company"), and is duly authorized to execute
this Affidavit on behalf of the Company.
- 2. The Company submits this Affidavit pursuant to T.C.A. § 50-9-113, which
requires each employer with no less than five (5) employees receiving pay
who contracts with the state or any local government to provide construction
services to submit an affidavit stating that such employer has a drug-free
workplace program that complies with Title 50, Chapter 9, of the *Tennessee
Code Annotated*.
- 3. The Company is in compliance with T.C.A. § 50-9-113.

Further affiant saith not.

Principal Officer

STATE OF _____
COUNTY OF _____

Before me personally appeared _____, with whom I am
personally acquainted (or proved to me on the basis of satisfactory evidence), and who
acknowledged that such person executed the foregoing affidavit for the purposes therein
contained.

Witness my hand and seal at office this _____ day of _____, 20__.

Notary Public

My commission expires: _____

**CERTIFICATION BY PROPOSED SUBCONTRACTOR REGARDING
EQUAL EMPLOYMENT OPPORTUNITY**

NAME OF PRIME CONTRACTOR

PROJECT NUMBER

INSTRUCTIONS

This certification is required pursuant to Executive Order 11246 (30 F. R. 12319-25). The implementing rules and regulations provide that any bidder or prospective contractor, or any of their proposed subcontractors, shall state as an initial part of the bid or negotiations of the contract whether it has participated in any previous contract or subcontract subject to the equal opportunity clause; and, if so, whether it has filed all compliance reports due under applicable instructions.

Where the certification indicates that the subcontractor has not filed a compliance report due under applicable instructions, such subcontractor shall be required to submit a compliance report before the owner approves the subcontract or permits work to begin under the subcontract.

SUBCONTRACTOR'S CERTIFICATION

NAME AND ADDRESS OF SUBCONTRACTOR *(include ZIP Code)*:

1. Bidder has participated in a previous contract or subcontract subject to the Equal Opportunity Clause.

Yes No

2. Compliance reports were required to be filed in connection with such contract or subcontract.

Yes No

3. Bidder has filed all compliance reports due under applicable instructions, including SF-100.

Yes No None Required

4. Have you ever been or are you being considered for sanction due to violation of Executive Order 11246, as amended?

Yes No

NAME AND TITLE OF SIGNER *(Please type)*

SIGNATURE

DATE

**CERTIFICATION OF PROPOSED SUBCONTRACTOR
REGARDING SECTION 3 AND SEGREGATED
FACILITIES**

Name of Subcontractor

Project Name & Number

The undersigned hereby certifies that

- (a) Section 3 provisions are included in the Contract;
- (b) If contract equals or exceeds \$100,000, HUD form 60002 will be submitted with the final pay estimate.
- (c) No segregated facilities will be maintained as required by Title VI of the Civil Rights Act of 1964.

Name & Title of Signer (Print or Type)

Signature

Date

**STATEMENT OF COMPLIANCE CERTIFICATE
ILLEGAL IMMIGRANTS**

EACH CONTRACTOR BIDDING SHALL FILL IN AND SIGN THE FOLLOWING

This is to certify that _____
have fully complied with all the requirements of Chapter No. 878 (House Bill No. 111 and Senate Bill No. 411) which serves to amend Tennessee Code Annotated Title 12, Chapter 4, Part I, attached herein for reference.

- All Bidders for construction services on this project shall be required to submit an affidavit (by executing this compliance document) as part of their bid, that attests that such Bidder shall comply with requirements of Chapter no. 878.

Signed: _____

State of _____)
County of _____) ss

Personally appeared before me, _____ the undersigned Notary Public, _____, the within named bargainer, with whom I am personally acquainted, and known to me to be the President / Owner / Partner (as applicable) of the _____, Corporation, Partnership, Sole Proprietorship (as applicable) and acknowledged to me that he executed the foregoing document for the purposes recited therein.

Witness my hand, at office, this _____ day of _____, 200__.

Notary Public

My commission expires _____

**IRAN DIVESTMENT
ACT**

In compliance with the Iran Divestment Act (State of Tennessee 2016, Public Chapter No. 817), which became effective on July 1, 2016, certification is required of all bidders on contracts over \$1,000.

By submission of this bid, each bidder and each person signing on behalf of any bidder certifies, and in the case of a joint bid each party hereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each bidder is not on the list created pursuant to T.C.A. § 12-12-106.

I affirm, under the penalties of perjury, this statement to be true and correct.

Date	Signature of Bidder
	Company

A bid shall not be considered for award nor shall award be made where the foregoing certification has been complied with; provided, however, that if in any case the bidder cannot make the foregoing certification, the bidder shall so state and shall furnish with the bid a signed statement which sets forth in detail the reasons therefor. The **City/County of _____** may award a bid to a bidder who cannot make the certification, on case-by-case basis, if:

1. The investment activities in Iran were made before July 1, 2016, the investment activities in Iran have not been expanded or reviewed on or after July 1, 2016, and the person has adopted, publicized, and is implementing a formal plan to cease the investment activities in Iran and to refrain from engaging in any new investments in Iran; or
2. The **City/County of _____** makes a determination that the goods or services are necessary for the **City/County of _____** to perform its functions and that, absent such an exemption, the political subdivision will be unable to obtain the goods or services for which the contract is offered. Such determination shall be made in writing and shall be a public document.



Department of
General Services

Central
Procurement Office

July 15, 2016

NOTICE

Tenn. Code Ann. § 12-12-106 requires the chief procurement officer to publish, using credible information freely available to the public, a list of persons it determines engage in investment activities in Iran, as described in § 12-12-105.

For these purposes, the State intends to use the attached list of “Entities Ineligible to Contract with the State of South Carolina or any Political Subdivision of the State per the Iran Divestment Act of 2014, S.C. Code Ann. §§ 11-57-10, et. seq.”

While inclusion on this list would make a person ineligible to contract with the state of Tennessee, if a person ceases its engagement in investment activities in Iran, it may be removed from the list.

If you feel as though you have been erroneously included on this list please contact the Central Procurement Office at CPO.Website@tn.gov.

List Date: July 7, 2017

1. Abadan Petrochemical Co.
2. Aban Offshore Ltd.
3. Anton Oilfield Services Group
4. Arak Petrochemical
5. Arvandan Oil & Gas
6. Behran Oil Co.
7. Bharat Petroleum Corporation Ltd.
8. China International United Petroleum & Chemical So., Ltd. (Unipet)
9. China National Offshore Oil Corp
10. China National Petroleum Corp (CNPC)
11. China National United Oil Corp.
12. China Petroleum & Chemical Corp.
13. Cosmo Energy Holdings Co. Limited
14. Daelim Industrial
15. Daewoo Engineering & Construction
16. Enel Spa
17. Eni Spa
18. Esfahan Oil Refining Co.
19. Essar Oil Ltd.
20. Fanavaran Petrochemical Co.
21. Farabi Petrochemical Co.
22. Formosa Petrochemical Corp.
23. Gazprom OAO
24. Gubre Fabrikalari T.A.S.
25. Hellenic Petroleum S.A.
26. Hindustan Petroleum Corp Ltd.
27. Hyundai Heavy Industries.
28. Idemitsu Kosan Co. Ltd.
29. Indian Oil Corporation Ltd.
30. Inpex Corporation
31. Japan Drilling Co., Ltd.
32. Japan Petroleum Exploration Co., Ltd.
33. JXTG Holdings, Inc.
34. Khark Petrochemical.
35. Koc Holding A.S.
36. Korea Gas Corp.
37. Linde AG.
38. Maire Tecnimont S.p.A.
39. Mangalore Refinery & Petrochemicals Ltd.
40. Marubeni Corporation
41. Mitsubishi Materials Corp.
42. Mitsui & Co. Ltd.
43. Naftiran Intratrade Company
44. National Iranian Oil Co.
45. National Iranian South Oil Co.
46. National Iranian Tanker Co.
47. National Shipping Co. of Saudi Arabia
48. North Drilling

49. Oil & Natural Gas Corporation Ltd.
50. Oil India Ltd.
51. Oil Industry Investment Co.
52. ONGC Videsh Ltd. (OVL)
53. Pardis Petrochemical Co.
54. Pars Oil Co.
55. Parsian Oil and Gas Development Co.
56. Petrochemical Industries Investment Co.
57. Petrochemical Transport Co.
58. PetroChina Co. Ltd.
59. PJSC Lukoil
60. Polskie Gornictwo Naftowe i Gazownictwo SA
61. Royal Dutch Shell Plc.
62. Sadid Pipe & Equipments Co.
63. Saras Raffinerie Sarde SPA
64. Sepehr Energy
65. Shiraz Petrochemical Co.
66. Showa Shell Sekiyu K K
67. Sinopec Group.
68. Sk Holdings Co. Ltd.
69. SK Innovation
70. Tabriz Oil Refining Company
71. Total S.A.
72. Toyo Engineering Corporation
73. Turkiye Petrol Rafinerileri AS
74. Zhuh
75. Ai Zhenrong Company

WAGE RATE DETERMINATION

Appropriate Wage Rates shall be inserted here.

AGREEMENT

THIS AGREEMENT, made this _____ day of _____, 20____, by and between _____, herein called "Owner", acting herein through its _____, and _____,

STRIKE OUT (a corporation) (a partnership)
INAPPLICABLE (an individual doing business as _____)
TERMS
of _____, County of _____, and State of _____, hereinafter called "Contractor".

WITNESSETH: That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the OWNER, the CONTRACTOR hereby agrees with the OWNER to commence and complete the construction described as follows:

hereinafter called "the project", for the sum of _____ Dollars (\$_____)

and all extra work in connection therewith, under the terms as stated in the General and Special Conditions of the Contract; and at this (its or their) own property cost and expense to furnish all the materials , supplies, machinery, equipment, tools, superintendence, labor, insurance, and other accessories and services necessary to complete the said project in accordance with the conditions and prices stated in the Proposal, the General Conditions, Supplemental General Conditions and Special Conditions of the Contract, the plans, which include all maps, plats, blue prints, and other drawings and printed or written explanatory matter thereof, the specifications and contract documents therefore as prepared by _____, herein entitled "the Architect/Engineer", and as enumerated in Paragraph 1 of the Supplemental General Conditions, all of which are made a part hereof and collectively evidence and constitute the contract.

The Contractor hereby agrees to commence work under this contract on or before a date to be specified in a written "Notice to Proceed" of the Owner and to fully complete the project within _____ consecutive calendar days thereafter. The Contractor further agrees to pay, as liquidated damages, the sum of \$_____ for each consecutive calendar day thereafter as hereinafter provided in Paragraph 3 of the Supplemental General Conditions.

The OWNER agrees to pay the CONTRACTOR in current funds for the performance of the contract, subject to additions and deductions, as provided in the General Conditions of the Contract, and to make payments on account thereof as provided in Paragraph 3, "Payments to Contractor", of the Supplemental General Conditions.

IN WITNESS WHEREOF, the parties to these presents have executed this contract in six (6) counterparts, each of which shall be deemed an original, in the year and day first above mentioned.

(Seal)

ATTEST:

(Owner)

(Secretary)

By: _____

(Witness)

(Title)

(Seal)

(Contractor)

(Secretary)

By: _____

(Witness)

(Title)

(Address and Zip Code)

NOTE: Secretary of the Owner should attest. If Contractor is a corporation, Secretary should attest.

BONDING AND INSURANCE

1. This Attachment sets forth bonding and insurance requirements for grants. No other bonding and insurance requirements shall be imposed other than those normally required by the grantee .
2. Except as otherwise required by law, a grant that requires the contracting (or subcontracting) for construction or facility improvements shall provide for the grantee to follow its own requirements relating to bid guarantees, performance bonds, and payment bonds unless the construction contract or subcontract exceeds \$150,000 (See 2 CFR 200.88). For those contracts or subcontracts exceeding \$150,000, the Federal agency may accept the bonding policy and requirements of the grantee provided the Federal agency has made a determination that the Government's interest is adequately protected. If such a determination has not been made, 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 his 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.
3. Where the Federal Government guarantees or insures the repayment of money borrowed by the grantee, the Federal agency, at its discretion, may require adequate bonding and insurance if the bonding and insurance requirements of the grantee are not deemed adequate to protect the interest of the Federal Government.
4. Where bonds are required in the situations described above, the bonds shall be obtained from companies holding certificates of authority as acceptable sureties (31 CFR 223).

NOTE: AIA Document A311 is acceptable for use as Performance and Payment Bonds.

CERTIFICATE OF OWNER'S ATTORNEY

I, the undersigned, _____, the duly authorized and acting legal representative of _____ do hereby certify as follows:

I have examined the attached contract(s) and surety bonds and the manner of execution thereof, and I am of the opinion that each of the aforesaid agreements has been duly executed by the proper parties thereto acting through their duly authorized representatives; that said representatives have full power and authority to execute said agreements on behalf of the respective parties named thereon; and that the foregoing agreements constitute valid and legally binding obligations upon the parties executing the same in accordance with terms, conditions and provisions thereof.

Date: _____

**Certification
of
Compliance with Minimum Standards for Accessibility by the Physically Handicapped**

Contract No. _____

Project Name: _____

Address: _____

Pursuant to the requirements of the Architectural Barriers Act of 1968, 42 USC 4151, and the regulations issued subsequent thereto, the undersigned certifies that the design of the above-mentioned project is in conformance with the minimum standards contained in the American Standard Specifications for Making Buildings and Facilities Accessible To and Usable by the Physically Handicapped, Number A-117.1R-1971 (as modified by 41 CFR 101-19.603).

Professional Registrant for the Project: _____

Legal Name and Address: _____

Registration Number: _____

Name: _____

(Signature)

Date: _____

Local Government Official: _____

(Signature)

Status of Land Acquisition

All permanent easements, land purchases, city/county/state right of ways, Department of Transportation, Corps of Engineers and railroad permits and any other land access agreements must be obtained and recorded (if applicable) with the appropriate agencies prior to ECD approval of plans and specifications.

Please check the following boxes and sign below:

Yes No N/A

All permanent easements necessary for the construction of this project have been acquired and recorded with the appropriate agency.

All land acquisition necessary for the construction of this project has been acquired and recorded with the appropriate agency.

All right-of-ways, permits, and land access agreements necessary for the construction of this project have been acquired and recorded with the appropriate agency(s).

OR

The construction of this project requires no acquisition of land, permanent easements, right-of-ways, permits or land access agreements.

Signature of grantee, engineer/architect,
or project administrator

Date

**This form must be sent to ECD before we
can approve plans and specifications.**

**Community Development Block Grant Program
GENERAL CONDITIONS**

1. Contract and Contract Documents

The project to be constructed and pursuant to this contract will be financed with assistance from the Tennessee Community Development Block Grant Program and is subject to all applicable Federal laws and regulations.

The Plans, Specifications and Addenda, hereinafter enumerated in Paragraph 1 of the Supplemental General Conditions shall form part of this Contract and the provisions thereof shall be as binding upon the parties hereto as if they were herein fully set forth. The table of contents, titles, headings, running headlines and marginal notes contained herein and in said documents are solely to facilitate reference to various provisions of the Contract Documents and in no way affect, limit or cast light on the interpretation of the provisions to which they refer.

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GENERAL CONDITIONS

ARTICLE 1--DEFINITIONS

Wherever used in these General Conditions or in the other Contract

Documents the following terms have the meanings indicated which are applicable to both the singular and plural thereof:

1.1. *Addenda*--Written or graphic instruments issued prior to the opening of Bids which clarify, correct or change the Bidding Requirements or the Contract Documents.

1.2. *Agreement*--The written contract between OWNER and CONTRACTOR covering the Work to be performed; other Contract Documents are attached to the Agreement and made a part thereof as provided therein.

1.3. *Application for Payment*--The form accepted by ENGINEER which is to be used by CONTRACTOR in requesting progress or final payments and which is to be accompanied by such supporting documentation as is required by the Contract Documents.

1.4. *Asbestos*--Any material that contains more than one percent asbestos and is friable or is releasing asbestos fibers into the air above current action levels established by the United States Occupational Safety and Health Administration.

1.5. *Bid*--The offer or proposal of the bidder submitted on the prescribed form setting forth the prices for the Work to be performed.

1.6. *Bidding Documents*--The advertisement or invitation to Bid, instructions to bidders, the Bid form, and the proposed Contract Documents (including all Addenda issued prior to receipt of Bids).

1.7. *Bidding Requirements*--The advertisement or invitation to Bid, instructions to bidders, and the Bid form.

1.8. *Bonds*--Performance and Payment bonds and other instruments of security.

1.9. *Change Order*--A document recommended by ENGINEER, which is signed by CONTRACTOR and OWNER and authorizes an addition, deletion or revision in the Work, or an adjustment in the Contract Price or the Contract Times, issued on or after the Effective Date of the Agreement.

1.10. *Contract Documents*--The Agreement, Addenda (which pertain to the Contract Documents), CONTRACTOR's Bid (including documentation accompanying the Bid and any post Bid documentation submitted prior to the Notice of Award) when attached as an exhibit to the Agreement, the Notice to Proceed, the Bonds, these General Conditions, the Supplementary Conditions, the Specifications and the Drawings as the same are more specifically identified in the Agreement, together with all Written Amendments, Change Orders, Work Change Directives, Field Orders and ENGINEER's written interpretations and classifications issued pursuant to paragraphs 3.5, 3.6.1, and 3.6.3 on or after the Effective Date of the Agreement. Shop Drawing submittals approved pursuant to paragraphs 6.26 and 6.27 and the reports and drawings referred to in paragraphs 4.2.1.1 and 4.2.2.2 are not Contract Documents.

1.11. *Contract Price*--The moneys payable by OWNER to CONTRACTOR for completion of the Work in accordance with the Contract Documents as stated in the Agreement (subject to the provisions of paragraph 11.9.1 in the case of Unit Price Work).

1.12. *Contract Times*--The numbers of days or the dates stated in the Agreement: (i) to achieve Substantial Completion, and (ii) to complete the Work so that it is ready for final payment as evidenced by ENGINEER's written recommendation of final payment in accordance with paragraph 14.13.

1.13. *CONTRACTOR*--The person, firm or corporation with whom the OWNER has entered into the Agreement.

1.14. *defective*--An adjective which when modifying the word Work refers to Work that is unsatisfactory, faulty or deficient, in that it does not conform to the Contract Documents, or does not meet the requirements of any inspection, reference standard, test or approval referred to in the Contract Documents, or has been damaged prior to ENGINEER's recommendation of final payment (unless responsibility for the protection thereof has been assumed by OWNER at Substantial Completion in accordance with paragraph 14.8 or 14.10).

1.15. *Drawings*--The drawings which show the scope, extent and character of the Work to be furnished and performed by CONTRACTOR and which have been prepared or approved by ENGINEER and are referred to in the Contract Documents. Shop drawings are not Drawings as so defined.

1.16. *Effective Date of the Agreement*--The date indicated in the Agreement on which it becomes effective, but if no such date is indicated it means the date on which the Agreement is signed and delivered by the last of the two parties to sign and deliver.

1.17. *ENGINEER*--The person, firm or corporation named as such in the Agreement.

1.18. *ENGINEER's Consultant*--A person, firm, or corporation having a contract with ENGINEER to furnish services as ENGINEER's independent professional associate or consultant with respect to the Project and who is identified as such in the Supplementary Conditions.

1.19. *Field Order*--A written order issued by ENGINEER which orders minor changes in the Work in accordance with paragraph 9.5 but which does not involve a change in the Contract Price or the Contract Times.

1.20. *General Requirements*--Sections of Division 1 of the Specifications.

1.21. *Hazardous Waste*--The term Hazardous Waste shall have the meaning provided in Section 1004 of the Solid Waste Disposal Act (42 USC Section 6903) as amended from time to time.

1.22. *Laws and Regulations: Laws or Regulations*--Any and all applicable laws, rules, regulations, ordinances, codes and orders of any and all governmental bodies, agencies, authorities and courts having jurisdiction.

1.23. *Liens*--Liens, charges, security interests or encumbrances upon real property or personal property.

1.24. *Milestone*--A principal event specified in the Contract Documents relating to an intermediate completion date or time prior to Substantial Completion of all the Work.

1.25. *Notice of Award*--The written notice by OWNER to the apparent successful bidder stating that upon compliance by the apparent successful bidder with the conditions precedent enumerated therein, within the time specified, OWNER will sign and deliver the Agreement.

1.26. *Notice to Proceed*--A written notice given by OWNER to CONTRACTOR (with a copy to ENGINEER) fixing the date on which the Contract Times will commence to run and on which CONTRACTOR shall start to perform CONTRACTOR's obligations under the Contract Documents.

1.27. *OWNER*--The public body or authority, corporation, association, firm or person with whom CONTRACTOR has entered into the Agreement and for whom the Work is to be provided.

1.28. *Partial Utilization*--Use by OWNER of a substantially completed part of the Work for the purpose for which it is intended (or a related purpose) prior to Substantial Completion of all the Work.

1.29. *PCBs*--Polychlorinated biphenyls.

1.30. *Petroleum*--Petroleum, including crude oil or any fraction thereof which is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds per square inch absolute), such as oil, petroleum, fuel oil, oil sludge, oil refuse, gasoline, kerosene, and oil mixed with other non-Hazardous Wastes and crude oils.

1.31. *Project*--The total construction of which the Work to be provided under the Contract Documents may be the whole, or a part as indicated elsewhere in the Contract Documents.

1.32. *Radioactive Material*--Source, special nuclear, or byproduct material as defined by the Atomic Energy Act of 1954 (42 USC Section 2011 et seq.) as amended from time to time.

1.33. *Resident Project Representative*--The authorized representative of ENGINEER who may be assigned to the site or any part thereof.

1.34. *Samples*--Physical examples of materials, equipment, or workmanship that are representative of some portion of the Work and which establish the standards by which such portion of the Work will be judged.

1.35. *Shop Drawings*--All drawings, diagrams, illustrations, schedules and other data or information which are specifically prepared or assembled by or for CONTRACTOR and submitted by CONTRACTOR to illustrate some portion of the Work.

1.36. *Specifications*--Those portions of the Contract Documents consisting of written technical descriptions of materials, equipment, construction systems, standards and workmanship as applied to the Work and certain administrative details applicable thereto.

1.37. *Subcontractor*--An individual, firm or corporation having a direct contract with CONTRACTOR or with any other Subcontractor for the performance of a part of the Work at the site.

1.38. *Substantial Completion*--The Work (or a specified part thereof) has progressed to the point where, in the opinion of ENGINEER as evidenced by ENGINEER's definitive certificate of Substantial Completion, it is sufficiently complete, in accordance with the Contract Documents, so that the Work (or specified part) can be utilized for the purposes for which it is intended; or if no such certificate is issued, when the Work is complete and ready for final payment as evidenced by ENGINEER's written recommendation of final payment in accordance with paragraph 14.13. The terms "substantially complete" and "substantially completed" as applied to all or part of the Work refer to Substantial Completion thereof.

1.39. *Supplementary Conditions*--The part of the Contract Documents which amends or supplements these General Conditions.

1.40. *Supplier*--A manufacturer, fabricator, supplier, distributor, materialman or vendor having a direct contract with CONTRACTOR or with any Subcontractor to furnish materials or equipment to be incorporated in the Work by CONTRACTOR or any Subcontractor.

1.41. *Underground Facilities*--All pipelines, conduits, ducts, cables, wires, manholes, vaults, tanks, tunnels or other such facilities or attachments, and any encasements containing such facilities which have been installed underground to furnish any of the following services or materials: electricity, gases, steam, liquid petroleum products, telephone or other communications, cable television, sewage and drainage removal, traffic or other control systems or water.

1.42. *Unit Price Work*--Work to be paid for on the basis of unit prices.

1.43. *Work*--The entire completed construction or the various separately identifiable parts thereof required to be furnished under the Contract Documents. Work includes and is the result of performing or furnishing labor and furnishing and incorporating materials and equipment into the construction, and performing or furnishing services and furnishing documents, all as required by the Contract Documents.

1.44. *Work Change Directive*--A written directive to CONTRACTOR, issued on or after the Effective Date of the Agreement and signed by OWNER and recommended by ENGINEER, ordering an addition, deletion or revision in the Work, or responding to differing or unforeseen physical conditions under which the Work is to be performed as provided in paragraph 4.2 or 4.3 or to emergencies under paragraph 6.23. A Work Change Directive will not change the Contract Price or the Contract Times, but is evidence that the parties expect that the change directed or documented by a Work Change Directive will be incorporated in a subsequently issued Change Order following negotiations by the parties as to its effect, if any, on the Contract Price or Contract Times as provided in paragraph 10.2.

1.45. *Written Amendment*--A written amendment of the Contract Documents, signed by OWNER and CONTRACTOR on or after the Effective Date of the Agreement and normally dealing with the nonengineering or nontechnical rather than strictly construction-related aspects of the Contract Documents.

ARTICLE 2--PRELIMINARY MATTERS

Delivery of Bonds:

2.1. When CONTRACTOR delivers the executed Agreements to OWNER, CONTRACTOR shall also deliver to OWNER such Bonds

as CONTRACTOR may be required to furnish in accordance with paragraph 5.1.

Copies of Documents:

2.2. OWNER shall furnish to CONTRACTOR up to ten copies (unless otherwise specified in the Supplementary Conditions) of the Contract Documents as are reasonably necessary for the execution of the Work. Additional copies will be furnished, upon request, at the cost of reproduction.

Commencement of Contract Times; Notice to Proceed:

2.3. The Contract Times will commence to run on the thirtieth day after the Effective Date of the Agreement, or, if a Notice to Proceed is given, on the day indicated in the Notice to Proceed. A Notice to Proceed may be given at any time within thirty days after the Effective Date of the Agreement. In no event will the Contract Times commence to run later than the sixtieth day after the day of Bid opening or the thirtieth day after the Effective Date of the Agreement, whichever date is earlier.

Starting the Work:

2.4. CONTRACTOR shall start to perform the Work on the date when the Contract Times commence to run, but no Work shall be done at the site prior to the date on which the Contract Times commence to run.

Before Starting Construction:

2.5. Before undertaking each part of the Work, CONTRACTOR shall carefully study and compare the Contract Documents and check and verify pertinent figures shown thereon and all applicable field measurements. CONTRACTOR shall promptly report in writing to ENGINEER any conflict, error, ambiguity or discrepancy which CONTRACTOR may discover and shall obtain a written interpretation or clarification from ENGINEER before proceeding with any Work affected thereby; however, CONTRACTOR shall not be liable to OWNER or ENGINEER for failure to report any conflict, error, ambiguity or discrepancy in the Contract Documents, unless CONTRACTOR knew or reasonably should have known thereof.

2.6. Within ten days after the Effective Date of the Agreement (unless otherwise specified in the General Requirements), CONTRACTOR shall submit to ENGINEER for review:

2.6.1. a preliminary progress schedule indicating the times (numbers of days or dates) for starting and completing the various stages of the Work, including any Milestones specified in the Contract Documents;

2.6.2. a preliminary schedule for Shop Drawing and Sample submittals which will list each required submittal and the times for submitting, reviewing and processing such submittal;

2.6.3. a preliminary schedule of values for all of the Work which will include quantities and prices of items aggregating the Contract Price and will subdivide the Work into component parts in sufficient detail to serve as the basis for progress payments during construction. Such prices will include an appropriate amount of overhead and profit applicable to each item of Work.

2.7. Before any Work at the site is started, CONTRACTOR and OWNER shall each deliver to the other, with copies to each additional insured identified in the Supplementary Conditions, certificates of insurance (and other evidence of insurance which either of them or any additional insured may reasonably request) which CONTRACTOR and OWNER respectively are required to purchase and maintain in accordance with paragraphs 5.4, 5.6 and 5.7.

Preconstruction Conference:

2.8. Within twenty days after the Contract Times start to run, but before any Work at the site is started, a conference attended by CONTRACTOR, ENGINEER and others as appropriate will be held to establish a working understanding among the parties as to the Work and to discuss the schedules referred to in paragraph 2.6, procedures for handling Shop Drawings and other submittals, processing Applications for Payment and maintaining required records.

Initially Acceptable Schedules:

2.9. Unless otherwise provided in the Contract Documents, at least ten days before submission of the first Application for Payment a conference attended by CONTRACTOR, ENGINEER and others as appropriate will be held to review for acceptability to ENGINEER as provided below the schedules submitted in accordance with paragraph 2.6. CONTRACTOR shall have an additional ten days to make corrections and adjustments and to complete and resubmit the schedules. No progress payment shall be made to CONTRACTOR until the schedules are submitted to and acceptable to ENGINEER as provided below. The progress schedule will be acceptable to ENGINEER as providing an orderly progression of the Work to completion within any specified Milestones and the Contract Times, but such acceptance will neither impose on ENGINEER responsibility for the sequencing, scheduling or progress of the Work nor interfere with or relieve CONTRACTOR from CONTRACTOR's full responsibility therefore. CONTRACTOR's schedule of Shop Drawing and Sample submissions will be acceptable to ENGINEER as providing a workable arrangement for reviewing and processing the required submittals. CONTRACTOR's schedule of values will be acceptable to ENGINEER as to form and substance.

ARTICLE 3--CONTRACT DOCUMENT: INTENT,
AMENDING, REUSE

Intent:

3.1. The Contract Documents comprise the entire agreement between OWNER and CONTRACTOR concerning the Work. The Contract Documents are complementary; what is called for by one is as binding as if called for by all. The Contract Documents will be construed in accordance with the law of the place of the Project.

3.2. It is the intent of the Contract Documents to describe a functionally complete Project (or part thereof) to be constructed in accordance with the Contract Documents. Any Work, materials or equipment that may reasonably be inferred from the Contract Documents or from prevailing custom or trade usage as being required to produce the intended result will be furnished and performed whether or not specifically called for. When words or phrases which have a well-known technical or construction industry or trade meaning are used to describe Work, materials or equipment, such words or phrases shall be interpreted in accordance with that meaning. Clarifications and interpretations of the Contract Documents shall be issued by ENGINEER as provided in paragraph 9.4.

3.3. Reference to Standards and Specifications of Technical Societies; Reporting and Resolving Discrepancies:

3.3.1. Reference to standards, specifications, manuals or codes of any technical society, organization or association, or to the Laws or Regulations of any governmental authority, whether such reference be specific or by implication, shall mean the latest standard, specification, manual, code or Laws or Regulations in effect at the time of opening of Bids (or, on the Effective Date of the Agreement if there were no Bids), except as may be otherwise specifically stated in the Contract Documents.

3.3.2. If, during the performance of the Work, CONTRACTOR discovers any conflict, error, ambiguity or discrepancy within the Contract Documents or between the Contract Documents and any provision of any such Law or Regulation applicable to the performance of the Work or of any such standard, specification, manual or code or of any instruction of any Supplier referred to in paragraph 6.5, CONTRACTOR shall report it to ENGINEER in writing at once, and, CONTRACTOR shall not proceed with the Work affected thereby (except in an emergency as authorized by paragraph 6.23) until an amendment or supplement to the Contract Documents has been issued by one of the methods indicated in paragraph 3.5 or 3.6; provided, however, that CONTRACTOR shall not be liable to OWNER or ENGINEER for failure to report any such conflict, error, ambiguity or discrepancy unless CONTRACTOR knew or reasonably should have known thereof.

3.3.3. Except as otherwise specifically stated in the Contract Documents or as may be provided by amendment or supplement thereto issued by one of the methods indicated in paragraph 3.5 or 3.6, the provisions of the Contract Documents shall take precedence in resolving any conflict, error, ambiguity or discrepancy between the provisions of the Contract Documents and:

3.3.3.1. the provisions of any such standard, specification, manual, code or instruction (whether or not specifically incorporated by reference in the Contract Documents); or

3.3.3.2. the provisions of any such Laws or Regulations applicable to the performance of the Work (unless such an interpretation of the provisions of the Contract Documents would result in violation of such Law or Regulation).

No provision of any such standard, specification, manual, code or instruction shall be effective to change the duties and responsibilities of OWNER, CONTRACTOR or ENGINEER, or any of their subcontractors, consultants, agents, or employees from those set forth in the Contract Documents, nor shall it be effective to assign to OWNER, ENGINEER or any of ENGINEER's Consultants, agents or employees any duty or authority to supervise or direct the furnishing or performance of the Work or any duty or authority to undertake responsibility inconsistent with the provisions of paragraph 9.13 or any other provision of the Contract Documents.

3.4. Whenever in the Contract Documents the terms "as ordered," "as directed," "as required," "as allowed," "as approved" or terms of like effect or import are used, or the adjectives "reasonable," "suitable," "acceptable," "proper" or "satisfactory" or adjectives of like effect or import are used to describe a requirement, direction, review or judgment of ENGINEER as to the Work, it is intended that such requirement, direction, review or judgment will be solely to evaluate, in general, the completed Work for compliance with the requirements of and information in the Contract Documents and conformance with the

design concept of the completed Project as a functioning whole as shown or indicated in the Contract Documents (unless there is a specific statement indicating otherwise). The use of any such term or adjective shall not be effective to assign to ENGINEER any duty or authority to supervise or direct the furnishing or performance of the Work or any duty or authority to undertake responsibility contrary to the provisions of paragraph 9.13 or any other provision of the Contract Documents.

Amending and Supplementing Contract Documents:

3.5. The Contract Documents may be amended to provide for additions, deletions and revisions in the Work or to modify the terms and conditions thereof in one or more of the following ways:

3.5.1. a formal Written Amendment.

3.5.2. a Change Order (pursuant to paragraph 10.4), or

3.5.3. a Work Change Directive (pursuant to paragraph 10.1).

3.6. In addition, the requirements of the Contract Documents may be supplemented, and minor variations and deviations in the Work may be authorized, in one or more of the following ways:

3.6.1. a Field Order (pursuant to paragraph 9.5),

3.6.2. ENGINEER's approval of a Shop Drawing or Sample (pursuant to paragraphs 6.26 and 6.27), or

3.6.3. ENGINEER's written interpretation or clarification (pursuant to paragraph 9.4).

Reuse of Documents:

3.7. CONTRACTOR, and any Subcontractor or Supplier or other person or organization performing or furnishing any of the Work under a direct or indirect contract with OWNER (i) shall not have or acquire any title to or ownership rights in any of the Drawings, Specifications or other documents (or copies of any thereof) prepared by or bearing the seal of ENGINEER or ENGINEER's Consultant, and (ii) shall not reuse any of such Drawings, Specifications, other documents or copies on extensions of the Project or any other project without written consent of OWNER and ENGINEER and specific written verification or adaption by ENGINEER.

ARTICLE 4--AVAILABILITY OF LANDS; SUBSURFACE AND PHYSICAL CONDITIONS; REFERENCE POINTS

Availability of Lands:

4.1. OWNER shall furnish, as indicated in the Contract Documents, the lands upon which the Work is to be performed, rights-of-way and easements for access thereto, and such other lands which are designated for the use of CONTRACTOR. Upon reasonable written request, OWNER shall furnish CONTRACTOR with a correct statement of record legal title and legal description of the lands upon which the Work is to be performed and OWNER's interest therein as necessary for giving notice of or filing a mechanic's lien against such lands in accordance with applicable Laws and Regulations. OWNER shall identify any encumbrances or restrictions not of general application but

specifically related to use of lands so furnished with which CONTRACTOR will have to comply in performing the Work. Easements for permanent structures or permanent changes in existing facilities will be obtained and paid for by OWNER, unless otherwise provided in the Contract Documents. If CONTRACTOR and OWNER are unable to agree on entitlement to or the amount or extent of any adjustments in the Contract Price or the Contract Times as a result of any delay in OWNER's furnishing these lands, rights-of-way or easements, CONTRACTOR may make a claim therefore as provided in Articles 11 and 12. CONTRACTOR shall provide for all additional lands and access thereto that may be required for temporary construction facilities or storage of materials and equipment.

4.2. *Subsurface and Physical Conditions:*

4.2.1. *Reports and Drawings:* Reference is made to the Supplementary Conditions for identification of:

4.2.1.1. *Subsurface Conditions:* Those reports of explorations and tests of subsurface conditions at or contiguous to the site that have been utilized by ENGINEER in preparing the Contract Documents; and

4.2.1.2. *Physical Conditions:* Those drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the site (except Underground Facilities) that have been utilized by ENGINEER in preparing the Contract Documents.

4.2.2. *Limited Reliance by CONTRACTOR Authorized: Technical Data:* CONTRACTOR may rely upon the general accuracy of the "technical data" contained in such reports and drawings, but such reports and drawings are not Contract Documents. Such "technical data" is identified in the Supplementary Conditions. Except for such reliance on such "technical data," CONTRACTOR may not rely upon or make any claim against OWNER, ENGINEER or any of ENGINEER's Consultants with respect to:

4.2.2.1. the completeness of such reports and drawings for CONTRACTOR's purposes, including, but not limited to, any aspects of the means, methods, techniques, sequences and procedures of construction to be employed by CONTRACTOR and safety precautions and programs incident thereto, or

4.2.2.2. other data, interpretations, opinions and information contained in such reports or shown or indicated in such drawings, or

4.2.2.3. any CONTRACTOR interpretation of or conclusion drawn from any "technical data" or any such data, interpretations, opinions or information.

4.2.3. *Notice of Differing Subsurface or Physical Conditions:* If CONTRACTOR believes that any subsurface or physical condition at or contiguous to the site that is uncovered or revealed either:

4.2.3.1. is of such a nature as to establish that any "technical data" on which CONTRACTOR is entitled to rely as provided in paragraphs 4.2.1 and 4.2.2 is materially inaccurate, or

4.2.3.2. is of such a nature as to require a change in the Contract Documents, or

4.2.3.3. differs materially from that shown or indicated in the Contract Documents, or

4.2.3.4. is of an unusual nature, and differs materially from conditions ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract Documents; then

CONTRACTOR shall, promptly after becoming aware thereof and before further disturbing conditions affected thereby or performing any Work in connection therewith (except in an emergency as permitted by paragraph 6.23), notify OWNER and ENGINEER in writing about such condition. CONTRACTOR shall not further disturb such conditions or perform any Work in connection therewith (except as aforesaid) until receipt of written order to do so.

4.2.4. *ENGINEER's Review:* ENGINEER will promptly review the pertinent conditions, determine the necessity of OWNER's obtaining additional exploration or tests with respect thereto and advise OWNER in writing (with a copy to CONTRACTOR) of ENGINEER's findings and conclusions.

4.2.5. *Possible Contract Documents Change:* If ENGINEER concludes that a change in the Contract Documents is required as a result of a condition that meets one or more of the categories in paragraph 4.2.3., a Work Change Directive or a Change Order will be issued as provided in Article 10 to reflect and document the consequences of such change.

4.2.6. *Possible Price and Times Adjustments:* An equitable adjustment in the Contract Price or in the Contract Times, or both, will be allowed to the extent that the existence of such uncovered or revealed condition causes an increase or decrease in CONTRACTOR's cost of, or time required for performance of, the Work; subject, however, to the following:

4.2.6.1. such condition must meet any one or more of the categories described in paragraphs 4.2.3.1 through 4.2.3.4, inclusive;

4.2.6.2. a change in the Contract Documents pursuant to paragraph 4.2.5 will not be an automatic authorization of nor a condition precedent to entitlement to any such adjustment;

4.2.6.3. with respect to Work that is paid for on a Unit Price Basis, any adjustment in Contract Price will be subject to the provisions of paragraphs 9.10 and 11.9; and

4.2.6.4. CONTRACTOR shall not be entitled to any adjustment in the Contract Price or Times if;

4.2.6.4.1. CONTRACTOR knew of the existence of such conditions at the time CONTRACTOR made a final commitment to OWNER in respect of Contract Price and Contract Times by the submission of a bid or becoming bound under a negotiated contract; or

4.2.6.4.2. the existence of such condition could reasonably have been discovered or revealed as a result of any examination, investigation, exploration, test or study of the site and contiguous areas required by the Bidding Requirements or Contract Documents to be conducted by or for CONTRACTOR prior to CONTRACTOR's making such final commitment; or

4.2.6.4.3. CONTRACTOR failed to give the written notice within the time and as required by paragraph 4.2.3.

If OWNER and CONTRACTOR are unable to agree on entitlement to or as to the amount or length of any such equitable adjustment in the Contract Price or Contract Times, a claim may be made therefore as provided in Articles 11 and 12. However, OWNER, ENGINEER and ENGINEER's Consultants shall not be liable to CONTRACTOR for any claims, costs, losses or damages sustained by CONTRACTOR on or in connection with any other project or anticipated project.

4.3. Physical Conditions--Underground Facilities:

4.3.1. *Shown or Indicated:* The information and data shown or indicated in the Contract Documents with respect to existing Underground Facilities at or contiguous to the site is based on information and data furnished to OWNER or ENGINEER by the owners of such Underground Facilities or by others. Unless it is otherwise expressly provided in the Supplementary Conditions:

4.3.1.1. OWNER and ENGINEER shall not be responsible for the accuracy or completeness of any such information or data; and

4.3.1.2. The cost of all of the following will be included in the Contract Price and CONTRACTOR shall have full responsibility for: (i) reviewing and checking all such information and data, (ii) locating all Underground Facilities shown or indicated in the Contract Documents, (iii) coordination of the Work with the owners of such Underground Facilities during construction, and (iv) the safety and protection of all such Underground Facilities as provided in paragraph 6.20 and repairing any damage thereto resulting from the Work.

4.3.2. *Not Shown or Indicated:* If an Underground Facility is uncovered or revealed at or contiguous to the site which was not shown or indicated in the Contract Documents, CONTRACTOR shall, promptly after becoming aware thereof and before further disturbing conditions affected thereby or performing any Work in connection therewith (except in an emergency as required by paragraph 6.23), identify the owner of such Underground Facility and give written notice to that owner and to OWNER and ENGINEER. ENGINEER will promptly review the Underground Facility and determine the extent, if any, to which a change is required in the Contract Documents to reflect and document the consequences of the existence of the Underground Facility. If ENGINEER concludes that a change in the Contract Documents is required, a Work Change Directive or a Change Order will be issued as provided in Article 10 to reflect and document such consequences. During such time, CONTRACTOR shall be responsible for the safety and protection of such Underground Facility as provided in paragraph 6.20. CONTRACTOR shall be allowed an increase in the Contract Price or an extension of the Contract Times, or both, to the extent that they are attributable to the existence of any Underground Facility that was not shown or indicated in the Contract Documents and that CONTRACTOR did not know of and could not reasonably have been expected to be aware of or to have anticipated. If OWNER and CONTRACTOR are unable to agree on entitlement to or the amount or length of any such adjustment in Contract Price or Contract Times, CONTRACTOR may make a claim therefore as provided in Articles 11 and 12. However, OWNER, ENGINEER and ENGINEER's Consultants shall not be liable to CONTRACTOR for any claims, costs, losses or damages incurred or sustained by CONTRACTOR on or in connection with any other project or anticipated project.

Reference Points:

4.4. OWNER shall provide engineering surveys to establish reference points for construction which in ENGINEER's judgment are necessary to enable CONTRACTOR to proceed with the Work. CONTRACTOR shall be responsible for laying out the Work, shall protect and preserve the established reference points and shall make no changes or relocations without the prior written approval of OWNER. CONTRACTOR shall report to ENGINEER whenever any reference point is lost or destroyed or requires relocation because of necessary changes in grades or locations, and shall be responsible for the accurate replacement or relocation of such reference points by professionally qualified personnel.

4.5. Asbestos, PCBs, Petroleum, Hazardous Waste or Radioactive Material:

4.5.1. OWNER shall be responsible for any Asbestos, PCBs, Petroleum, Hazardous Waste or Radioactive Material uncovered or revealed at the site which was not shown or indicated in Drawings or Specifications or identified in the Contract Documents to be within the scope of the Work and which may present a substantial danger to persons or property exposed thereto in connection with the Work at the site. OWNER shall not be responsible for any such materials brought to the site by CONTRACTOR, Subcontractor, Suppliers or anyone else for whom CONTRACTOR is responsible.

4.5.2. CONTRACTOR shall immediately: (i) stop all Work in connection with such hazardous condition and in any area affected thereby (except in an emergency as required by paragraph 6.23), and (ii) notify OWNER and ENGINEER (and thereafter confirm such notice in writing). OWNER shall promptly consult with ENGINEER concerning the necessity for OWNER to retain a qualified expert to evaluate such hazardous condition or take corrective action, if any. CONTRACTOR shall not be required to resume Work in connection with such hazardous condition or in any such affected area until after OWNER has obtained any required permits related thereto and delivered to CONTRACTOR special written notice: (i) specifying that such condition and any affected area is or has been rendered safe for the resumption of Work, or (ii) specifying any special conditions under which such Work may be resumed safely. If OWNER and CONTRACTOR cannot agree as to entitlement to or the amount or extent of an adjustment, if any, in Contract Price or Contract Times as a result of such Work stoppage or such special conditions under which Work is agreed by CONTRACTOR to be resumed, either party may make a claim therefore as provided in Articles 11 and 12.

4.5.3. If after receipt of such special written notice CONTRACTOR does not agree to resume such Work based on a reasonable belief it is unsafe, or does not agree to resume such Work under such special conditions, then OWNER may order such portion of the Work that is in connection with such hazardous condition or in such affected area to be deleted from the Work. If OWNER and CONTRACTOR cannot agree as to entitlement to or the amount or extent of an adjustment, if any, in Contract Price or Contract Times as a result of deleting such portion of the Work, then either party may make a claim therefore as provided in Articles 11 and 12. OWNER may have such deleted portion of the Work performed by OWNER's own forces or others in accordance with Article 7.

4.5.4. To the fullest extent permitted by Laws and Regulations, OWNER shall indemnify and hold harmless CONTRACTOR, Subcontractors, ENGINEER, ENGINEER's Consultants and the officers, directors, employees, agents, other consultants and subcontractors of each and any of them from and against all

claims, costs, losses and damages arising out of or resulting from such hazardous condition, provided that: (i) any such claim, cost, loss or damage is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), including the loss of use resulting there from, and (ii) nothing in this subparagraph 4.5.4 shall obligate OWNER to indemnify any person or entity from and against the consequences of that person's or entity's own negligence.

4.5.5. The provisions of paragraphs 4.2 and 4.3 are not intended to apply to Asbestos, PCBs, Petroleum, Hazardous Waste or Radioactive Material uncovered or revealed at the site.

ARTICLE 5--BONDS AND INSURANCE

Performance, Payment and Other Bonds:

5.1. CONTRACTOR shall furnish Performance and Payment Bonds, each in an amount at least equal to the Contract Price as security for the faithful performance and payment of all CONTRACTOR's obligations under the Contract Documents. These Bonds shall remain in effect at least until one year after the date when final payment becomes due, except as provided otherwise by Laws or Regulations or by the Contract Documents. CONTRACTOR shall also furnish such other Bonds as are required by the Supplementary Conditions. All Bonds shall be in the form prescribed by the Contract Documents except as provided otherwise by Laws or Regulations, and shall be executed by such sureties as are named in the current list of "Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies" as published in Circular 570 (amended) by the Audit Staff, Bureau of Government Financial Operations, U.S. Treasury Department. All Bonds signed by an agent must be accompanied by a certified copy of such agent's authority to act.

5.2. If the surety on any Bond furnished by CONTRACTOR is declared a bankrupt or becomes insolvent or its right to do business is terminated in any state where any part of the Project is located or it ceases to meet the requirements of paragraph 5.1, CONTRACTOR shall within ten days thereafter substitute another Bond and surety, both of which must be acceptable to OWNER.

5.3. Licensed Sureties and Insurers; Certificates of Insurance:

5.3.1. All Bonds and insurance required by the Contract Documents to be purchased and maintained by OWNER or CONTRACTOR shall be obtained from surety or insurance companies that are duly licensed or authorized in the jurisdiction in which the Project is located to issue Bonds or insurance policies for the limits and coverages so required. Such surety and insurance companies shall also meet such additional requirements and qualifications as may be provided in the Supplementary Conditions.

5.3.2. CONTRACTOR shall deliver to OWNER, with copies to each additional insured identified in the Supplementary Conditions, certificates of insurance (and other evidence of insurance requested by OWNER or any other additional insured) which CONTRACTOR is required to purchase and maintain in accordance with paragraph 5.4. OWNER shall deliver to CONTRACTOR, with copies to each additional insured identified in the Supplementary Conditions, certificates of insurance (and other evidence of insurance requested by CONTRACTOR or any other additional insured) which OWNER is

required to purchase and maintain in accordance with paragraphs 5.6 and 5.7 hereof.

CONTRACTOR's Liability Insurance:

5.4. CONTRACTOR shall purchase and maintain such liability and other insurance as is appropriate for the Work being performed and furnished and as will provide protection from claims set forth below which may arise out of or result from CONTRACTOR's performance and furnishing of the Work and CONTRACTOR's other obligations under the Contract Documents, whether it is to be performed or furnished by CONTRACTOR, any Subcontractor or Supplier, or by anyone directly or indirectly employed by any of them to perform or furnish any of the Work, or by anyone for whose acts any of them may be liable:

5.4.1. claims under workers' compensation, disability benefits and other similar employee benefit acts;

5.4.2. claims for damages because of bodily injury, occupational sickness or disease, or death of CONTRACTOR's employees;

5.4.3. claims for damages because of bodily injury, sickness or disease, or death of any person other than CONTRACTOR's employees;

5.4.4. claims for damages insured by customary personal injury liability coverage which are sustained: (i) by any person as a result of an offense directly or indirectly related to the employment of such person by CONTRACTOR, or (ii) by any other person for any other reason;

5.4.5. claims for damages, other than to the Work itself, because of injury to or destruction of tangible property wherever located, including loss of use resulting there from; and

5.4.6. claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance or use of any motor vehicle.

The policies of insurance so required by this paragraph 5.4 to be purchased and maintained shall:

5.4.7. with respect to insurance required by paragraphs 5.4.3. through 5.4.6 inclusive, include as additional insured (subject to any customary exclusion in respect of professional liability) OWNER, ENGINEER, ENGINEER's Consultants and any other persons or entities identified in the Supplementary Conditions, all of whom shall be listed as additional insured, and include coverage for the respective officers and employees of all such additional insured;

5.4.8. include the specific coverages and be written for not less than the limits of liability provided in the Supplementary Conditions or required by Laws or Regulations, whichever is greater;

5.4.9. include completed operations insurance;

5.4.10. include contractual liability insurance covering CONTRACTOR's indemnity obligations under paragraphs 6.12, 6.16 and 6.31 through 6.33;

5.4.11. contain a provision or endorsement that the coverage afforded will not be cancelled, materially changed or renewal refused until at least thirty days prior written notice has been given to OWNER and CONTRACTOR and to each other additional insured identified in the Supplementary Conditions to whom a certificate of insurance has been issued (and the certificates of insurance furnished by the CONTRACTOR pursuant to paragraph 5.3.2 will so provide);

5.4.12. remain in effect at least until final payment and at all times thereafter when CONTRACTOR may be correcting, removing or replacing *defective* Work in accordance with paragraph 13.12; and

5.4.13. with respect to completed operations insurance, and any insurance coverage written on a claims-made basis, remain in effect for at least two years after final payment (and CONTRACTOR shall furnish OWNER and each other additional insured identified in the Supplementary Conditions to whom a certificate of insurance has been issued evidence satisfactory to OWNER and any such additional insured of continuation of such insurance at final payment and one year thereafter).

OWNER's Liability Insurance:

5.5. In addition to the insurance required to be provided by CONTRACTOR under paragraph 5.4, OWNER, at OWNER's option, may purchase and maintain at OWNER's expense OWNER's own liability insurance as will protect OWNER against claims which may arise from operations under the Contract Documents.

Property Insurance:

5.6. Unless otherwise provided in the Supplementary Conditions, OWNER shall purchase and maintain property insurance upon the Work at the site in the amount of the full replacement cost thereof (subject to such deductible amounts as may be provided in the Supplementary Conditions or required by Laws and Regulations). This insurance shall:

5.6.1. include the interests of OWNER, CONTRACTOR, Subcontractors, ENGINEER, ENGINEER's Consultants and any other persons or entities identified in the Supplementary Conditions, each of whom is deemed to have an insurable interest and shall be listed as an insured or additional insured;

5.6.2. be written on a Builder's Risk "all-risk" or open peril or special causes of loss policy form that shall at least include insurance for physical loss or damage to the Work, temporary buildings, false work and Work in transit and shall insure against at least the following perils fire, lightning, extended coverage, theft, vandalism and malicious mischief, earthquake, collapse, debris removal, demolition occasioned by enforcement of Laws and Regulations, water damage, and such other perils as may be specifically required by the Supplementary Conditions;

5.6.3. include expenses incurred in the repair or replacement of any insured property (including but not limited to fees and charges of engineers and architects);

5.6.4. cover materials and equipment stored at the site or at another location that was agreed to in writing by OWNER prior to being incorporated in the Work, provided that such materials and equipment have been included in an Application for Payment recommended by ENGINEER; and

5.6.5. be maintained in effect until final payment is made unless otherwise agreed to in writing by OWNER, CONTRACTOR and ENGINEER with thirty days written notice to each other additional insured to whom a certificate of insurance has been issued.

5.7. OWNER shall purchase and maintain such boiler and machinery insurance or additional property insurance as may be required by the Supplementary Conditions or Laws and Regulations which will include the interests of OWNER, CONTRACTOR, Subcontractors, ENGINEER, ENGINEER's Consultants and any other persons or entities identified in the Supplementary Conditions, each of whom is deemed to have an insurable interest and shall be listed as an insured or additional insured.

5.8. All the policies of insurance (and the certificates or other evidence thereof) required to be purchased and maintained by OWNER in accordance with paragraphs 5.6 and 5.7 will contain a provision or endorsement that the coverage afforded will not be canceled or materially changed or renewal refused until at least thirty days' prior written notice has been given to OWNER and CONTRACTOR and to each other additional insured to whom a certificate of insurance has been issued and will contain waiver provisions in accordance with paragraph 5.11.

5.9. OWNER shall not be responsible for purchasing and maintaining any property insurance to protect the interests of CONTRACTOR, Subcontractors or others in the Work to the extent of any deductible amounts that are identified in the Supplementary Conditions. The risk of loss within such identified deductible amount, will be borne by CONTRACTOR, Subcontractor or others suffering any such loss and if any of them wishes property insurance coverage within the limits of such amounts, each may purchase and maintain it at the purchaser's own expense.

5.10. If CONTRACTOR requests in writing that other special insurance be included in the property insurance policies provided under paragraphs 5.6 or 5.7, OWNER shall, if possible, include such insurance, and the cost thereof will be charged to CONTRACTOR by appropriate Change Order or Written Amendment. Prior to commencement of the Work at the site, OWNER shall in writing advise CONTRACTOR whether or not such other insurance has been procured by OWNER.

5.11. Waiver of Rights:

5.11.1. OWNER and CONTRACTOR intend that all policies purchased in accordance with paragraphs 5.6 and 5.7 will protect OWNER, CONTRACTOR, Subcontractors, ENGINEER, ENGINEER's Consultants and all other persons or entities identified in the Supplementary Conditions to be listed as insureds or additional insureds in such policies and will provide primary coverage for all losses and damages caused by the perils covered thereby. All such policies shall contain provisions to the effect that in the event of payment of any loss or damage the insurers will have no rights of recovery against any of the insureds or additional insureds thereunder. OWNER and CONTRACTOR waive all rights against each other and their respective officers, directors, employees and agents for all losses and damages caused by, arising out of or resulting from any of the perils covered by such policies and any other property insurance applicable to the Work; and, in addition, waive all such rights against Subcontractors, ENGINEER, ENGINEER's Consultants and all other persons or entities identified in the Supplementary Conditions to be listed as insureds or additional insureds under such policies for losses and damages so caused. None of the above waivers shall extend to the

rights that any party making such waiver may have to the proceeds of insurance held by OWNER as trustee or otherwise payable under any policy so issued.

5.11.2. In addition, OWNER waives all rights against CONTRACTOR, Subcontractors, ENGINEER, ENGINEER'S Consultants and the officers, directors, employees and agents of any of them, for:

5.11.2.1. loss due to business interruption, loss of use or other consequential loss extending beyond direct physical loss or damage to OWNER's property or the Work caused by, arising out of or resulting from fire or other peril, whether or not insured by OWNER; and

5.11.2.2. loss or damage to the completed Project or part thereof caused by, arising out of or resulting from fire or other insured peril covered by any property insurance maintained on the completed Project or part thereof by OWNER during partial utilization pursuant to paragraph 14.10, after substantial completion pursuant to paragraph 14.8 or after final payment pursuant to paragraph 14.13.

Any insurance policy maintained by OWNER covering any loss, damage or consequential loss referred to in this paragraph 5.11.2 shall contain provisions to the effect that in the event of payment of any such loss, damage or consequential loss the insurers will have no rights of recovery against any of CONTRACTOR, Subcontractors, ENGINEER, ENGINEER'S Consultants and the officers, directors, employees and agents of any of them.

Receipt and Application of Insurance Proceeds

5.12. Any insured loss under the policies of insurance required by paragraphs 5.6 and 5.7 will be adjusted with OWNER and made payable to OWNER as fiduciary for the insureds, as their interests may appear, subject to the requirements of any applicable mortgage clause and of paragraph 5.13. OWNER shall deposit in a separate account any money so received, and shall distribute it in accordance with such agreement as the parties in interest may reach. If no other special agreement is reached the damaged Work shall be repaired or replaced, the moneys so received applied on account thereof and the Work and the cost thereof covered by an appropriate Change Order or Written Amendment.

5.13. OWNER as fiduciary shall have power to adjust and settle any loss with the insurers unless one of the parties in interest shall object in writing within fifteen days after the occurrence of loss to OWNER's exercise of this power. If such objection be made, OWNER as fiduciary shall make settlement with the insurers in accordance with such agreement as the parties in interest may reach. If no such agreement among the parties in interest is reached, OWNER as fiduciary shall adjust and settle the loss with the insurers and, if required in writing by any party in interest, OWNER as fiduciary shall give bond for the proper performance of such duties.

Acceptance of Bonds and Insurance; Option to Replace;

5.14. If either party (OWNER or CONTRACTOR) has any objection to the coverage afforded by or other provisions of the Bonds or insurance required to be purchased and maintained by the other party in accordance with Article 5 on the basis of non-conformance with the Contract Documents, the objecting party shall so notify the other party in writing within ten days after receipt of the certificates (or other evidence requested) required by paragraph 2.7. OWNER and

CONTRACTOR shall each provide to the other such additional information in respect of insurance provided as the other may reasonably request. If either party does not purchase or maintain all of the Bonds and insurance required of such party by the Contract Documents, such party shall notify the other party in writing of such failure to purchase prior to the start of the Work, or of such failure to maintain prior to any change in the required coverage. Without prejudice to any other right or remedy, the other party may elect to obtain equivalent Bonds or insurance to protect such other party's interests at the expense of the party who was required to provide such coverage, and a Change Order shall be issued to adjust the Contract Price accordingly.

Partial Utilization--Property Insurance:

5.15. If OWNER finds it necessary to occupy or use a portion or portions of the Work prior to Substantial Completion of all the Work, such use or occupancy may be accomplished in accordance with paragraph 14.10; provided that no such use or occupancy shall commence before the insurers providing the property insurance have acknowledged notice thereof and in writing effected any changes in coverage necessitated thereby. The insurers providing the property insurance shall consent by endorsement on the policy or policies, but the property insurance shall not be cancelled or permitted to lapse on account of any such partial use or occupancy.

ARTICLE 6--CONTRACTOR'S RESPONSIBILITIES

Supervision and Superintendence:

6.1. CONTRACTOR shall supervise, inspect and direct the Work competently and efficiently, devoting such attention thereto and applying such skills and expertise as may be necessary to perform the Work in accordance with the Contract Documents. CONTRACTOR shall be solely responsible for the means, methods, techniques, sequences and procedures of construction, but CONTRACTOR shall not be responsible for the negligence of others in the design or specification of a specific means, method, technique, sequence or procedure of construction which is shown or indicated in and expressly required by the Contract Documents. CONTRACTOR shall be responsible to see that the completed Work complies accurately with the Contract Documents.

6.2. CONTRACTOR shall keep on the Work at all times during its progress a competent resident superintendent, who shall not be replaced without written notice to OWNER and ENGINEER except under extraordinary circumstances. The superintendent will be CONTRACTOR's representative at the site and shall have authority to act on behalf of CONTRACTOR. All communications to the superintendent shall be as binding as if given to CONTRACTOR.

Labor, Materials and Equipment:

6.3. CONTRACTOR shall provide competent, suitably qualified personnel to survey, lay out and construct the Work as required by the Contract Documents. CONTRACTOR shall at all times maintain good discipline and order at the site. Except as otherwise required for the safety or protection of persons or the Work or property at the site or adjacent thereto, and except as otherwise indicated in the Contract Documents, all Work at the site shall be performed during regular working hours and CONTRACTOR will not permit overtime work or the performance of Work on Saturday, Sunday or any legal holiday without OWNER's written consent given after prior written notice to ENGINEER.

6.4. Unless otherwise specified in the General Requirements, CONTRACTOR shall furnish and assume full responsibility for all materials, equipment, labor, transportation, construction equipment and machinery, tools, appliances, fuel, power, light, heat, telephone, water sanitary facilities, temporary facilities and all other facilities and incidentals necessary for the furnishing, performance, testing, start-up and completion of the Work.

6.5. All materials and equipment shall be of good quality and new, except as otherwise provided in the Contract Documents. All warranties and guarantees specifically called for by the Specifications shall expressly run to the benefit of OWNER. If required by ENGINEER, CONTRACTOR shall furnish satisfactory evidence (including reports of required tests) as to the kind and quality of materials and equipment. All materials and equipment shall be applied, installed, connected, erected, used, cleaned and conditioned in accordance with instructions of the applicable Supplier, except as otherwise provided in the Contract Documents.

Progress Schedule:

6.6. CONTRACTOR shall adhere to the progress schedule established in accordance with paragraph 2.9 as it may be adjusted from time to time as provided below:

6.6.1. CONTRACTOR shall submit to ENGINEER for acceptance (to the extent indicated in paragraph 2.9) proposed adjustments in the progress schedule that will not change the Contract Times (or Milestones). Such adjustments will conform generally to the progress schedule then in effect and additionally will comply with any provisions of the General Requirements applicable thereto.

6.6.2. Proposed adjustments in the progress schedule that will change the Contract Times (or Milestones) shall be submitted in accordance with the requirements of paragraph 12.1. Such adjustments may only be made by a Change Order or Written Amendment in accordance with Article 12.

6.7. Substitutes and "Or-Equal" Items:

6.7.1. Whenever an item of material or equipment is specified or described in the Contract Documents by using the name of a proprietary item or the name of a particular Supplier, the specification or description is intended to establish the type, function and quality required. Unless the specification or description contains or is followed by words reading that no like, equivalent or "or-equal" item or no substitution is permitted, other items of material or equipment or material or equipment of other Suppliers may be accepted by ENGINEER under the following circumstances:

6.7.1.1. *"Or-Equal"*: If in ENGINEER's sole discretion an item of material or equipment proposed by CONTRACTOR is functionally equal to that named and sufficiently similar so that no change in related Work will be required, it may be considered by ENGINEER as an "or-equal" item, in which case review and approval of the proposed item may, in ENGINEER's sole discretion, be accomplished without compliance with some or all of the requirements for acceptance of proposed substitute items.

6.7.1.2. *Substitute Items*: If in ENGINEER's sole discretion an item of material or equipment proposed by CONTRACTOR does not qualify as an "or-equal" item under

subparagraph 6.7.1.1., it will be considered a proposed substitute item. CONTRACTOR shall submit sufficient information as provided below to allow ENGINEER to determine that the item of material or equipment proposed is essentially equivalent to that named and an acceptable substitute therefore. The procedure for review by the ENGINEER will include the following as supplemented in the General Requirements and as ENGINEER may decide is appropriate under the circumstances. Requests for review of proposed substitute items of material or equipment will not be accepted by ENGINEER from anyone other than CONTRACTOR. If CONTRACTOR wishes to furnish or use a substitute item of material or equipment, CONTRACTOR shall first make written application to ENGINEER for acceptance thereof, certifying that the proposed substitute will perform adequately the functions and achieve the results called for by the general design, be similar in substance to that specified and be suited to the same use as that specified. The application will state the extent, if any, to which the evaluation and acceptance of the proposed substitute will prejudice CONTRACTOR's achievement of Substantial Completion on time, whether or not acceptance of the substitute for use in the Work will require a change in any of the Contract Documents (or in the provisions of any other direct contract with OWNER for work on the Project) to adapt the design to the proposed substitute and whether or not incorporation or use of the substitute in connection with the Work is subject to payment of any license fee or royalty. All variations of the proposed substitute from that specified will be identified in the application and available maintenance, repair and replacement service will be indicated. The application will also contain an itemized estimate of all costs or credits that will result directly or indirectly from acceptance of such substitute, including costs of redesign and claims of other contractors affected by the resulting change, all of which will be considered by ENGINEER in evaluating the proposed substitute. ENGINEER may require CONTRACTOR to furnish additional data about the proposed substitute.

6.7.1.3. *CONTRACTOR's Expense*: All data to be provided by CONTRACTOR in support of any proposed "or-equal" or substitute item will be at CONTRACTOR's expense.

6.7.2. *Substitute Construction Methods or Procedures*: If a specific means, method, technique, sequence or procedure of construction is shown or indicated in and expressly required by the Contract Documents, CONTRACTOR may furnish or utilize a substitute means, method, technique, sequence or procedure of construction acceptable to ENGINEER. CONTRACTOR shall submit sufficient information to allow ENGINEER, in ENGINEER's sole discretion, to determine that the substitute proposed is equivalent to that expressly called for by the Contract Documents. The procedure for review by ENGINEER will be similar to that provided in subparagraph 6.7.1.2.

6.7.3. *Engineer's Evaluation*: ENGINEER will be allowed a reasonable time within which to evaluate each proposal or submittal made pursuant to paragraphs 6.7.1.2 and 6.7.2. ENGINEER will be the sole judge of acceptability. No "or-equal" or substitute will be ordered, installed or utilized without ENGINEER's prior written acceptance which will be evidenced by either a Change Order or an approved Shop Drawing. OWNER may require CONTRACTOR to furnish at CONTRACTOR's expense a special performance guarantee or other surety with respect to any "or-equal" or substitute. ENGINEER will record time required by ENGINEER and ENGINEER's Consultants in

evaluating substitutes proposed or submitted by CONTRACTOR pursuant to paragraphs 6.7.1.2 and 6.7.2 and in making changes in the Contract Documents (or in the provisions of any other direct contract with OWNER for work on the Project) occasioned thereby. Whether or not ENGINEER accepts a substitute item so proposed or submitted by CONTRACTOR, CONTRACTOR shall reimburse OWNER for the charges of ENGINEER and ENGINEER's Consultants for evaluating each such proposed substitute item.

Concerning Subcontractors, Suppliers and Others:

6.8.1. CONTRACTOR shall not employ any Subcontractor, Supplier or other person or organization (including those acceptable to OWNER and ENGINEER as indicated in paragraph 6.8.2), whether initially or as a substitute, against whom OWNER or ENGINEER may have reasonable objection. CONTRACTOR shall not be required to employ any Subcontractor, Supplier or other person or organization to furnish or perform any of the Work against whom CONTRACTOR has reasonable objection.

6.8.2. If the Supplementary Conditions require the identity of certain Subcontractors, Suppliers or other persons or organization (including those who are to furnish the principal items of materials or equipment) to be submitted to OWNER in advance of the specified date prior to the Effective Date of the Agreement for acceptance by OWNER and ENGINEER, and if CONTRACTOR has submitted a list thereof in accordance with the Supplementary Conditions, OWNER's or ENGINEER's acceptance (either in writing or by failing to make written objection thereto by the date indicated for acceptance or objection in the bidding documents or the Contract Documents) of any such Subcontractor, Supplier or other person or organization so identified may be removed on the basis of reasonable objection after due investigation, in which case CONTRACTOR shall submit an acceptable substitute, the Contract Price will be adjusted by the difference in the cost occasioned by such substitution and an appropriate Change Order will be issued or Written Amendment signed. No acceptance by OWNER or ENGINEER of any such Subcontractor, Supplier or other person or organization shall constitute a waiver of any right of OWNER or ENGINEER to reject *defective* Work.

6.9.1. CONTRACTOR shall be fully responsible to OWNER and ENGINEER for all acts and omissions of the Subcontractors, Suppliers and other persons and organizations performing or furnishing any of the Work under a direct or indirect contract with CONTRACTOR just as CONTRACTOR is responsible for CONTRACTOR's own acts and omissions. Nothing in the Contract Documents shall create for the benefit of any such Subcontractor, Supplier or other person or organization any contractual relationship between OWNER and ENGINEER and any such Subcontractor, Supplier or other person or organization, nor shall it create any obligation on the part of OWNER or ENGINEER to pay or to see to the payment of any moneys due any such Subcontractor, Supplier or other person or organization except as may otherwise be required by Laws and Regulations.

6.9.2. CONTRACTOR shall be solely responsible for scheduling and coordinating the Work of Subcontractors, Suppliers and other persons and organizations performing or furnishing any of the Work under a direct or indirect contract with CONTRACTOR. CONTRACTOR shall require all Subcontractors, Suppliers and such other persons and organizations performing or furnishing any of the Work to communicate with the ENGINEER through CONTRACTOR.

6.10. The divisions and sections of the Specifications and the identifications of any Drawings shall not control CONTRACTOR in dividing the Work among Subcontractors or Suppliers or delineating the Work to be performed by any specific trade.

6.11. All Work performed for CONTRACTOR by a Subcontractor or Supplier will be pursuant to an appropriate agreement between CONTRACTOR and the Subcontractor or Supplier which specifically binds the Subcontractor or Supplier to the applicable terms and conditions of the Contract Documents for the benefit of OWNER and ENGINEER. Whenever any such agreement is with a Subcontractor or Supplier who is listed as an additional insured on the property insurance provided in paragraph 5.6 or 5.7, the agreement between the CONTRACTOR and the Subcontractor or Supplier will contain provisions whereby the Subcontractor or Supplier waives all rights against OWNER, CONTRACTOR, ENGINEER, ENGINEER's Consultants and all other additional insureds for all losses and damages caused by, arising out of or resulting from any of the perils covered by such policies and any other property insurance applicable to the Work. If the insurers on any such policies require separate waiver forms to be signed by any Subcontractor or Supplier, CONTRACTOR will obtain the same.

Patent Fees and Royalties:

6.12. CONTRACTOR shall pay all license fees and royalties and assume all costs incident to the use in the performance of the Work or the incorporation in the Work of any invention, design, process, product or device which is the subject of patent rights or copyrights held by others. If a particular invention, design, process, product or device is specified in the Contract Documents for use in the performance of the Work and if to the actual knowledge of OWNER or ENGINEER its use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by OWNER in the Contract Documents. To the fullest extent permitted by Laws and Regulations, CONTRACTOR shall indemnify and hold harmless OWNER, ENGINEER, ENGINEER's Consultants and the officers, directors, employees, agents and other consultants of each and any of them from and against all claims, costs, losses and damages arising out of or resulting from any infringement of patent rights or copyrights incident to the use in the performance of the Work or resulting from the incorporation in the Work of any invention, design, process, product or device not specified in the Contract Documents.

Permits:

6.13. Unless otherwise provided in the Supplementary Conditions, CONTRACTOR shall obtain and pay for all construction permits and licenses. OWNER shall assist CONTRACTOR, when necessary, in obtaining such permits and licenses. CONTRACTOR shall pay all governmental charges and inspection fees necessary for the prosecution of the Work, which are applicable at the time of opening of Bids, or, if there are no Bids, on the Effective Date of the Agreement. CONTRACTOR shall pay all charges of utility owners for connections to the Work, and OWNER shall pay all charges of such utility owners for capital costs related thereto such as plant investment fees.

Laws and Regulations:

6.14.1. CONTRACTOR shall give all notices and comply with all Laws and Regulations applicable to furnishing and performance of the Work. Except where otherwise expressly required by applicable Laws and Regulations, neither OWNER nor ENGINEER shall be responsible for monitoring CONTRACTOR's compliance with any Laws or Regulations.

6.14.2. If CONTRACTOR performs any Work knowing or having reason to know that it is contrary to Laws or Regulations, CONTRACTOR shall bear all claims, costs, losses and damages caused by, arising out of or resulting there from; however, it shall not be CONTRACTOR's primary responsibility to make certain that the Specifications and Drawings are in accordance with Laws and Regulations, but this shall not relieve CONTRACTOR or CONTRACTOR's obligations under paragraph 3.3.2.

Taxes:

6.15. CONTRACTOR shall pay all sales, consumer, use and other similar taxes required to be paid by CONTRACTOR in accordance with Laws and Regulations of the place of the Project which are applicable during the performance of the Work.

Use of Premises:

6.16. CONTRACTOR shall confine construction equipment, the storage of materials and equipment and the operations of workers to the site and land and areas identified in and permitted by the Contract Documents and other land and areas permitted by Laws and Regulations, rights-of-way, permits and easements, and shall not unreasonably encumber the premises with construction equipment or other materials or equipment. CONTRACTOR shall assume full responsibility for any damage to any such land or area, or to the owner or occupant thereof or of any adjacent land or areas, resulting from the performance of the Work. Should any claim be made by any such owner or occupant because of the performance of the Work, CONTRACTOR shall promptly settle with such other party by negotiation or otherwise resolve the claim by arbitration or other dispute resolution proceeding or at law. CONTRACTOR shall, to the fullest extent permitted by Laws and Regulations, indemnify and hold harmless OWNER, ENGINEER, ENGINEER's Consultant and anyone directly or indirectly employed by any of them from and against all claims, costs, losses and damages arising out of or resulting from any claim or action, legal or equitable, brought by any such owner or occupant against OWNER, ENGINEER or any other party indemnified hereunder to the extent caused by or based upon CONTRACTOR's performance of the Work.

6.17. During the progress of the Work, CONTRACTOR shall keep the premises free from accumulations of waste materials, rubbish and other debris resulting from the Work. At the completion of the Work CONTRACTOR shall remove all waste materials, rubbish and debris from and about the premises as well as all tools, appliances, construction equipment and machinery and surplus materials. CONTRACTOR shall leave the site clean and ready for occupancy by OWNER at Substantial Completion of the Work. CONTRACTOR shall restore to original condition all property not designated for alteration by the Contract Documents.

6.18. CONTRACTOR shall not load nor permit any part of any structure to be loaded in any manner that will endanger the structure, nor shall CONTRACTOR subject any part of the Work or adjacent property to stresses or pressures that will endanger it.

Record Documents:

6.19. CONTRACTOR shall maintain in a safe place at the site one record copy of all Drawings, Specifications, Addenda, Written Amendments, Change Orders, Work Change Directives, Field Orders and written interpretations and clarifications (issued pursuant to paragraph 9.4) in good order and annotated to show all changes made during construction. These record documents together with all

approved Samples and a counter part of all approved Shop Drawings will be available to ENGINEER for reference. Upon completion of the Work, these record documents, Samples and Shop Drawings will be delivered to ENGINEER for OWNER.

Safety and Protection:

6.20. CONTRACTOR shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the Work. CONTRACTOR shall take all necessary precautions for the safety of, and shall provide the necessary protection to prevent damage, injury or loss to:

6.20.1. all persons on the Work site or who may be affected by the Work;

6.20.2. all the Work and materials and equipment to be incorporated therein, whether in storage on or off the site; and

6.20.3. other property at the site or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures, utilities and Underground Facilities not designated for removal, relocation or replacement in the course of construction.

CONTRACTOR shall comply with all applicable Laws and Regulations of any public body having jurisdiction for safety of persons or property or to protect them from damage, injury or loss; and shall erect and maintain all necessary safeguards for such safety and protection. CONTRACTOR shall notify owners of adjacent property and of Underground Facilities and utility owners when prosecution of the Work may affect them, and shall cooperate with them in the protection, removal, relocation and replacement of their property. All damage, injury or loss to any property referred to in paragraph 6.20.2 or 6.20.3 caused, directly or indirectly, in whole or in part, by CONTRACTOR, any Subcontractor, Supplier or any other person or organization directly or indirectly employed by any of them to perform or furnish any of the Work or anyone for whose acts any of them may be liable, shall be remedied by CONTRACTOR (except damage or loss attributable to the fault of Drawings or Specifications or to the acts or omissions of OWNER or ENGINEER or ENGINEER's Consultant or anyone employed by any of them or anyone for whose acts any of them may be liable, and not attributable, directly or indirectly, in whole or in part, to the fault or negligence of CONTRACTOR or any Subcontractor, Supplier or other person or organization directly or indirectly employed by any of them). CONTRACTOR's duties and responsibilities for safety and for protection of the Work shall continue until such time as all the Work is completed and ENGINEER has issued a notice to OWNER and CONTRACTOR in accordance with paragraph 14.13 that the Work is acceptable (except as otherwise expressly provided in connection with Substantial Completion).

Safety Representative:

6.21. CONTRACTOR shall designate a qualified and experienced safety representative at the site whose duties and responsibilities shall be the prevention of accidents and the maintaining and supervising of safety precautions and programs.

Hazard Communication Program:

6.22. CONTRACTOR shall be responsible for coordinating any exchange of material safety data sheets or other hazard communication information required to be made available to or exchanged between or among employers at the site in accordance with Laws or Regulations.

Emergencies:

6.23. In emergencies affecting the safety or protection of persons or the Work or property at the site or adjacent thereto, CONTRACTOR, without special instruction or authorization from OWNER or ENGINEER, is obligated to act to prevent threatened damage, injury or loss. CONTRACTOR shall give ENGINEER prompt written notice if CONTRACTOR believes that any significant changes in the Work or variations from the Contract Documents have been caused thereby. If ENGINEER determines that a change in the Contract Documents is required because of the action taken by CONTRACTOR in response to such an emergency, a Work Change Directive or Change Order will be issued to document the consequences of such action.

6.24. Shop Drawings and Samples:

6.24.1. CONTRACTOR shall submit Shop Drawings to ENGINEER for review and approval in accordance with the accepted schedule of Shop Drawings and Sample submittals (see paragraph 2.9). All submittals will be identified as ENGINEER may require and in the number of copies specified in the General Requirements. The data shown on the Shop Drawings will be complete with respect to quantities, dimensions, specified performance and design criteria, materials and similar data to show ENGINEER the materials and equipment CONTRACTOR proposes to provide and to enable ENGINEER to review the information for the limited purposes required by paragraph 6.26.

6.24.2. CONTRACTOR shall also submit Samples to ENGINEER for review and approval in accordance with said accepted schedule of Shop Drawings and Sample submittals. Each Sample will be identified clearly as to material, Supplier, pertinent data such as catalog numbers and the use for which intended and otherwise as ENGINEER may require to enable ENGINEER to review the submittal for the limited purposes required by paragraph 6.26. The numbers of each Sample to be submitted will be as specified in the Specifications.

6.25. Submittal Procedures:

6.25.1. Before submitting each Shop Drawing or Sample, CONTRACTOR shall have determined and verified:

6.25.1.1. all field measurements, quantities, dimensions, specified performance criteria, installation requirements, materials, catalog numbers and similar information with respect thereto.

6.25.1.2. all materials with respect to intended use, fabrication, shipping, handling, storage, assembly and installation pertaining to the performance of the Work, and

6.25.1.3. all information relative to CONTRACTOR's sole responsibilities in respect of means, methods, techniques, sequences and procedures of construction and safety precautions and programs incident thereto.

CONTRACTOR shall also have reviewed and coordinated each Shop Drawing or Sample with other Shop Drawings and Samples and with the requirements of the Work and the Contract Documents.

6.25.2. Each submittal will bear a stamp or specific written indication that CONTRACTOR has satisfied CONTRACTOR's obligations under the Contract Documents with respect to CONTRACTOR's review and approval of that submittal.

6.25.3. At the time of each submission, CONTRACTOR shall give ENGINEER specific written notice of such variations, if any, that the Shop Drawings or Sample submitted may have from the requirements of the Contract Documents, such notice to be in a written communication separate from the submittal; and, in addition, shall cause a specific notation to be made on each Shop Drawing and Sample submitted to ENGINEER for review and approval of each such variation.

6.26. ENGINEER will review and approve Shop Drawings and Samples in accordance with the schedule of Shop Drawings and Sample submittals accepted by ENGINEER as required by paragraph 2.9. ENGINEER's review and approval will be only to determine if the items covered by the submittals will, after installation or incorporation in the Work, conform to the information given in the Contract Documents and be compatible with the design concept of the completed project as a functioning whole as indicated by the Contract Documents. ENGINEER's review and approval will not extend to means, methods, techniques, sequences or procedures of construction (except where particular means, method, technique, sequence or procedure of construction is specifically and expressly called for by the Contract Documents) or to safety precautions or programs incident thereto. The review and approval of a separate item as such will not indicate approval of the assembly in which the item functions. CONTRACTOR shall make corrections required by ENGINEER, and shall return the required number of corrected copies of Shop Drawings and submit as required new Samples for review and approval. CONTRACTOR shall direct specific attention in writing to revisions other than the corrections called for by ENGINEER on previous submittals.

6.27. ENGINEER's review and approval of Shop Drawings or Samples shall not relieve CONTRACTOR from responsibility for any variation from the requirements of the Contract Documents unless CONTRACTOR has in writing called ENGINEER's attention to each such variation at the time of submission as required by paragraph 6.25.3 and ENGINEER has given written approval of each such variation by specific written notation thereof incorporated in or accompanying the Shop Drawing or Sample approval; nor will any approval by ENGINEER relieve CONTRACTOR from responsibility for complying with the requirements of paragraph 6.25.1.

6.28. Where a Shop Drawing or Sample is required by the Contract Documents or the schedule of Shop Drawings and Sample submissions accepted by ENGINEER as required by paragraph 2.9, any related Work performed prior to ENGINEER's review and approval of the pertinent submittal will be at the sole expense and responsibility of CONTRACTOR.

Continuing the Work:

6.29. CONTRACTOR shall carry on the Work and adhere to the progress schedule during all disputes or disagreements with OWNER. No Work shall be delayed or postponed pending resolution of any disputes or disagreements, except as permitted by paragraph 15.5 or as OWNER and CONTRACTOR may otherwise agree in writing.

6.30. CONTRACTOR's General Warranty and Guarantee

6.30.1. CONTRACTOR warrants and guarantees to OWNER, ENGINEER and ENGINEER's Consultants that all Work will be in accordance with the Contract Documents and will not be *defective*. CONTRACTOR's warranty and guarantee hereunder excludes defects or damage caused by:

6.30.1.1. abuse, modification or improper maintenance or operation by persons other than CONTRACTOR, Subcontractors or Suppliers; or

6.30.1.2. normal wear and tear under normal usage.

6.30.2. CONTRACTOR's obligation to perform and complete the Work in accordance with the Contract Documents shall be absolute. None of the following will constitute an acceptance of Work that is not in accordance with the Contract Documents or a release of CONTRACTOR's obligation to perform the Work in accordance with the Contract Documents:

6.30.2.1. observations by ENGINEER;

6.30.2.2. recommendation of any progress or final payment by ENGINEER;

6.30.2.3. the issuance of a certificate of Substantial Completion or any payment by OWNER to CONTRACTOR under the Contract Documents;

6.30.2.4. use or occupancy of the Work or any part thereof by OWNER;

6.30.2.5. any acceptance by OWNER or any failure to do so;

6.30.2.6. any review and approval of a Shop Drawing or Sample submittal or the issuance of a notice of acceptability by ENGINEER pursuant to paragraph 14.13;

6.30.2.7. any inspection, test or approval by others; or

6.30.2.8. any correction of *defective* Work by OWNER.

Indemnification:

6.31. To the fullest extent permitted by Laws and Regulations, CONTRACTOR shall indemnify and hold harmless OWNER, ENGINEER, ENGINEER's Consultants and the officers, directors, employees, agents and other consultants of each and any of them from and against all claims, costs, losses and damages (including but not limited to all fees and charges of engineers, architects, attorneys and other professionals and all court or arbitration or other dispute resolution costs) caused by, arising out of or resulting from the performance of the Work, provided that any such claim, cost, loss or damage: (i) is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), including the loss of use resulting there from, and (ii) is caused in whole or in part by any negligent act or omission of CONTRACTOR, any Subcontractor, any Supplier, any person or organization directly or indirectly employed by any of them to perform or furnish any of the Work or anyone for whose acts any of them may be liable, regardless of whether or not caused in part by any negligence or omission of a person or entity indemnified hereunder or whether liability is imposed upon such indemnified party by Laws and Regulations regardless of the negligence of any such person or entity.

6.32. In any and all claims against OWNER or ENGINEER or any of their respective consultants, agents, officers, directors or employees by any employee (or the survivor or personal representative of such employee) of CONTRACTOR, any Subcontractor, any Supplier, any person or organization directly or indirectly employed by any of them

to perform or furnish any of the Work, or anyone for whose acts any of them may be liable, the indemnification obligation under paragraph 6.31 shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for CONTRACTOR or any such Subcontractor, Supplier or other person or organization under workers' compensation acts, disability benefit acts or other employee benefit acts.

6.33. The indemnification obligations of CONTRACTOR under paragraph 6.31 shall not extend to the liability of ENGINEER and ENGINEER's Consultants, officers, directors, employees or agents caused by the professional negligence errors or omissions of any of them.

Survival of Obligations:

6.34. All representatives, indemnifications, warranties and guarantees made in, required by or given in accordance with the Contract Documents, as well as all continuing obligations indicated in the Contract Documents, will survive final payment, completion and acceptance of the Work and termination or completion of the Agreement.

ARTICLE 7--OTHER WORK

Related Work at Site:

7.1. OWNER may perform other work related to the Project at the site by OWNER's own forces, or let other direct contracts therefore which shall contain General Conditions similar to these, or have other work performed by utility owners. If the fact that such other work is to be performed was not noted in the Contract Documents, then: (i) written notice thereof will be given to CONTRACTOR prior to starting any such other work, and (ii) CONTRACTOR may make a claim therefore as provided in Articles 11 and 12 if CONTRACTOR believes that such performance will involve additional expense to CONTRACTOR or requires additional time and the parties are unable to agree as to the amount or extent thereof.

7.2. CONTRACTOR shall afford each other contractor who is a party to such a direct contract and each utility owner (and OWNER, if OWNER is performing the additional work with OWNER's employees) proper and safe access to the site and a reasonable opportunity for the introduction and storage of materials and equipment and the execution of such other work and shall properly connect and coordinate the Work with theirs. Unless otherwise provided in the Contract Documents, CONTRACTOR shall do all cutting, fitting and patching of the Work that may be required to make its several parts come together properly and integrate with such other work. CONTRACTOR shall not endanger any work of others by cutting, excavating or otherwise altering their work and will only cut or alter their work with the written consent of ENGINEER and the others whose work will be affected. The duties and responsibilities of CONTRACTOR under this paragraph are for the benefit of such utility owners and other contractors to the extent that there are comparable provisions for the benefit of CONTRACTOR in said direct contracts between OWNER and such utility owners and other contractors.

7.3. If the proper execution or results of any part of CONTRACTOR's Work depends upon work performed by others under this Article 7, CONTRACTOR shall inspect such other work and promptly report to ENGINEER in writing any delays, defects or deficiencies in such other work that render it unavailable or unsuitable

for the proper execution and results of CONTRACTOR's Work. CONTRACTOR's failure so to report will constitute an acceptance of such other work as fit and proper for integration with CONTRACTOR's Work except for latent or nonapparent defects and deficiencies in such other work.

Coordination:

7.4. If OWNER contracts with others for the performance of other work on the Project at the site, the following will be set forth in Supplementary Conditions:

7.4.1. the person, firm or corporation who will have authority and responsibility for coordination of the activities among the various prime contractors will be identified;

7.4.2. the specific matters to be covered by such authority and responsibility will be itemized; and

7.4.3. the extent of such authority and responsibilities will be provided.

Unless otherwise provided in the Supplementary Conditions, OWNER shall have sole authority and responsibility in respect of such coordination.

ARTICLE 8--OWNER'S RESPONSIBILITIES

8.1. Except as otherwise provided in these General Conditions, OWNER shall issue all communications to CONTRACTOR through ENGINEER.

8.2. In case of termination of the employment of ENGINEER, OWNER shall appoint an engineer against whom CONTRACTOR makes no reasonable objection, whose status under the Contract Documents shall be that of the former ENGINEER.

8.3. OWNER shall furnish the data required of OWNER under the Contract Documents promptly and shall make payments to CONTRACTOR promptly when they are due as provided in paragraphs 14.4 and 14.13.

8.4. OWNER's duties in respect of providing lands and easements and providing engineering surveys to establish reference points are set forth in paragraphs 4.1 and 4.4. Paragraph 4.2 refers to OWNER's identifying and making available to CONTRACTOR copies of reports of explorations and tests of subsurface conditions at the site and drawings of physical conditions in existing structures at or contiguous to the site that have been utilized by ENGINEER in preparing the Contract Documents.

8.5. OWNER's responsibilities in respect of purchasing and maintaining liability and property insurance are set forth in paragraphs 5.5 through 5.10.

8.6. OWNER is obligated to execute Change Orders as indicated in paragraph 10.4.

8.7. OWNER's responsibility in respect of certain inspections, tests and approvals is set forth in paragraph 13.4.

8.8. In connection with OWNER's right to stop Work or suspend Work, see paragraphs 13.10 and 15.1. Paragraph 15.2 deals with OWNER's right to terminate services of CONTRACTOR under certain circumstances.

8.9. The OWNER shall not supervise, direct or have control or authority over, nor be responsible for, CONTRACTOR's means, methods, techniques, sequences or procedures of construction or the safety precautions and programs incident thereto, or for any failure of CONTRACTOR to comply with Laws and Regulations applicable to the furnishing or performance of the Work. OWNER will not be responsible for CONTRACTOR's failure to perform or furnish the Work in accordance with the Contract Documents.

8.10. OWNER's responsibility in respect of undisclosed Asbestos, PCBs, Petroleum, Hazardous Waste or Radioactive Materials uncovered or revealed at the site is set forth in paragraph 4.5.

8.11. If and to the extent OWNER has agreed to furnish CONTRACTOR reasonable evidence that financial arrangements have been made to satisfy OWNER's obligations under the Contract Documents, OWNER's responsibility in respect thereof will be as set forth in the Supplementary Conditions.

ARTICLE 9--ENGINEER'S STATUS DURING CONSTRUCTION

OWNER's Representative:

9.1. ENGINEER will be OWNER's representative during the construction period. The duties and responsibilities and the limitations of authority of ENGINEER as OWNER's representative during construction are set forth in the Contract Documents and shall not be extended without written consent of OWNER and ENGINEER.

Visits to Site:

9.2. ENGINEER will make visits to the site at intervals appropriate to the various stages of construction as ENGINEER deems necessary in order to observe as an experienced and qualified design professional the progress that has been made and the quality of the various aspects of CONTRACTOR's executed Work. Based on information obtained during such visits and observations, ENGINEER will endeavor for the benefit of OWNER to determine, in general, if the Work is proceeding in accordance with the Contract Documents. ENGINEER will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. ENGINEER's efforts will be directed toward providing for OWNER a greater degree of confidence that the completed Work will conform generally to the Contract Documents. On the basis of such visits and on-site observations, ENGINEER will keep OWNER informed of the progress of the Work and will endeavor to guard OWNER against *defective* Work. ENGINEER's visits and on-site observations are subject to all the limitations on ENGINEER's authority and responsibility set forth in paragraph 9.13, and particularly, but without limitation, during or as a result of ENGINEER's on-site visits or observations of CONTRACTOR's Work ENGINEER will not supervise, direct, control or have authority over or be responsible for CONTRACTOR's means, methods, techniques, sequences or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of CONTRACTOR to comply with Laws and Regulations applicable to the furnishing or performance of the Work.

Project Representative:

9.3. If OWNER and ENGINEER agree, ENGINEER will furnish a Resident Project Representative to assist ENGINEER in providing more continuous observation of the Work. The responsibilities and authority and limitations thereon of any such Resident Project Representative and assistants will be as provided in paragraph 9.13 and in the Supplementary Conditions. If OWNER designates another representative or agent to represent OWNER at the site who is not ENGINEER's Consultant, agent or employee, the responsibilities and authority and limitations thereon of such other person will be as provided in the Supplementary Conditions.

Clarifications and Interpretations:

9.4. ENGINEER will issue with reasonable promptness such written clarifications or interpretations of the requirements of the Contract Documents (in the form of Drawings or otherwise) as ENGINEER may determine necessary, which shall be consistent with the intent of and reasonably inferable from Contract Documents. Such written clarifications and interpretations will be binding on OWNER and CONTRACTOR. If OWNER or CONTRACTOR believes that a written clarification or interpretation justifies an adjustment in the Contract Price or the Contract Times and the parties are unable to agree to the amount or extent thereof, if any, OWNER or CONTRACTOR may make a written claim therefore as provided in Article 11 or Article 12.

Authorized Variations in Work:

9.5. ENGINEER may authorize minor variations in the Work from the requirements of the Contract Documents which do not involve an adjustment in the Contract Price or the Contract Times and are compatible with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. These may be accomplished by a Field Order and will be binding on OWNER and also on CONTRACTOR who shall perform the Work involved promptly. If OWNER or CONTRACTOR believes that a Field Order justifies an adjustment in the Contract Price or the Contract Times and the parties are unable to agree as to the amount or extent thereof, OWNER or CONTRACTOR may make a written claim therefore as provided in Article 11 or 12.

Rejecting Defective Work:

9.6. ENGINEER will have authority to disapprove or reject Work which ENGINEER believes to be *defective*, or that ENGINEER believes will not produce a completed Project that conforms to the Contract Documents or that will prejudice the integrity of the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. ENGINEER will also have authority to require special inspection or testing of the Work as provided in paragraph 13.9, whether or not the Work is fabricated, installed or completed.

Shop Drawings, Change Orders and Payments:

9.7. In connection with ENGINEER's authority as to Shop Drawings and Samples, see paragraphs 6.24 through 6.28 inclusive.

9.8. In connection with ENGINEER's authority as to Change Orders, see Articles 10, 11, and 12.

9.9. In connection with ENGINEER's authority as to Applications for Payment, see Article 14.

Determinations for Unit Price:

9.10. ENGINEER will determine the actual quantities and classifications of Unit Price Work performed by CONTRACTOR. ENGINEER will review with CONTRACTOR the ENGINEER's preliminary determinations on such matters before rendering a written decision thereon (by recommendation of an Application for Payment or otherwise). ENGINEER's written decision thereon will be final and binding upon OWNER and CONTRACTOR, unless, within ten days after the date of any such decision, either OWNER or CONTRACTOR delivers to the other and to ENGINEER written notice of intention to appeal from ENGINEER's decision and: (i) an appeal from ENGINEER's decision is taken within the time limits and in accordance with the procedures set forth in Exhibit GC-A, "Dispute Resolution Agreement," entered into between OWNER and CONTRACTOR pursuant to Article 16, or (ii) if no such Dispute Resolution Agreement has been entered into, a formal proceeding is instituted by the appealing party in a forum of competent jurisdiction to exercise such rights or remedies as the appealing party may have with respect to ENGINEER's decision, unless otherwise agreed in writing by OWNER and CONTRACTOR. Such appeal will not be subject to the procedures of paragraph 9.11.

Decisions on Disputes:

9.11. ENGINEER will be the initial interpreter of the requirements of the Contract Documents and judge of the acceptability of the Work thereunder. Claims, disputes and other matters relating to the acceptability of the Work or the interpretation of the requirements of the Contract Documents pertaining to the performance and furnishing of the Work and Claims under Articles 11 and 12 in respect of changes in the Contract Price or Contract Times will be referred initially to ENGINEER in writing with a request for a formal decision in accordance with this paragraph. Written notice of each such claim, dispute or other matter will be delivered by the claimant to ENGINEER and the other party to the Agreement promptly (but in no event later than thirty days) after the start of the occurrence or event giving rise thereto, and written supporting data will be submitted to ENGINEER and the other party within sixty days after the start of such occurrence or event unless ENGINEER allows an additional period of time for the submission of additional or more accurate data in support of such claim, dispute or other matter. The opposing party shall submit any response to ENGINEER and the claimant within thirty days after receipt of the claimant's last submittal (unless ENGINEER allows additional time). ENGINEER will render a formal decision in writing within thirty days after receipt of the opposing party's submittal, if any, in accordance with this paragraph. ENGINEER's written decision on such claim, dispute or other matter will be final and binding upon OWNER and CONTRACTOR unless: (i) an appeal from ENGINEER's decision is taken within the time limits and in accordance with the procedures set forth in EXHIBIT GC-A, "Dispute Resolution Agreement," entered into between OWNER and CONTRACTOR pursuant to Article 16, or (ii) if no such Dispute Resolution Agreement has been entered into, a written notice of intention to appeal from ENGINEER's written decision is delivered by OWNER or CONTRACTOR to the other and to ENGINEER within thirty days after the date of such decision and a formal proceeding is instituted by the appealing party in a forum of competent jurisdiction to exercise such rights or remedies as the appealing party may have with respect to such claim, dispute or other matter in accordance with applicable Laws and Regulations within sixty days of the date of such decision, unless otherwise agreed in writing by OWNER and CONTRACTOR.

9.12. When functioning as interpreter and judge under paragraphs 9.10 and 9.11, ENGINEER will not show partiality to OWNER or CONTRACTOR and will not be liable in connection with any interpretation or decision rendered in good faith in such capacity. The rendering of a decision by ENGINEER pursuant to paragraphs 9.10 or

9.11 with respect to any such claim, dispute or other matter (except any which have been waived by the making or acceptance of final payment as provided in paragraph 14.16) will be a condition precedent to any exercise by OWNER or CONTRACTOR of such rights or remedies as either may otherwise have under the Contract Documents or by Laws or Regulations in respect of any such claim, dispute or other matter pursuant to Article 16.

9.13. Limitations on ENGINEER's Authority and Responsibilities:

9.13.1. Neither ENGINEER's authority or responsibility under this Article 9 or under any other provision of the Contract Documents nor any decision made by ENGINEER in good faith either to exercise or not exercise such authority or responsibility or the undertaking, exercise or performance of any authority or responsibility by ENGINEER shall create, impose or give rise to any duty owed by ENGINEER to CONTRACTOR, any Subcontractor, any Supplier, any other person or organization, or to any surety for or employee or agent of any of them.

9.13.2. ENGINEER will not supervise, direct, control or have authority over or be responsible for CONTRACTOR's means, methods, techniques, sequences or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of CONTRACTOR to comply with Laws and Regulations applicable to the furnishing or performance of the Work. ENGINEER will not be responsible for CONTRACTOR's failure to perform or furnish the Work in accordance with the Contract Documents.

9.13.3. ENGINEER will not be responsible for the acts or omissions of CONTRACTOR or of any Subcontractor, any Supplier, or of any other person or organization performing or furnishing any of the Work.

9.13.4. ENGINEER's review of the final Application for Payment and accompanying documentation and all maintenance and operating instructions, schedules, guarantees, bonds and certificates of inspection, tests and approvals and Other documentation required to be delivered by paragraph 14.12 will only be to determine generally that their content complies with the requirements of, and in the case of certificates of inspections, tests and approvals that the results certified indicate compliance with, the Contract Documents.

9.13.5. The limitations upon authority and responsibility set forth in this paragraph 9.13 shall also apply to ENGINEER's Consultants, Resident Project Representative and assistants.

ARTICLE 10--CHANGES IN THE WORK

10.1. Without invalidating the Agreement and without notice to any surety, OWNER may, at any time or from time to time, order additions, deletions or revisions in the Work. Such additions, deletions or revisions will be authorized by a Written Amendment, a Change Order, or a Work Change Directive. Upon receipt of any such document, CONTRACTOR shall promptly proceed with the Work involved which will be performed under the applicable conditions of the Contract Documents (except as otherwise specifically provided).

10.2. If OWNER and CONTRACTOR are unable to agree as to the extent, if any, of an adjustment in the Contract Price or an adjustment of the Contract Times that should be allowed as a result of a Work

Change Directive, a claim may be made therefore as provided in Article 11 or Article 12.

10.3. CONTRACTOR shall not be entitled to an increase in the Contract Price or an extension of the Contract Times with respect to any Work performed that is not required by the Contract Documents as amended, modified and supplemented as provided in paragraphs 3.5 and 3.6 except in the case of any emergency as provided in paragraph 6.23 or in the case of uncovering Work as provided in paragraph 13.9.

10.4. OWNER and CONTRACTOR shall execute appropriate Change Orders recommended by ENGINEER (or Written Amendments) covering:

10.4.1. changes in the Work which are (i) ordered by OWNER pursuant to paragraph 10.1, (ii) required because of acceptance of *defective* Work under paragraph 13.13 or correcting *defective* Work under paragraph 13.14, or (iii) agreed to by the parties;

10.4.2. changes in the Contract Price or Contract Times which are agreed to by the parties; and

10.4.3. changes in the Contract Price or Contract Times which embody the substance of any written decision rendered by ENGINEER pursuant to paragraph 9.11;

provided that, in lieu of executing any such Change Order, an appeal may be taken from any such decision in accordance with the provisions of the Contract Documents and applicable Laws and Regulations, but during any such appeal, CONTRACTOR shall carry on the Work and adhere to the progress schedule as provided in paragraph 6.29.

10.5. If notice of any change affecting the general scope of the Work or the provisions of the Contract Documents (including, but not limited to, Contract Price or Contract Times) is required by the provisions of any Bond to be given to a surety, the giving of any such notice will be CONTRACTOR's responsibility, and the amount of each applicable Bond will be adjusted accordingly.

ARTICLE 11--CHANGE OF CONTRACT PRICE

11.1. The Contract Price constitutes the total compensation (subject to authorized adjustments) payable to CONTRACTOR for performing the Work. All duties, responsibilities and obligations assigned to or undertaken by CONTRACTOR shall be at CONTRACTOR's expense without change in the Contract Price.

11.2. The Contract Price may only be changed by a Change Order or by a Written Amendment. Any claim for an adjustment in the Contract Price shall be based on written notice delivered by the party making the claim to the other party and to ENGINEER promptly (but in no event later than thirty days) after the start of the occurrence or event giving rise to the claim and stating the general nature of the claim. Notice of the amount of the claim with supporting data shall be delivered within sixty days after the start of such occurrence or event (unless ENGINEER allows additional time for claimant to submit additional or more accurate data in support of the claim) and shall be accompanied by claimant's written statement that the adjustment claimed covers all known amounts to which the claimant is entitled as a result of said occurrence or event. All claims for adjustment in the Contract Price shall be determined by ENGINEER in accordance with paragraph 9.11 if OWNER and CONTRACTOR cannot otherwise

agree on the amount involved. No claim for an adjustment in the Contract Price will be valid if not submitted in accordance with this paragraph 11.2.

11.3. The value of any Work covered by a Change Order or of any claim for an adjustment in the Contract Price will be determined as follows:

11.3.1. where the Work involved is covered by unit prices contained in the Contract Documents, by application of such unit prices to the quantities of the items involved (subject to the provisions of paragraphs 11.9.1 through 11.9.3, inclusive);

11.3.2. where the Work involved is not covered by unit prices contained in the Contract Documents, by a mutually agreed lump sum (which may include an allowance for overhead and profit not necessarily in accordance with paragraph 11.6.2);

11.3.3. where the Work involved is not covered by unit prices contained in the Contract Documents and agreement to a lump sum is not reached under paragraph 11.3.2, on the basis of the Cost of the Work (determined as provided in paragraphs 11.4 and 11.5) plus a CONTRACTOR's fee for overhead and profit (determined as provided in paragraph 11.6).

Cost of the Work:

11.4. The term Cost of the Work means the sum of all costs necessarily incurred and paid by Contractor in the proper performance of the Work. Except as otherwise may be agreed to in writing by OWNER, such costs shall be in amount no higher than those prevailing in the locality of the Project, shall include only the following items and shall not include any of the costs itemized in paragraph 11.5:

11.4.1. Payroll costs for employees in the direct employ of CONTRACTOR in the performance of the Work under schedules of job classifications agreed upon by OWNER and CONTRACTOR. Such employees shall include without limitation superintendents, foremen and other personnel employed full-time at the site. Payroll costs for employees not employed full time on the Work shall be apportioned on the basis of their time spent on the Work. Payroll costs shall include, but not be limited to, salaries and wages plus the cost of fringe benefits which shall include social security contributions, unemployment, excise and payroll taxes, workers' compensation, health and retirement benefits, bonuses, sick leave, vacation and holiday pay applicable thereto. The expenses of performing Work after regular working hours, on Saturday, Sunday or legal holidays, shall be included in the above to the extent authorized by OWNER.

11.4.2. Cost of all materials and equipment furnished and incorporated in the Work, including costs of transportation and storage thereof, and Suppliers' field services required in connection therewith. All cash discounts shall accrue to CONTRACTOR unless OWNER deposits funds with CONTRACTOR with which to make payments, in which case the cash discounts shall accrue to OWNER. All trade discounts, rebates and refunds and returns from sale of surplus materials and equipment shall accrue to OWNER, and CONTRACTOR shall make provisions so that they may be obtained.

11.4.3. Payments made by CONTRACTOR to the Subcontractors for Work performed or furnished by Subcontractors. If required by OWNER, CONTRACTOR shall

obtain competitive bids from subcontractors acceptable to OWNER and CONTRACTOR and shall deliver such bids to OWNER who will then determine, with the advice of ENGINEER, which bids, if any, will be accepted. If any subcontract provides that the Subcontractor is to be paid on the basis of Cost of the Work Plus a fee, the Subcontractor's Cost of the Work and fee shall be determined in the same manner as CONTRACTOR's Cost of the Work and fee as provided in paragraphs 11.4, 11.5, 11.6 and 11.7. All subcontracts shall be subject to the other provisions of the Contract Documents insofar as applicable.

11.4.4. Costs of special consultants (including but not limited to engineers, architects, testing laboratories, surveyors, attorneys and accountants) employed for services specifically related to the Work.

11.4.5. Supplemental costs including the following:

11.4.5.1. The proportion of necessary transportation, travel and subsistence expenses of CONTRACTOR's employees incurred in discharge of duties connected with the Work.

11.4.5.2. Cost, including transportation and maintenance, of all materials, supplies, equipment, machinery, appliances, office and temporary facilities at the site and hand tools not owned by the workers, which are consumed in the performance of the Work, and cost less market value of such items used but not consumed which remain the property of CONTRACTOR.

11.4.5.3. Rentals of all construction equipment and machinery and the parts thereof whether rented from CONTRACTOR or others in accordance with rental agreements approved by OWNER with the advice of ENGINEER, and the costs of transportation, loading, unloading, installation, dismantling and removal thereof--all in accordance with the terms of said rental agreements. The rental of any such equipment, machinery or parts shall cease when the use thereof is no longer necessary for the Work.

11.4.5.4. Sales, consumer, use or similar taxes related to the Work, and for which CONTRACTOR is liable, imposed by Laws and Regulations.

11.4.5.5. Deposits lost for causes other than negligence of CONTRACTOR, any Subcontractor or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, and royalty payments and fees for permits and licenses.

11.4.5.6. Losses and damages (and related expenses) caused by damage to the Work, not compensated by insurance or otherwise, sustained by CONTRACTOR in connection with the performance and furnishing of the Work (except losses and damages within the deductible amounts of property insurance established by OWNER in accordance with paragraph 5.9), provided they have resulted from causes other than the negligence of CONTRACTOR, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable. Such losses shall include settlements made with the written consent and approval of OWNER. No such losses, damages and expenses shall be included in the Cost of the Work for the purpose of determining CONTRACTOR's fee. If, however, any such loss or damage requires reconstruction and CONTRACTOR is

placed in charge thereof, CONTRACTOR shall be paid for services a fee proportionate to that stated in paragraph 11.6.2.

11.4.5.7. The cost of utilities, fuel and sanitary facilities at the site.

11.4.5.8. Minor expenses such as telegrams, long distance telephone calls, telephone service at the site, expressage and similar petty cash items in connection with the Work.

11.4.5.9. Cost of premiums for additional Bonds and insurance required because of changes in the Work.

11.5. The term Cost of the Work shall not include any of the following:

11.5.1. Payroll costs and other compensation of CONTRACTOR's officers, executives, principals (of partnership and sole proprietorships), general managers, engineers, architects, estimators, attorneys, auditors, accountants, purchasing and contracting agents, expeditors, timekeepers, clerks and other personnel employed by CONTRACTOR whether at the site or in CONTRACTOR's principal or a branch office for general administration of the Work and not specifically included in the agreed upon schedule of job classifications referred to in paragraph 11.4.1. or specifically covered by paragraph 11.4.4--all of which are to be considered administrative costs covered by the CONTRACTOR's fee.

11.5.2. Expenses of CONTRACTOR's principal and branch offices other than CONTRACTOR's office at the site.

11.5.3. Any part of CONTRACTOR's capital expenses, including interest on CONTRACTOR's capital employed for the Work and charges against CONTRACTOR for delinquent payments.

11.5.4. Cost of premiums for all Bonds and for all insurance whether or not CONTRACTOR is required by the Contract Documents to purchase and maintain the same (except for the cost of premiums covered by subparagraph 11.4.5.9 above).

11.5.5. Costs due to the negligence of CONTRACTOR, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, including but not limited to, the correction of *defective* Work, disposal of materials or equipment wrongly supplied and making good any damage to property.

Other overhead or general expense costs of any kind and the costs of any item not specifically and expressly included in paragraph 11.4.

11.6. The CONTRACTOR's fee allowed to CONTRACTOR for overhead and profit shall be determined as follows:

11.6.1. a mutually acceptable fixed fee

11.7. Whenever the cost of any Work is to be determined pursuant to paragraphs 11.4 and 11.5, CONTRACTOR will establish and maintain records thereof in accordance with generally accepted accounting practices and submit in form acceptable to ENGINEER an itemized cost breakdown together with supporting data.

Cash Allowance:

11.8. It is understood that CONTRACTOR has included in the Contract Price all allowances so named in the Contract Documents and shall cause the Work so covered to be furnished and performed for such sums as may be acceptable to OWNER and ENGINEER. CONTRACTOR agrees that:

11.8.1. the allowances include the cost to CONTRACTOR (less any applicable trade discounts) of materials and equipment required by the allowances to be delivered at the site, and all applicable taxes; and

11.8.2. CONTRACTOR's cost for unloading and handling on the site, labor, installation costs, overhead, profit and other expenses contemplated for the allowances have been included in the Contract Price and not in the allowances and no demand for additional payment on account of any of the foregoing will be valid.

Prior to final payment, an appropriate Change Order will be issued as recommended by ENGINEER to reflect actual amounts due CONTRACTOR on account of Work covered by allowances, and the Contract Price shall be correspondingly adjusted.

11.9. Unit Price Work:

11.9.1. Where the Contract Documents provide that all or part of the Work is to be Unit Price Work, initially the Contract Price will be deemed to include for all Unit Price Work an amount equal to the sum of the established unit price for each separately identified item of Unit Price Work times the estimated quantity of each item as indicated in the Agreement. The estimated quantities of items of Unit Price Work are not guaranteed and are solely for the purpose of comparison of Bids and determining an initial Contract Price. Determinations of the actual quantities and classifications of Unit Price Work performed by CONTRACTOR will be made by ENGINEER in accordance with paragraph 9.10.

11.9.2. Each unit price will be deemed to include an amount considered by CONTRACTOR to be adequate to cover CONTRACTOR's overhead and profit for each separately identified item.

11.9.3. OWNER or CONTRACTOR may make a claim for an adjustment in the Contract Price in accordance with Article 11 if:

11.9.3.1. the quantity of any item of Unit Price Work performed by CONTRACTOR differs materially and significantly from the estimated quantity of such item indicated in the Agreement; and

11.9.3.2. there is no corresponding adjustment with respect to any other item of Work; and

11.9.3.3. if CONTRACTOR believes that CONTRACTOR is entitled to an increase in Contract Price as a result of having incurred additional expense or OWNER believes that OWNER is entitled to a decrease in Contract Price and the parties are unable to agree as to the amount of any such increase or decrease.

ARTICLE 12--CHANGE OF CONTRACT TIMES

12.1. The Contract Times (or Milestones) may only be changed by a Change Order or a Written Amendment. Any claim for an adjustment of the Contract Times (or Milestones) shall be based on written notice delivered by the party making the claim to the other party and to ENGINEER promptly (but in no event later than thirty days) after the occurrence of the event giving rise to the claim and stating the general nature of the claim. Notice of the extent of the claim with supporting data shall be delivered within sixty days after such occurrence (unless ENGINEER allows an additional period of time to ascertain more accurate data in support of the claim) and shall be accompanied by the claimant's written statement that the adjustment claimed is the entire adjustment to which the claimant has reason to believe it is entitled as a result of the occurrence of said event. All claims for adjustment in the Contract Times (or Milestones) shall be determined by ENGINEER in accordance with paragraph 9.11 if OWNER and CONTRACTOR cannot otherwise agree. No claim for an adjustment in the Contract Times (or Milestones) will be valid if not submitted in accordance with the requirements of this paragraph 12.1.

12.2. All time limits stated in the Contract Documents are of the essence of the Agreement.

12.3. Where CONTRACTOR is prevented from completing any part of the Work within the Contract Times (or Milestones) due to delay beyond the control of CONTRACTOR, the Contract Times (or Milestones) will be extended in an amount equal to the time lost due to such delay if a claim is made therefore as provided in paragraph 12.1. Delays beyond the control of CONTRACTOR shall include, but not be limited to, acts or neglect by OWNER, acts or neglect of utility owners or other contractors performing other work as contemplated by Article 7, fires, floods, epidemics, abnormal weather conditions or acts of God. Delays attributable to and within the control of a Subcontractor or Supplier shall be deemed to be delays within the control of CONTRACTOR.

12.4. Where CONTRACTOR is prevented from completing any part of the Work within the Contract Times (or Milestones) due to delay beyond the control of both OWNER and CONTRACTOR, an extension of the Contract Times (or Milestones) in an amount equal to the time lost due to such delay shall be CONTRACTOR's sole and exclusive remedy for such delay. In no event shall OWNER be liable to CONTRACTOR, any Subcontractor, any Supplier, any other person or organization, or to any surety for or employee or agent of any of them, for damages arising out of or resulting from (i) delays caused by or within the control of CONTRACTOR, or (ii) delays beyond the control of both parties including but not limited to fires, floods,

epidemics, abnormal weather conditions, acts of God or acts or neglect by utility owners or other contractors performing other work as contemplated by Article 7.

ARTICLE 13--TESTS AND INSPECTIONS; CORRECTION, REMOVAL OR ACCEPTANCE OF DEFECTIVE WORK

13.1. *Notice of Defects:* Prompt notice of all *defective* Work of which OWNER or ENGINEER have actual knowledge will be given to CONTRACTOR. All *defective* Work may be rejected, corrected or accepted as provided in this Article 13.

Access to Work:

13.2. OWNER, ENGINEER, ENGINEER's Consultants, other representatives and personnel of OWNER, independent testing laboratories and governmental agencies with jurisdiction interests will have access to the Work at reasonable times for their observation, inspecting and testing. CONTRACTOR shall provide them proper and safe conditions for such access and advise them of CONTRACTOR's site safety procedures and programs so that they may comply therewith as applicable.

Tests and Inspections:

13.3. CONTRACTOR shall give ENGINEER timely notice of readiness of the Work for all required inspections, tests or approvals, and shall cooperate with inspection and testing personnel to facilitate required inspections or tests.

13.4. OWNER shall employ and pay for the services of an independent testing laboratory to perform all inspections, tests, or approvals required by the Contract Documents except:

13.4.1. for inspections, tests or approvals covered by paragraph 13.5 below;

13.4.2. that costs incurred in connection with tests or inspections conducted pursuant to paragraph 13.9 below shall be paid as provided in said paragraph 13.9; and

13.4.3. as otherwise specifically provided in the Contract Documents.

13.5. If Laws or Regulations of any public body having jurisdiction require any Work (or part thereof) specifically to be inspected, tested or approved by an employee or other representative of such public body, CONTRACTOR shall assume full responsibility for arranging and obtaining such inspections, tests or approvals, pay all costs in connection therewith, and furnish ENGINEER the required certificates of inspection, or approval. CONTRACTOR shall also be responsible for arranging and obtaining and shall pay all costs in connection with any inspections, tests or approvals required for OWNER's and ENGINEER's acceptance of materials or equipment to be incorporated in the Work, or of materials, mix designs, or equipment submitted for approval prior to CONTRACTOR's purchase thereof for incorporation in the Work.

13.6. If any Work (or the work of others) that is to be inspected, tested or approved is covered by CONTRACTOR without written concurrence of ENGINEER, it must, if requested by ENGINEER, be uncovered for observation.

13.7. Uncovering Work as provided in paragraph 13.6 shall be at CONTRACTOR's expense unless CONTRACTOR has given ENGINEER timely notice of CONTRACTOR's intention to cover the same and ENGINEER has not acted with reasonable promptness in response to such notice.

Uncovering Work:

13.8. If any Work is covered contrary to the written request of ENGINEER, it must, if requested by ENGINEER, be uncovered for ENGINEER's observation and replaced at CONTRACTOR's expense.

13.9. If ENGINEER considers it necessary or advisable that covered Work be observed by ENGINEER or inspected or tested by others, CONTRACTOR, at ENGINEER's request, shall uncover, expose or otherwise make available for observation, inspection or testing as ENGINEER may require, that portion of the Work in question, furnishing all necessary labor, material and equipment. If it is found that such Work is *defective*, CONTRACTOR shall pay all claims, costs, losses and damages caused by, arising out of or resulting from such uncovering, exposure, observation, inspection and testing and of satisfactory replacement or reconstruction (including but not limited to all costs of repair or replacement of work of others); and OWNER shall be entitled to an appropriate decrease in the Contract Price, and, if the parties are unable to agree as to the amount thereof, may make a claim therefore as provided in Article 11. If, however, such Work is not found to be *defective*, CONTRACTOR shall be allowed an increase in the Contract Price or an extension of the Contract Times (or Milestones), or both, directly attributable to such uncovering, exposure, observation, inspection, testing, replacement and reconstruction; and, if the parties are unable to agree as to the amount or extent thereof, CONTRACTOR may make a claim therefore as provided in Articles 11 and 12.

OWNER May Stop the Work:

13.10. If the Work is *defective*, or CONTRACTOR fails to supply sufficient skilled workers or suitable materials or equipment, or fails to furnish or perform the Work in such a way that the completed Work will conform to the Contract Documents, OWNER may order CONTRACTOR to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, this right of OWNER to stop the Work shall not give rise to any duty on the part of OWNER to exercise this right for the benefit of CONTRACTOR or any surety or other party.

Correction or Removal of Defective Work:

13.11. If required by ENGINEER, CONTRACTOR shall promptly, as directed, either correct all *defective* Work, whether or not fabricated, installed or completed, or, if the Work has been rejected by ENGINEER, remove it from the site and replace it with Work that is not *defective*. CONTRACTOR shall pay all claims, costs, losses and damages caused by or resulting from such correction or removal (including but not limited to all costs of repair or replacement of work of others).

13.12. Correction Period:

13.12.1. If within one year after the date of Substantial Completion or such longer period of time as may be prescribed by Laws or Regulations or by the terms of any applicable special guarantee required by the Contract Documents or by any specific provision of the Contract Documents, any Work is found to be *defective*, CONTRACTOR shall promptly, without cost to

OWNER and in accordance with OWNER's written instructions: (i) correct such *defective* Work, or, if it has been rejected by OWNER, remove it from the site and replace it with Work that is not *defective*, and (ii) satisfactorily correct or remove and replace any damage to other Work or the work of others resulting therefrom. If CONTRACTOR does not promptly comply with the terms of such instructions, or in an emergency where delay would cause serious risk of loss or damage, OWNER may have the *defective* Work corrected or the rejected Work removed and replaced, and all claims, costs, losses and damages caused by or resulting from such removal and replacement (including but not limited to all costs of repair or replacement of work of others) will be paid by CONTRACTOR.

13.12.2. In special circumstances where a particular item of equipment is placed in continuous service before Substantial Completion of all the Work, the correction period for that item may start to run from an earlier date if so provided in the Specifications or by Written Amendment.

13.12.3. Where *defective* Work (and damage to other Work resulting therefrom) has been corrected, removed or replaced under this paragraph 13.12, the correction period hereunder with respect to such Work will be extended for an additional period of one year after such correction or removal and replacement has been satisfactorily completed.

Acceptance of Defective Work:

13.13. If, instead of requiring correction or removal and replacement of *defective* Work OWNER (and, prior to ENGINEER's recommendation of final payment, also ENGINEER) prefers to accept it, OWNER may do so. CONTRACTOR shall pay all claims, costs, losses and damages attributable to OWNER's evaluation of and determination to accept such *defective* Work (such costs to be approved by ENGINEER as to reasonableness). If any such acceptance occurs prior to ENGINEER's recommendation of final payment, a Change Order will be issued incorporating the necessary revisions in the Contract Documents with respect to the Work; and OWNER shall be entitled to an appropriate decrease in the Contract Price, and, if the parties are unable to agree as to the amount thereof, OWNER may make a claim therefore as provided in Article 11. If the acceptance occurs after such recommendation, an appropriate amount will be paid by CONTRACTOR to OWNER.

OWNER May Correct Defective Work:

13.14. If CONTRACTOR fails within a reasonable time after written notice from ENGINEER to correct *defective* Work or to remove and replace rejected Work as required by ENGINEER in accordance with paragraph 13.11, or if CONTRACTOR fails to perform the Work in accordance with the Contract Documents, or if CONTRACTOR fails to comply with any other provision of the Contract Documents, OWNER may, after seven days' written notice to CONTRACTOR, correct and remedy any such deficiency. In exercising the rights and remedies under this paragraph OWNER shall proceed expeditiously. In connection with such corrective and remedial action, OWNER may exclude CONTRACTOR from all or part of the site, take possession of all or part of the Work, and suspend CONTRACTOR's services related thereto, take possession of CONTRACTOR's tools, appliances, construction equipment and machinery at the site and incorporate in the Work all materials and equipment stored at the site or for which OWNER has paid CONTRACTOR but which are stored elsewhere. CONTRACTOR shall allow OWNER, OWNER's representatives, agents and employees, OWNER's other contractors and ENGINEER and ENGINEER's Consultants access to the site to enable OWNER to

exercise the rights and remedies under this paragraph. All claims, costs, losses and damages incurred or sustained by OWNER in exercising such rights and remedies will be charged against CONTRACTOR and a Change Order will be issued incorporating the necessary revisions in the Contract Documents with respect to the Work; and OWNER shall be entitled to an appropriate decrease in the Contract Price, and, if the parties are unable to agree as to the amount thereof, OWNER may make a claim therefore as provided in Article 11. Such claims, costs, losses and damages will include but not be limited to all costs of repair or replacement of work of others destroyed or damaged by correction, removal or replacement of CONTRACTOR's *defective* Work. CONTRACTOR shall not be allowed an extension of the Contract Times (or Milestones) because of any delay in the performance of the Work attributable to the exercise by OWNER of OWNER's rights and remedies hereunder.

ARTICLE 14--PAYMENTS TO CONTRACTOR AND COMPLETION

Schedule of Values:

14.1. The schedule of values established as provided in paragraph 2.9 will serve as the basis for progress payments and will be incorporated into a form of Application for Payment acceptable to ENGINEER. Progress payments on account of Unit Price Work will be based on the number of units completed.

Application for Progress Payment

14.2. At least twenty days before the date established for each progress payment (but not more often than once a month), CONTRACTOR shall submit to ENGINEER for review an Application for Payment filled out and signed by CONTRACTOR covering the Work completed as of the date of the Application and accompanied by such supporting documentation as is required by the Contract Documents. If payment is requested on the basis of materials and equipment not incorporated in the Work but delivered and suitably stored at the site or at another location agreed to in writing, the Application for Payment shall also be accompanied by a bill of sale, invoice or other documentation warranting that OWNER has received the materials and equipment free and clear of all Liens and evidence that the materials and equipment are covered by appropriate property insurance and other arrangements to protect OWNER's interest therein, all of which will be satisfactory to OWNER. The amount of retainage with respect to progress payments will be as stipulated in the Agreement.

CONTRACTOR's Warranty of Title:

14.3. CONTRACTOR warrants and guarantees that title to all Work, materials and equipment covered by any Application for Payment, whether incorporated in the Project or not, will pass to OWNER no later than the time of payment free and clear of all Liens.

Review of Applications for Progress Payment:

14.5. ENGINEER's recommendation of any payment requested in an Application for Payment will constitute a representation by ENGINEER to OWNER, based on ENGINEER's on-site observations of the executed Work as an experienced and qualified design professional and on ENGINEER's review of the Application for Payment and the accompanying data and schedules, that to the best of ENGINEER's knowledge, information and belief:

14.5.1. the Work has progressed to the point indicated.

14.5.2. the quality of the Work is generally in accordance with the Contract Documents (subject to an evaluation of the Work as a functioning whole prior to or upon Substantial Completion, to the results of any subsequent tests called for in the Contract Documents, to a final determination of quantities and classifications for Unit Price Work under paragraph 9.10, and to any other qualifications stated in the recommendation), and

14.5.3. the conditions precedent to CONTRACTOR's being entitled to such payment appear to have been fulfilled in so far as it is ENGINEER's responsibility to observe the Work.

However, by recommending any such payment ENGINEER will not thereby be deemed to have represented that: (i) exhaustive or continuous on-site inspections have been made to check the quality or the quantity of the Work beyond the responsibilities specifically assigned to ENGINEER in the Contract Documents or (ii) that there may not be other matters or issues between the parties that might entitle CONTRACTOR to be paid additionally by OWNER or entitle OWNER to withhold payment to CONTRACTOR.

14.6. ENGINEER's recommendation of any payment, including final payment, shall not mean that ENGINEER is responsible for CONTRACTOR's means, methods, techniques, sequences or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of CONTRACTOR to comply with Laws and Regulations applicable to the furnishing or performance of Work, or for any failure of CONTRACTOR to perform or furnish Work in accordance with the Contract Documents.

14.7. ENGINEER may refuse to recommend the whole or any part of any payment if, in ENGINEER's opinion, it would be incorrect to make the representations to OWNER referred to in paragraph 14.5. ENGINEER may also refuse to recommend any such payment, or, because of subsequently discovered evidence or the results of subsequent inspections or tests, nullify any such payment previously recommended, to such extent as may be necessary in ENGINEER's opinion to protect OWNER from loss because:

14.7.1. the Work is *defective*, or completed Work has been damaged requiring correction or replacement,

14.7.2. the Contract Price has been reduced by Written Amendment or Change Order,

14.7.3. OWNER has been required to correct *defective* Work or complete Work in accordance with paragraph 13.14, or

14.7.4. ENGINEER has actual knowledge of the occurrence of any of the events enumerated in paragraphs 15.2.1 through 15.2.4 inclusive.

OWNER may refuse to make payment of the full amount recommended by ENGINEER because:

14.7.5. claims have been made against OWNER on account of CONTRACTOR's performance or furnishing of the Work,

14.7.6. Liens have been filed in connection with the Work, except where CONTRACTOR has delivered a specific Bond satisfactory to OWNER to secure the satisfaction and discharge of such Liens.

14.7.7. there are other items entitling OWNER to a set-off against the amount recommended, or

14.7.8. OWNER has actual knowledge of the occurrence of any of the events enumerated in paragraphs 14.7.1. through 14.7.3 or paragraphs 15.2.1 through 15.2.4 inclusive;

but OWNER must have CONTRACTOR immediate written notice (with a copy to ENGINEER) stating the reasons for such action and promptly pay CONTRACTOR the amount so withheld, or any adjustment thereto agreed to by OWNER and CONTRACTOR, when CONTRACTOR corrects to OWNER's satisfaction the reasons for such action.

Substantial Completion:

14.8. When CONTRACTOR considers the entire Work ready for its intended use CONTRACTOR shall notify OWNER and ENGINEER in writing that the entire Work is substantially complete (except for items specifically listed by CONTRACTOR as incomplete) and request that ENGINEER issue a certificate of Substantial Completion. Within a reasonable time thereafter, OWNER, CONTRACTOR and ENGINEER shall make an inspection of the Work to determine the status of completion. If ENGINEER does not consider the Work substantially complete, ENGINEER will notify CONTRACTOR in writing giving the reasons therefore. If ENGINEER considers the Work substantially complete, ENGINEER will prepare and deliver to OWNER a tentative certificate of Substantial Completion which shall fix the date of Substantial Completion. There shall be attached to the certificate a tentative list of items to be completed or corrected before final payment. OWNER shall have seven days after receipt of the tentative certificate during which to make written objection to ENGINEER as to any provisions of the certificate or attached list. If, after considering such objections, ENGINEER concludes that the Work is not substantially complete, ENGINEER will within fourteen days after submission of the tentative certificate to OWNER notify CONTRACTOR in writing, stating the reasons therefore. If, after consideration of OWNER's objections, ENGINEER considers the Work substantially complete, ENGINEER will within said fourteen days execute and deliver to OWNER and CONTRACTOR a definitive certificate of Substantial Completion (with a revised tentative list of items to be completed or corrected) reflecting such changes from the tentative certificate as ENGINEER believes justified after consideration of any objections from OWNER. At the time of delivery of the tentative certificate of Substantial Completion ENGINEER will deliver to OWNER and CONTRACTOR a written recommendation as to division of responsibilities pending final payment between OWNER

and CONTRACTOR with respect to security, operation, safety, maintenance, heat, utilities, insurance and warranties and guarantees. Unless OWNER and CONTRACTOR agree otherwise in writing and so inform ENGINEER in writing prior to ENGINEER's issuing the definitive certificate of Substantial Completion, ENGINEER's aforesaid recommendation will be binding on OWNER and CONTRACTOR until final payment.

14.9. OWNER shall have the right to exclude CONTRACTOR from the Work after the date of Substantial Completion, but OWNER shall allow CONTRACTOR reasonable access to complete or correct items on the tentative list.

Partial Utilization:

14.10. Use by OWNER at OWNER's option of any substantially completed part of the Work which: (i) has specifically been identified in the Contract Documents, or (ii) OWNER, ENGINEER and CONTRACTOR agree constitutes a separately functioning and usable part of the Work that can be used by OWNER for its intended purpose without significant interference with CONTRACTOR's performance of the remainder of the Work, may be accomplished prior to Substantial Completion of all the Work subject to the following:

14.10.1. OWNER at any time may request CONTRACTOR in writing to permit OWNER to use any such part of the Work which OWNER believes to be ready for its intended use and substantially complete. If CONTRACTOR agrees that such part of the Work is substantially complete, CONTRACTOR will certify to OWNER and ENGINEER that such part of the Work is substantially complete and request ENGINEER to issue a certificate of Substantial Completion for that part of the Work. CONTRACTOR at any time may notify OWNER and ENGINEER in writing that CONTRACTOR considers any such part of the Work ready for its intended use and substantially complete and request ENGINEER to issue a certificate of Substantial Completion for that part of the Work. Within a reasonable time after either such request, OWNER, CONTRACTOR and ENGINEER shall make an inspection of that part of the Work to determine its status of completion. If ENGINEER does not consider that part of the Work to be substantially complete, ENGINEER will notify OWNER and CONTRACTOR in writing giving the reasons therefore. If ENGINEER considers that part of the Work to be substantially complete, the provisions of paragraphs 14.8 and 14.9 will apply with respect to certification of Substantial Completion of that part of the Work and the division of responsibility in respect thereof and access thereto.

14.10.2. No occupancy or separate operation of part of the Work will be accomplished prior to compliance with the requirements of paragraph 5.15 in respect of property insurance.

Final Inspection:

14.11. Upon written notice from CONTRACTOR that the entire Work or an agreed portion thereof is complete, ENGINEER will make a final inspection with OWNER and CONTRACTOR and will notify CONTRACTOR in writing of all particulars in which this inspection reveals that the Work is incomplete or *defective*. CONTRACTOR shall immediately take such measures as are necessary to complete such Work or remedy such deficiencies.

Final Application for Payment:

14.12. After CONTRACTOR has completed all such corrections to the satisfaction of ENGINEER and delivered in accordance with the Contract Documents all maintenance and operating instructions, schedules, guarantees, Bonds, certificates or other evidence of insurance required by paragraph 5.4, certificates of inspection, marked-up record documents (as provided in paragraph 6.19) and other documents, CONTRACTOR may make application for final payment following the procedure for progress payments. The final Application for Payment shall be accompanied (except as previously delivered) by: (i) all documentation called for in the Contract Documents, including but not limited to the evidence of insurance required by subparagraph 5.4.13, (ii) consent of the surety, if any, to final payment, and (iii) complete and legally effective releases or waivers (satisfactory to OWNER) of all Liens arising out of or filed in connection with the Work. In lieu of such releases or waivers of Liens and as approved by OWNER, CONTRACTOR may furnish receipts or releases in full and an affidavit of CONTRACTOR that: (i) the releases and receipts include all labor, services, material and equipment for which a Lien could be filed, and (ii) all payrolls, material and equipment bills and other indebtedness connected with the Work for which OWNER or OWNER's property might in any way be responsible have been paid or otherwise satisfied. If any Subcontractor or Supplier fails to furnish such a release or receipt in full, CONTRACTOR may furnish a Bond or other collateral satisfactory to OWNER to indemnify OWNER against any Lien.

Final Payment and Acceptance:

14.13. If, on the basis of ENGINEER's observation of the Work during construction and final inspection, and ENGINEER's review of the final Application for Payment and accompanying documentation as required by the Contract Documents, ENGINEER is satisfied that the Work has been completed and CONTRACTOR's other obligations under the Contract Documents have been fulfilled, ENGINEER will, within ten days after receipt of the final Application for Payment, indicate in writing ENGINEER's recommendation of payment and present the Application to OWNER for payment. At the same time ENGINEER will also give written notice to OWNER and CONTRACTOR that the Work is acceptable subject to the provisions of paragraph 14.15. Otherwise, ENGINEER will return the Application to CONTRACTOR, indicating in writing the reasons for refusing to recommend final payment, in which case CONTRACTOR shall make the necessary corrections and resubmit the Application.

14.14. If, through no fault of CONTRACTOR, final completion of the Work is significantly delayed and if ENGINEER so confirms, OWNER shall, upon receipt of CONTRACTOR's final Application for Payment and recommendation of ENGINEER, and without terminating the Agreement, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance to be held by OWNER for Work not fully completed or corrected is less than the retainage stipulated in the Agreement, and if Bonds have been furnished as required in paragraph 5.1, the written consent of the surety to the payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by CONTRACTOR to ENGINEER with the Application for such payment. Such payment shall be made under the terms and conditions governing final payment, except that it shall not constitute a waiver of claims.

Waiver of Claims:

14.15. The making and acceptance of final payment will constitute:

14.15.1. a waiver of all claims by OWNER against CONTRACTOR, except claims arising from unsettled Liens, from defective Work appearing after final inspection pursuant to

paragraph 14.11, from failure to comply with the Contract Documents or the terms of any special guarantees specified therein, or from CONTRACTOR's continuing obligations under the Contract Documents; and

14.15.2. a waiver of all claims by CONTRACTOR against OWNER other than those previously made in writing and still unsettled.

ARTICLE 15--SUSPENSION OF WORK AND TERMINATION

OWNER May Suspend Work:

15.1. At any time and without cause, OWNER may suspend the Work, or any portion thereof for a period of not more than ninety days by notice in writing to CONTRACTOR and ENGINEER which will fix the date on which Work will be resumed. CONTRACTOR shall resume the Work on the date so fixed. CONTRACTOR shall be allowed an adjustment in the Contract Price or an extension of the Contract Times, or both, directly attributable to any such suspension if CONTRACTOR makes an approved claim therefore as provided in Articles 11 and 12.

OWNER May Terminate:

15.2. Upon the occurrence of any one or more of the following events:

15.2.1. if CONTRACTOR persistently fails to perform the Work in accordance with the Contract Documents (including, but not limited to, failure to supply sufficient skilled workers or suitable materials or equipment or failure to adhere to the progress schedule established under paragraph 2.9 as adjusted from time to time pursuant to paragraph 6.6);

15.2.2. if CONTRACTOR disregards Laws or Regulations of any public body having jurisdiction;

15.2.3. if CONTRACTOR disregards the authority of ENGINEER; or

15.2.4. if CONTRACTOR otherwise violates in any substantial way any provisions of the Contract Documents;

OWNER may, after giving CONTRACTOR (and the surety, if any,) seven days' written notice and to the extent permitted by Laws and Regulations, terminate the services of CONTRACTOR, exclude CONTRACTOR from the site and take possession of the Work and of all CONTRACTOR's tools, appliances, construction equipment and machinery at the site and use the same to the full extent they could be used by CONTRACTOR (without liability to CONTRACTOR for trespass or conversion), incorporate in the Work all materials and equipment stored at the site or for which Owner has paid CONTRACTOR but which are stored elsewhere, and finish the Work as OWNER may deem expedient. In such case CONTRACTOR shall not be entitled to receive any further payment until the Work is finished. If the unpaid balance of the Contract Price exceeds all claims, costs, losses and damages sustained by OWNER arising out of or resulting from completing the Work such excess will be paid to CONTRACTOR. If such claims, costs, losses and damages exceed such unpaid balance, CONTRACTOR shall pay the difference to OWNER. Such claims, costs, losses and damages incurred by

OWNER will be reviewed by ENGINEER as to their reasonableness and when so approved by ENGINEER incorporated in a Change Order, provided that when exercising any rights or remedies under this paragraph OWNER shall not be required to obtain the lowest price for the Work performed.

15.3. Where CONTRACTOR's services have been so terminated by OWNER, the termination will not affect any rights or remedies of OWNER against CONTRACTOR then existing or which may thereafter accrue. Any retention or payment of monies due CONTRACTOR by OWNER will not release CONTRACTOR from liability.

15.4. Upon seven day's written notice to CONTRACTOR and ENGINEER, OWNER may, without cause and without prejudice to any other right or remedy of OWNER, elect to terminate the Agreement. In such case, CONTRACTOR shall be paid (without duplication of any items);

15.4.1. for completed and acceptable Work executed in accordance with the Contract Documents prior to the effective date of termination, including fair and reasonable sums for overhead and profit on such Work;

15.4.2. for expenses sustained prior to the effective date of termination in performing services and furnishing labor, materials or equipment as required by the Contract Documents in connection with uncompleted Work, plus fair and reasonable sums for overhead and profit on such expenses;

15.4.3. for all claims, costs, losses and damages incurred in settlement of terminated contracts with Subcontractors, Suppliers and others; and

15.4.4. for reasonable expenses directly attributable to termination.

CONTRACTOR shall not be paid on account of loss of anticipated profits or revenue or other economic loss arising out of or resulting from such termination.

CONTRACTOR May Stop Work or Terminate:

15.5. If, through no act or fault of CONTRACTOR, the Work is suspended for a period of more than ninety days by OWNER or under an order of court or other public authority, or ENGINEER fails to act on any Application of Payment within thirty days after it is submitted or OWNER fails for thirty days to pay CONTRACTOR any sum finally determined to be due, then CONTRACTOR may, upon seven days' written notice to OWNER and ENGINEER, and provided OWNER and ENGINEER do not remedy such suspension or failure within that time, terminate the Agreement and recover from OWNER payment on the same terms as provided in paragraph 15.4. In lieu of terminating the Agreement and without prejudice to any other right or remedy, if ENGINEER has failed to act on an Application for Payment within thirty days after it is submitted, or OWNER has failed for thirty days to pay CONTRACTOR any sum finally determined to be due, CONTRACTOR may upon seven day's written notice to OWNER and ENGINEER stop the Work until payment of all such amount due CONTRACTOR, including interest thereon. The provisions of this paragraph 15.5 are not intended to preclude CONTRACTOR from making claim under Articles 11 and 12 for an increase in Contract Price or Contract Times or otherwise for expenses or damage directly attributable to CONTRACTOR's stopping Work as permitted by this paragraph.

ARTICLE 16--DISPUTE RESOLUTION

If and to the extent that OWNER and CONTRACTOR have agreed on the method and procedure for resolving disputes between them that may arise under this Agreement, such dispute resolution method and procedure, if any, shall be as set forth in Exhibit GC-A, "Dispute Resolution Agreement," to be attached hereto and made a part hereof. If no such agreement on the method and procedure for resolving such disputes has been reached, and subject to the provisions of paragraphs 9.10, 9.11, and 9.12, OWNER and CONTRACTOR may exercise such rights or remedies as either may otherwise have under the Contract Documents or by Laws or Regulations in respect of any dispute.

ARTICLE 17--MISCELLANEOUS

Giving Notice:

17.1. Whenever any provision of the Contract Documents requires the giving of written notice, it will be deemed to have been validly given if delivered in person to the individual or to a member of the firm or to an officer of the corporation for whom it is intended, or if delivered at or sent by registered or certified mail, postage prepaid, to the last business address known to the giver of the notice.

Computation of Times:

17.2.1. When any period of time is referred to in the Contract Documents by days, it will be computed to exclude the first and include the last day of such period. If the last day of any such period falls on a Saturday or Sunday or on a day made a legal holiday by the law of the applicable jurisdiction, such day will be omitted from the computation.

17.2.2. A calendar day of twenty-four hours measured from midnight to the next midnight will constitute a day.

Notice of Claim:

17.3. Should OWNER or CONTRACTOR suffer injury or damage to person or property because of any error, omission or act of the other party or of any of the other party's employees or agents or others for whose acts the other party is legally liable, claim will be made in writing to the other party within a reasonable time of the first observance of such injury or damage. The provisions of this paragraph 17.3 shall not be construed as a substitute for or a waiver of the provisions of any applicable statute of limitations or repose.

Cumulative Remedies:

17.4. The duties and obligations imposed by these General Conditions and the rights and remedies available hereunder to the parties hereto, and, in particular but without limitation, the warranties, guarantees and obligations imposed upon CONTRACTOR by paragraphs 6.12, 6.16, 6.30, 6.31, 6.32, 13.1, 13.12, 13.14, 14.3 and 15.2 and all of the rights and remedies available to OWNER and ENGINEER thereunder, are in addition to, and are not to be construed in any way as a limitation of, any rights and remedies available to any or all of them which are otherwise imposed or available by Laws or Regulations, by special warranty or guarantee or by other provisions of the Contract Documents, and the provisions of this paragraph will be as effective as if repeated specifically in the Contract Documents in connection with each particular duty, obligation, right and remedy to which they apply.

Professional Fees and Court Costs Included:

17.5. Whenever reference is made to "claims, costs, losses and damages," it shall include in each case, but not be limited to, all fees and charges of engineers, architects, attorneys and other professionals and all court or arbitration or other dispute resolution costs.

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1. ENUMERATION OF PLANS, SPECIFICATIONS AND ADDENDA

Following are the Plans, Specifications and Addenda which form a part of this contract, as set forth in Paragraph 1 of the General Conditions, "Contract and Contract Documents":

DRAWINGS

General Construction:	Nos.	_____
Heating and Ventilating:	"	_____
Plumbing:	"	_____
Electrical:	"	_____
_____	"	_____
_____	"	_____

SPECIFICATIONS:

General Construction	Page _____ to _____, incl.
	Page _____ to _____, incl.
Heating and Ventilating:	Page _____ to _____, incl.
Plumbing:	Page _____ to _____, incl.
Electrical:	Page _____ to _____, incl.
_____	Page _____ to _____, incl.
_____	Page _____ to _____, incl.

ADDENDA:

No. _____	Date _____	No. _____	Date _____
No. _____	Date _____	No. _____	Date _____

2. STATED ALLOWANCES

Pursuant to Article 11.8 of the General Conditions, the Contractor shall include the following cash allowances in his proposal:

- (a) For _____ (Page _____ of Specifications) \$ _____
- (b) For _____ (Page _____ of Specifications) \$ _____
- (c) For _____ (Page _____ of Specifications) \$ _____
- (d) For _____ (Page _____ of Specifications) \$ _____
- (e) For _____ (Page _____ of Specifications) \$ _____
- (f) For _____ (Page _____ of Specifications) \$ _____

3. A. Payments to Contractor

1. To insure the proper performance of this contract, the Owner shall retain five percent (5%) of the amount of each estimate until final completion and acceptance of all work covered by this contract: Provided that the Contractor shall submit his estimate not later than the first day of the month: Provided further that on completion and acceptance of each separate building, public work, or other division of the contract, on which the price is stated separately in the contract, payment may be made in full, including retained percentages thereon, less authorized deductions.
2. In preparing estimates the material delivered on the site and preparatory work done may be taken into consideration.
3. All material and work covered by partial payments made shall thereupon become the sole property of the Owner, but this provision shall not be construed as relieving the Contractor from the sole responsibility for the care and protection of materials and work upon which payments have been made or the restoration of any damaged work, or as a waiver of the right of the Owner to require the fulfillment of all of the terms of the contract.
4. Owner's Right to Withhold Certain Amounts and Make Application Thereof: The Contractor agrees that he will indemnify and save the Owner harmless from all claims growing out of the lawful demands of subcontractors, laborers, workers, mechanics, materialmen, and furnishers of machinery and parts thereof, equipment, power tools, and all supplies, including commissary, incurred in the furtherance of the performance of this contract. The Contractor shall, at the Owner's request, furnish satisfactory evidence that all obligations of the nature hereinabove designated have been paid, discharged, or waived. If the Contractor fails so to do, then the Owner may, after having served written notice on the said Contractor, either pay unpaid bills, of which the Owner has written notice, direct, or withhold from the Contractor's unpaid compensation a sum of money deemed reasonably sufficient to pay any and all such lawful claims until satisfactory evidence is furnished that all liabilities have been fully discharged whereupon payment to the Contractor shall be resumed, in accordance with the terms of this contract, but in no event shall the provisions of this sentence be construed to impose any obligations upon the Owner to either the Contractor or his Surety. In paying any unpaid bills of the Contractor, the Owner shall be deemed the agent of the Contractor, and any payment so made by the Owner shall be considered as a payment made under the contract by the Owner to the Contractor and the Owner shall not be liable to the Contractor for any such payments made in good faith.

B. Payments by Contractor

The Contractor shall pay (a) for all transportation and utility services not later than the 20th day of the calendar month following that in which services are rendered, (b) for all materials, tools, and other expendable equipment to the extent of ninety percent (90%) of the cost thereof, not later than the 20th day of the calendar month following that in which such materials, tools, and equipment are delivered at the site of the project, and the balance of the cost thereof, not later than the 30th day following the completion of that part of the work in or on which such materials, tools, and equipment are incorporated or used, and (c) to each of his subcontractors, not later than the 5th day following each payment to the Contractor, the respective amounts allowed the Contractor on account of the work performed by his subcontractors to the extent of each subcontractor's interest therein.

C. Time for Completion and Liquidated Damages

It is hereby understood and mutually agreed, by and between the Contractor and the Owner, that the date of beginning and the time for completion as specified in the contract of the work to be done hereunder are ESSENTIAL CONDITIONS of this contract; and it is further mutually understood and agreed that the work embraced in this contract shall be commenced on a date to be specified in the "Notice to Proceed".

The Contractor agrees that said work shall be prosecuted regularly, diligently, and uninterruptedly at such rate of progress as will insure full completion thereof within the time specified. It is expressly understood and agreed, by and between the Contractor and the Owner, that the time for the completion of the work described herein is a reasonable time for the completion of the same, taking into consideration the average climatic range and usual industrial conditions prevailing in this locality.

If the said Contractor shall neglect, fail or refuse to complete the work within the time herein specified, or any proper extension thereof granted by the Owner, then the Contractor does hereby agree, as a part consideration for the awarding of this contract, to pay to the Owner the amount specified in the contract, not as a penalty but as liquidated damages for such breach of contract as hereinafter set forth, for each and every calendar day that the Contractor shall be in default after the time stipulated in the contract for completing the work.

The said amount is fixed and agreed upon by and between the Contractor and the Owner because of the impracticability and extreme difficulty of fixing and ascertaining the actual damages the Owner would in such event sustain, and said amount is agreed to be the amount of damages which the Owner would sustain and said amount shall be retained from time to time by the Owner from current periodical estimates.

It is further agreed that time is of the essence of each and every portion of this contract and of the specifications wherein a definite and certain length of time is fixed for the performance of any act whatsoever; and where under the contract an additional time is allowed for the completion of any work, the new time limit fixed by such extension shall be of the essence of this contract. Provided that the Contractor shall not be charged with liquidated damages or any excess cost when the Owner determines that the Contractor is without fault and the Contractor's reasons for the time extension are acceptable to the Owner; Provided further that the Contractor shall not to be charged with liquidated damages or any excess cost when the delay in completion of the work is due:

- (a) To any preference, priority or allocation order duly issued by the Government.
- (b) To unforeseeable cause beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God, or of the public enemy, acts of the Owner, acts of another Contractor in the performance of a contract with the Owner, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and severe weather; and
- (c) To any delays of Subcontractors or suppliers occasioned by any of the causes specified in subsections (a) and (b) of this article:

Provided further that the Contractor shall, within ten (10) days from the beginning of such delay, unless the Owner shall grant a further period of time prior to the date of final settlement of the contract, notify the Owner, in writing, of the delay and notify the Contractor within a reasonable time of its decision in the matter.

D. Protection of Lives and Health

"The Contractor shall exercise proper precaution at all times for the protection of persons and property and shall be responsible for all damages to persons or property, either on or off the site, which occur as a result of his prosecution of the work. The safety provisions of applicable laws and building and construction codes, in addition to specific safety and health regulations described by Chapter XIII, Bureau of Labor Standards, Department of Labor, Part 1518, Safety and Health Regulations for Construction, as outlined in the Federal Register, Volume 36, No. 75, Saturday, April 17, 1971. Title 29 - LABOR, shall be observed and the Contractor shall take or cause to be taken, such additional safety and health measures as the Contracting Authority may determine to be reasonably necessary."

E. Subcontracts

The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5 (a)(1) through (10) and such other clauses as the (Department of Housing and Urban Development) may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

F. Interest of Member of or Delegate to Congress

No member of or Delegate to Congress, or Resident Commissioner, shall be admitted to any share or part of this contract or to any benefit that may arise there from, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

G. Other Prohibited Interests

No official of the Owner who is authorized in such capacity and on behalf of the Owner to negotiate, make, accept or approve, or to take part in negotiating, making, accepting, or approving any architectural, engineering, inspection, construction or material supply contract or any subcontract in connection with the construction of the project, shall become directly or indirectly interested personally in this contract or in any part hereof. No officer, employee, architect, attorney, engineer or inspector of or for the Owner who is authorized in such capacity and on behalf of the Owner to exercise any legislative, executive, supervisory or other similar functions in connection with the construction of the project, shall become directly or indirectly interested personally in this contract or in any part thereof, any material supply contract, subcontract, insurance contract, or any other contract pertaining to the project.

H. Use and Occupancy Prior to Acceptance by Owner

The Contractor agrees to the use and occupancy of a portion or unit of the project before formal acceptance by the Owner, provided the Owner:

- (a) Secures written consent of the Contractor except in the event, in the opinion of the Architect/Engineer, the Contractor is chargeable with unwarranted delay in final clean-up of punch list items or other contract requirements.
- (b) Secures endorsement from the insurance carrier and consent of the surety permitting occupancy of the building or use of the project during the remaining period of construction, or,
- (c) When the project consists of more than one building, and one of the buildings is occupied, secures permanent fire and extended coverage insurance, including a permit to complete construction. Consent of the surety must also be obtained.

I. Photographs of the Project

If required by the Owner, the Contractor shall furnish photographs of the project, in the quantities and as described in the Supplemental General Conditions.

J. Suspension of Work

Should the Owner be prevented or enjoined from proceeding with work either before or after the start of construction by reason of any litigation or other reason beyond the control of the Owner, the Contractor shall not be entitled to make or assert claim for damage by reason of said delay; but time for completion of the work will be extended to such reasonable time as the Owner may determine will compensate for time lost by such delay with such determination to be set forth in writing.

4. FEDERAL LABOR STANDARDS PROVISIONS

Applicability

The Project or Program to which the construction work covered by this contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

A. 1. (i) Minimum Wages

All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less than often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR Part 5.5(a)(iv). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 FR Part 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

- (ii)(a) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

- (1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and
 - (2) The classification is utilized in the area by the construction industry; and
 - (3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.
- (b) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, D.C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)
- (c) In the event the contractor, the laborers or mechanics to be employed in the classification or their representative, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)
- (d) The wage rate (including the fringe benefits where appropriate) determined pursuant to subparagraphs (1)(b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.
- (iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

- (iv) If the contractor does not make payments to a trustee or other third persons, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, provided, that the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

2. Withholding

HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices and trainees, employed by the contractor or any subcontractor the full amount of wages required by the contract.

In the event of failure to pay any laborer or mechanic, including any apprentice or trainee, employed or working on the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due. The Comptroller General shall make sure disbursements in the case of direct Davis-Bacon Act contracts.

3. (i) Payrolls and basic records.

Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the project). Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section 1 (b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215-0140 and 1215-0017.)

- (ii)(a) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR Part 5.5(a)(3)(i). This information may be submitted in any form desired. Optional Form WH-347 is available for this purpose and may be purchased from the Superintendent of Documents (Federal Stock Number 029-005-00014-1), U.S. Government Printing Office, Washington, D.C. 20402. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149).
- (b) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:
 - (1) That the payroll for the payroll period contains the information required to be maintained under 29 CFR Part 5.5(a)(3)(i) and that such information is correct and complete;

- (2) That each laborer or mechanic (including each apprentice and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3;
 - (3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.
- (c) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph A.3.(ii)(b) of this section.
 - (d) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.
- (iii) The contractor or subcontractor shall make the records required under paragraph A.3.(i) of this section available for inspection, copying, or transcription by authorized representative of HUD or its designee or the Department of Labor, and shall permit such representative to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR Part 5.12.
4. (i) Apprentices.

Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training, or with a State Apprenticeship Agency recognized by the Bureau, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Bureau of Apprenticeship and Training or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe

benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Bureau of Apprenticeship and Training, or a State Apprenticeship Agency recognized by the Bureau, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees.

Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity.

The utilization of apprentices, trainees and journeyman under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

5. Compliance with Copeland Act requirements.

The contractor shall comply with the requirements of 29 CFR Part 3 which are incorporated by reference in this contract.

6. Subcontracts.

The contractor or subcontractor will insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as HUD or its designee may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR Part 5.5

7. Contract termination; debarment.

A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act Requirements.

All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract.

9. Disputes concerning labor standards.

Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and HUD or its designee, the U.S. Department of Labor, or the employees or their representatives.

10. Certification of Eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally, U.S. Criminal Code, Section 1010, Title 18, U.S.C., "Federal Housing Administration transactions", provides in part "Whoever, for the purpose of ...influencing in any way the action of such Administration ...makes, utters or publishes any statement, knowing the same to be false ...shall be fined not more than \$5,000 or imprisoned not more than two years, or both."

11. Complaints, Proceedings, or Testimony by Employees.

No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Contract are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Contract to his employer.

B. Contract Work Hours and Safety Standards Act

As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

1. Overtime requirements.

No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

2. Violation; liability for unpaid wages, liquidated damages.

In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (1) of this paragraph.

3. Withholding for unpaid wages and liquidated damages.

HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contract, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

4. Subcontracts.

The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

C. Health and Safety

1. No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.
2. The contractor shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 (formerly part 1518) and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act (Public Law 91-54, 83 Stat. 96).
3. The Contractor shall include the provisions of this Article in every subcontract so that such provisions will be binding on each subcontractor. The Contractor shall take such action with respect to any subcontract as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

5. SPECIAL HAZARDS

The Contractor's and his Subcontractor's Public Liability and Property Damage Insurance shall provide adequate protection against the following special hazards:

6. CONTRACTOR'S AND SUBCONTRACTOR'S PUBLIC LIABILITY, VEHICLE LIABILITY, AND PROPERTY DAMAGE INSURANCE

As required under Article 5 of the General Conditions, the Contractor's Public Liability Insurance and Vehicle Liability Insurance shall be in an amount not less than \$_____ for injuries, including accidental death, to any one person, and subject to the same limit for each person, in an amount not less than \$_____ on account of one accident, and Contractor's Property Damage Insurance in an amount not less than \$_____.

The Contractor shall either (1) require each of his subcontractors to procure and to maintain during the life of his subcontract, Subcontractor's Public Liability and Property Damage Insurance of this type and in the same amounts as specified in the preceding paragraph, or (2) insure the activities of his subcontractors in his own policy.

7. PHOTOGRAPHS OF PROJECT

As provided in Paragraph 3.I of the Supplemental General Conditions, the Contractor will furnish photographs in the number, type, and stage as enumerated below:

8. SCHEDULE OF OCCUPATIONAL CLASSIFICATIONS AND MINIMUM HOURLY WAGE RATES AS REQUIRED UNDER PARAGRAPH 4.B OF THE SUPPLEMENTAL GENERAL CONDITIONS

Given on Pages _____, _____ and _____.

9. BUILDER'S RISK INSURANCE

As provided in the General Conditions, Article 5.6, the Contractor will/will not** maintain Builder's Risk Insurance (fire and extended coverage) on a 100 percent completed value basis on the insurable portions of the project for the benefit of the Owner, the Contractor, and all Subcontractors, as their interests may appear.

** Strike out one.

10. SPECIAL EQUAL OPPORTUNITY PROVISIONS

A. Activities and Contracts Not Subject to Executive Order 11246, as Amended

(Applicable to Federally assisted construction contracts and related subcontracts \$10,000 and under.)

During the performance of this contract, the Contractor agrees as follows:

1. The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor shall take affirmative action to ensure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, 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.
2. The Contractor shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by Contracting Officer setting forth the provisions of this nondiscrimination clause. The Contractor shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
3. Contractors shall incorporate foregoing requirements in all subcontracts.

B. Executive Order 11246 (contracts/subcontracts above \$10,000)

1. Section 202 Equal Opportunity Clause

During the performance of this contract, the Contractor agrees as follows:

- a. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, 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, 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 setting forth the provisions of this nondiscrimination clause.
- b. 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 without regard to race, color, religion, sex, or national origin.
- c. 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 Compliance 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.
- d. The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- e. The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the Department of the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and others.
- f. In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

g. The Contractor will include the provisions of the sentence immediately preceding paragraph a. and the provisions of paragraphs a. through g. in every subcontract or purchase order unless exempted by rules, regulations, 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 Department may direct as a means of enforcing such provisions, including sanctions for non-compliance. Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Department, the Contractor may request the United States to enter into such litigation to protect the interest of the United States.

2. Notice of Requirement for Affirmative Action to ensure Equal Employment Opportunity (Executive Order 11246).
 (Applicable to contracts/subcontracts exceeding \$10,000.)

- a. The Offeror's or Bidder's attention is called to the "Equal Opportunity Clause" and the "Standard Federal Equal Employment Opportunity Construction Contract Specifications" set forth herein.
- b. The goals and timetables for minority and female participation, expressed in percentage terms for the Contractor's aggregate workforce in each trade on all construction work in the covered area, are as follows:

Goals for minority participation	Goals for female participation
Insert Goals	Insert Goals
_____	_____

NOTE: THESE GOALS MUST BE PROVIDED. Also, list State Geographic Area to be covered on following page.

These goals are applicable to all the Contractor's construction work (whether or not it is Federal or Federally assisted) performed in the covered area. If the Contractor performs construction work in a geographic area located outside of the covered area, it shall apply the goals established for such geographic area where the work is actually performed. With regard to this second area, the Contractor also is subject to the goals for both its Federally involved and non-Federally involved construction.

The contractor's compliance with the Executive Order and the regulations in 41 CFR Part 60-4 shall be based on its implementation of the Equal Opportunity Clause, specific affirmative action obligations required by the specifications set forth in 41 CFR 60-4.3(a), and its efforts to meet the goals established for the geographical area where the contract resulting from this solicitation is to be performed. The hours of minority and female employment and training must be substantially uniform throughout the length of the contract, and in each trade, and the Contractor shall make a good faith effort to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from Contractor to Contractor or from project to project for the sole purpose of meeting the Contractor's goals shall be a violation of the contract, the Executive Order, and the regulations in 41 CFR Part 60-4. Compliance with the goals will be measured against the total work hours performed.

- c. The Contractor shall provide written notification to the Director of the Office of Federal Contract Compliance Programs within 10 working days of award of any construction subcontract in excess of \$10,000 at any tier for construction work under the contract resulting from this solicitation. The notification shall list the name, address, and telephone number of the subcontractor; employer identification number; estimated dollar amount of the subcontract; estimated starting and completion dates of the subcontract; and the geographical area in which the contract is to be performed.
 - d. As used in this Notice, and in the contract resulting from this solicitation, the "covered area" is _____.
3. Standard Federal Equal Employment Opportunity Construction Contract Specifications (Executive Order 11246)
- a. As used in these specifications:
 - (1) "Covered area" means the geographical area described in the solicitation from which this contract resulted;
 - (2) "Director" means Director, Office of Federal Contract Compliance Programs, United States Department of Labor, or any person to whom the Director delegates authority;
 - (3) "Employer identification number" means the federal social security number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941;
 - (4) "Minority" includes:
 - (a) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin);

- (b) Hispanic (all persons of Mexican, Puerto Rican, Cuban, Central or South America or other Spanish Culture or origin, regardless of race);
 - (c) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands);
 - (d) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).
- b. Whenever the Contractor, or any Subcontractor at any tier, subcontracts a portion of the work involving any construction trade, it shall physically include in each subcontract in excess of \$10,000 the provisions of these specifications and the Notice which contains the applicable goals for minority and female participation and which is set forth in the solicitations from which this contract resulted.
- c. If the Contractor is participating (pursuant to 41 CFR 60-4.5) in a Hometown Plan approved by the U.S. Department of Labor in the covered area either individually or through an association, its affirmative action obligations on all work in the Plan area (including goals and timetables) shall be in accordance with that Plan for those trades which have unions participating in the Plan. Contractors must be able to demonstrate their participation in and compliance with the provisions of any such Hometown Plan. Each Contractor or Subcontractor participating in an approved Plan is individually required to comply with its obligations under the EEO clause, and to make a good faith effort to achieve each goal under the Plan in each trade in which it has employees. The overall good faith performance by other Contractors or Subcontractors toward a goal in an approved Plan does not excuse any covered Contractor's or Subcontractor's failure to take good faith efforts to achieve the Plan goals and timetables.

- d. The Contractor shall implement the specific affirmative action standards provided in paragraphs g.(1) through (16) of these specifications. The goals set forth in the solicitation from which this contract resulted are expressed as percentages of the total hours of employment and training of minority and female utilization the Contractor should reasonably be able to achieve in each construction trade in which it has employees in the covered area. Covered construction contractors performing contracts in geographical areas where they do not have a Federal or Federally-assisted construction contract shall apply the minority and female goals established for the geographic area where the contract is being performed. Goals are published periodically in the Federal Register in notice form and such notices may be obtained from any Office of Federal Contract Compliance Programs office or from Federal procurement contracting officers. The Contractor is expected to make substantially uniform progress in meeting its goals in each craft during the period specified.
- e. Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the Contractor has a collective bargaining agreement, to refer either minorities or women shall excuse the Contractor's obligations under these specifications, Executive Order 11246, or the regulations promulgated pursuant thereto.
- f. In order for the nonworking training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees must be employed by the Contractor during the training period, and the Contractor must have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees must be trained pursuant to training programs approved by the U.S. Department of Labor.
- g. The Contractor shall take specific affirmative actions to ensure equal employment opportunity. The evaluation of the Contractor's compliance with these specifications shall be based upon its effort to achieve maximum results from its actions. The Contractor shall document these efforts fully, and shall implement affirmative action steps at least as extensive as the following:

- (1) Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the Contractor's employees are assigned to work. The Contractor, where possible, will assign two or more women to each construction project. The Contractor shall specifically ensure that all foremen, superintendents, and other on-site supervisory personnel are aware of and carry out the Contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at such sites or in such facilities.
- (2) Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the Contractor or its union have employment opportunities available, and maintain a record of the organization's responses.
- (3) Maintain a current file of the names, addresses, and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source, or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the Contractor by the union or, if referred, not employed by the Contractor, this shall be documented in the file with the reason therefore, along with whatever additional actions the Contractor may have taken.
- (4) Provide immediate written notification to the Director when the union or unions with which the Contractor has a collective bargaining agreement has not referred to the Contractor a minority person or woman sent by the Contractor, or when the Contractor has other information that the union referral process has impeded the Contractor's efforts to meet its obligations.
- (5) Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and trainee programs relevant to the Contractor's employment needs, especially those programs funded or approved by the Department of Labor. The Contractor shall provide notice of these programs to the sources compiled under g.(2) above.

- (6) Disseminate the Contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the Contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the company newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the company's EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.
- (7) Review, at least annually, the company's EEO policy and affirmative action obligations under these specifications with all employees having any responsibility for hiring, assignment, layoff, termination, or other employment decisions including specific review of these items with on-site supervisory personnel such as Superintendents, General Foremen, etc., prior to the initiation of construction work at any job site. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.
- (8) Disseminate the Contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the Contractor's EEO policy with other Contractors and Subcontractors with whom the Contractor does or anticipates doing business.
- (9) Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations serving the Contractor's recruitment area and employment needs. Not later than one month prior to the date of the acceptance of applications for apprenticeship or other training by any recruitment source, the Contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.
- (10) Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer, and vacation employment to minority and female youth both on the site and in other areas of a Contractor's work force.

- (11) Validate all tests and other selection requirements where there is an obligation to do so under 41 CFR part 60-3.
 - (12) Conduct, at least annually, an inventory and evaluation at least of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.
 - (13) Ensure that seniority practices, job classifications, work assignments and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the Contractor's obligations under these specifications are being carried out.
 - (14) Ensure that all facilities and company activities are nonsegregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.
 - (15) Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.
 - (16) Conduct a review, at least annually, of all supervisors' adherence to and performance under the Contractor's EEO policies and affirmative action obligations.
- h. Contractors are encouraged to participate in voluntary associations which assist in fulfilling one or more of their affirmative action obligations g.(1) through (16). The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the Contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under g.(1) through (16) of these Specifications provided that the Contractor actively participates in the group, makes every effort to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the Contractor's minority and female workforce participation, makes a good faith effort to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the Contractor. The obligation shall not be a defense for the Contractor's non-compliance.

- i. A single goal for minorities and a separate single goal for women have been established. The Contractor, however, is required to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority. Consequently, the Contractor may be in violation of the Executive Order if a particular group is employed in a substantially disparate manner (for example, even though the Contractor has achieved its goals for women generally the Contractor may be in violation of the Executive Order if a specific minority group of women is underutilized).
- j. The Contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex, or national origin.
- k. The Contractor shall not enter into any Subcontract with any person or firm debarred from Government contracts pursuant to Executive Order 11246.
- l. The Contractor shall carry out such sanctions and penalties for violation of these specifications and of the Equal Opportunity Clause, including suspension, termination and cancellation of existing subcontracts as may be imposed or ordered pursuant to Executive Order 11246, as amended, and its implementing regulations, by the Office of Federal Contract Compliance Programs. Any contractor who fails to carry out such sanctions and penalties shall be in violation of these specifications and Executive Order 11246, as amended.
- m. The Contractor, in fulfilling its obligations under these specifications, shall implement specific affirmative action steps, at least as extensive as those standards prescribed in paragraph g. of these specifications, so as to achieve maximum results from its efforts to ensure equal employment opportunity. If the Contractor fails to comply with the requirements of the Executive Order, the implementing regulations, or these specifications, the Director shall proceed in accordance with 41 CFR 60-4.8.

- n. The Contractor shall designate a responsible official to monitor all employment related activity to ensure that the company's EEO policy is being carried out, to submit reports relating to the provisions hereof as may be required by the Government and to keep records. Records shall at least include for each employee, the name, address, telephone numbers, construction trade, union affiliation if any, employee identification number where assigned, social security number, race, sex, status (e.g., mechanic, apprentice trainee, helper, or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay, and location at which the work was performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractor shall not be required to maintain separate records.
- o. Nothing herein provided shall be construed as a limitation upon the application of other laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

C. Certification of Nonsegregated Facilities (Over \$10,000)

By the submission of this bid, the bidder, offeror, applicant or subcontractor certifies that he/she does not maintain or provide for his/her employees any segregated facility at any of his/her establishments, and that he/she does not permit employees to perform their services at any location, under his/her control, where segregated facilities are maintained. He/She certifies further that he/she will not maintain or provide for employees any segregated facilities at any of his/her establishments, and he/she will not permit employees to perform their services at any location under his/her control where segregated facilities are maintained. The bidder, offeror, applicant or subcontractor agrees that a breach of this certification is a violation of the Equal Opportunity Clause of this contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms, and other storage or dressing areas, ***transportation and housing facilities provided for employees which are segregated on the basis of race, color, religion, or are in fact segregated on the basis of race, color, religion, or otherwise. He/She further agrees that (except where he/she has obtained identical certifications from proposed subcontractors for specific time periods) he/she will obtain identical certification from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clause; that he/she will retain such certifications in his/her files; and that he/she will forward the following notice to such proposed subcontractors (except where proposed subcontractors have submitted identical certifications for specific time periods).

D. Civil Rights Act of 1964

Under Title VI of the Civil Rights Act of 1964, no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

E. Section 109 of the Housing and Community Development Act of 1974

No person in the United States shall on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

F. "The Section 3 Clause"

1. The work to be performed under this contract is on a project assisted under a program providing direct Federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of section 3 of the Housing Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the area of the Section 3 covered project, and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the area of the Section 3 covered project.
2. The parties to this contract will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 Part CFR 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.
3. The contractor will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.
4. The contractor will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant for or recipient of Federal Financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR Part 135. The contractor will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR part 135 and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

5. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of the contract, shall be a condition of the Federal financial assistance provided to the project, binding upon the applicant or recipient, its contractors and subcontractors, its successors, and assigns to those sanctions specified by the grant or loan agreement or contract through which Federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

G. Age Discrimination Act of 1975

No person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity receiving Federal financial assistance.

H. Section 504 Handicapped

Non-Discrimination for Handicapped Workers

No otherwise qualified handicapped individual in the U.S., as defined in Section 7, Paragraph 6 of the Rehabilitation Act of 1973 shall, solely by reason of this handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

11. CERTIFICATION OF COMPLIANCE WITH AIR AND WATER ACTS

(Applicable to Federally assisted construction contracts and related subcontracts exceeding \$100,000)

Compliance with Air and Water Acts

During the performance of this contract the contractor and all subcontractors shall comply with the requirements of the Clean Air Act, as amended, 42 USC 1857 et seq., the Federal Water Pollution Control Act, as amended, 33 USC 1251 et seq., and the regulations of the Environmental Protection Agency with respect thereto, at 40 CFR Part 15, as amended.

In addition to the foregoing requirements, all nonexempt contractors and subcontractors shall furnish to the Owner, the following:

1. A stipulation by the Contractor or subcontractors, that any facility to be utilized in the performance of any nonexempt 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 USC 1857c-8) and Section 308 of the Federal Water Pollution Control Act, as amended, (33 USC 1318) relating to inspection, monitoring, entry, reports and information, as well as all other requirements specified in said Section 114 and Section 308, 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 he will include, or cause to be included, the criteria and requirements in paragraph (1) through (4) of this section in every nonexempt subcontract and requiring that the Contractor will take such action as the Government may direct as a means of enforcing such provisions.

12. SPECIAL CONDITIONS PERTAINING TO HAZARDS, SAFETY STANDARDS AND ACCIDENT PREVENTION

A. Lead-Based Paint Hazards

(Applicable to contracts for construction or rehabilitation of residential structures.)
The construction or rehabilitation of residential structures is subject to the HUD Lead-Based Paint regulations, 24 CFR Part 35. The Contractor and Subcontractors shall comply with the provisions for the elimination of lead-base paint hazards under sub-part B of said regulations. The Owner will be responsible for the inspections and certifications required under Section 35.14(f) thereof.

B. Use of Explosives (Modify as Required)

When the use of explosives is necessary for the prosecution of the work, the Contractor shall observe all local, state and Federal laws in purchasing and handling explosives. The Contractor shall take all necessary precaution to protect completed work, neighboring property, water lines, or other underground structures. Where there is danger to structures or property from blasting, the charges shall be reduced and the material shall be covered with suitable timber, steel or rope mats.

The Contractor shall notify all owners of public utility property of intention to use explosives at least eight hours before blasting is done, close to such property. Any supervision or direction of use of explosives by the engineer, does not in any way reduce the responsibility of the Contractor or his Surety for damages that may be caused by such use.

C. Danger Signals and Safety Devices (Modify as Required)

The Contractor shall make all necessary precautions to guard against damages to property and injury to persons. He shall put up and maintain in good condition, sufficient red or warning lights at night, suitable barricades and other devices necessary to protect the public. In case the Contractor fails or neglects to take such precautions, the Owner may have such lights and barricades installed and charge the cost of this work to the Contractor. Such action by the Owner does not relieve the Contractor of any liability incurred under these specifications or contract.

13. FLOOD DISASTER PROTECTION

This Contract is subject to the requirements of the Flood Disaster Protection Act of 1973 (P.L. 93-234). Nothing included as a part of this Contract is approved for acquisition or construction purposes as defined under Section 3(a) of said Act, for use in an area identified by the Secretary of HUD as having special flood hazards which is located in a community not then in compliance with the requirements for participation in the national flood insurance program pursuant to Section 201(d) of said Act; and the use of any assistance provided under this Contract for such acquisition or construction in such identified areas in communities then participating in the national flood insurance program shall be subject to the mandatory purchase of flood insurance requirements of Section 102(a) of said Act.

Any contract or agreement for the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under the Contract shall contain, if such land is located in an area identified by the Secretary as having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4001 et seq., provisions obligating the transferee and its successors or assigns to obtain and maintain, during the ownership of such land, such flood insurance as required with respect to financial assistance for acquisition or construction purposes under Section 102(a) of the Flood Disaster Protection Act of 1973.

14. ACCESS TO RECORDS/MAINTENANCE OF RECORDS

The Contractor shall maintain accounts and records, including personnel, property, and financial records, adequate to identify and account for all costs pertaining to the contract and such other records as may be deemed necessary by the locality to assure proper accounting for all funds. These records will be available for audit purposes to the locality or the State or any other authorized representative, and will be retained for three years after contract completion unless permission to destroy them is granted by the locality. Moreover, the locality, State, or any authorized representative shall have access to any books, documents, papers, and records of the Contractor which are directly pertinent to this contract for the purpose of making audit, examination, excerpts, and transcriptions.

15. CONFLICT OF INTEREST OF OFFICERS OR EMPLOYEES OF THE LOCAL JURISDICTION, MEMBERS OF THE LOCAL GOVERNING BODY, OR OTHER PUBLIC OFFICIALS

No officer or employee of the local jurisdiction or its designees or agents, no member of the governing body, and no other public official of the locality who exercises any function or responsibility with respect to this contract, during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed. Further, the contractor shall cause to be incorporated in all subcontracts the language set forth in this paragraph prohibiting conflict of interest.

16. DRUG-FREE WORKPLACE

Under the provisions of Tennessee Code Annotate § 50-9-113 enacted by the General Assembly effective 2001, a) employers with five (5) or more employees who contract with either the state or a local government to provide construction services are required to submit an affidavit stating that they have a drug free workplace program that complies with Title 50, Chapter 9, in effect at the time of submission of a bid at least to the extent required of governmental entities. The statute, imposes other requirements on the contractor, but the grantee's responsibility is specifically limited in section (b) of the state as follows:

(b) A written affidavit by the principal officer of a covered employer provided to a local government at the time such bid or contract is submitted stating that the employer is in compliance with this section shall absolve the local government of all further responsibility under this section and any liability arising from the employer's compliance or failure of compliance with the provisions of this section.

17. PROJECT SIGN

If a project sign is erected, it must include the following:

Governor *(Name)*
Department of Economic and Community Development
Commissioner *(Name)*
CDBG Grant *(Amount)*

SPECIFICATIONS

Description of Project

Location (Recipient)

List of Contracts

Contract No.

Name and Address of Consultant or, if Prepared by
Recipient Staff, the Name of the Office to be Contacted for
Information Pertaining to Project

This report is to be completed by grantees, developers, sponsors, builders, agencies, and/or project owners for reporting contract and subcontract activities of \$10,000 or more under the following programs: Community Development Block Grants (entitlement and small cities); Urban Development Action Grants; Housing Development Grants; Multifamily Insured and Noninsured; Public and Indian Housing Authorities; and contracts entered into by recipients of CDBG rehabilitation assistance.

Contracts/subcontracts of less than \$10,000 need be reported only if such contracts represent a significant portion of your total contracting activity. Include only contracts executed during this reporting period.

This form has been modified to capture Section 3 contract data in columns 7g and 7i. Section 3 requires that the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. Recipients using this form to report Section 3 contract data must also use Part I of form HUD-60002 to report employment and training opportunities data. Form HUD-2516 is to be

completed for public and Indian housing and most community development programs. Form HUD-60002 is to be completed by all other HUD programs including State administered community development programs covered under Section 3.

A Section 3 contractor/subcontractor is a business concern that provides economic opportunities to low- and very low-income residents of the metropolitan area (or nonmetropolitan county), including a business concern that is 51 percent or more owned by low- or very low-income residents; employs a substantial number of low- or very low-income residents; or provides subcontracting or business development opportunities to businesses owned by low- or very low-income residents. Low- and very low-income residents include participants in Youthbuild programs established under Subtitle D of Title IV of the Cranston-Gonzalez National Affordable Housing Act.

The terms "low-income persons" and "very low-income persons" have the same meanings given the terms in section 3(b)(2) of the United States Housing Act of 1937. Low-income persons mean families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary

may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families. Very low-income persons means low-income families (including single persons) whose incomes do not exceed 50 per centum of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

Submit two (2) copies of this report to your local HUD Office within ten (10) days after the end of the reporting period you checked in item 4 on the front.

Complete item 7h. only once for each contractor/subcontractor on each semi-annual report.

Enter the prime contractor's ID in item 7f. for all contracts and subcontracts. Include only contracts executed during this reporting period. PHAs/IHAs are to report all contracts/subcontracts.

Community Development Programs

1. Grantee: Enter the name of the unit of government submitting this report.

3. Contact Person: Enter name and phone of person responsible for maintaining and submitting contract/subcontract data.

7a. Grant Number: Enter the HUD Community Development Block Grant Identification Number (with dashes). For example: B-32-MC-25-0034. For Entitlement Programs and Small City multi-year comprehensive programs, enter the latest approved grant number.

7b. Amount of Contract/Subcontract: Enter the dollar amount rounded to the nearest dollar. If subcontractor ID number is provided in 7f, the dollar figure would be for the subcontract only and not for the prime contract.

7c. Type of Trade: Enter the numeric codes which best indicates the contractor's/subcontractor's service. If subcontractor ID number is provided in 7f., the type of trade code would be for the subcontractor only and not for the prime contractor. The "other" category includes supply, professional services and all other activities except construction and education/training activities.

7d. Business Racial/Ethnic/Gender Code: Enter the numeric code which indicates the racial/ethnic /gender character of the owner(s) and controller(s) of 51% of the business. When 51% or more is not owned and controlled by any single racial/ethnic/gender category, enter the code which seems most appropriate. If the subcontractor ID number is provided, the code would apply to the subcontractor and not to the prime contractor.

7e. Woman Owned Business: Enter Yes or No.

7f. Contractor Identification (ID) Number: Enter the Employer (IRS) Number of the Prime Contractor as the unique identifier for prime recipient of HUD funds. Note that the Employer (IRS) Number must be provided for each contract/subcontract awarded.

7g. Section 3 Contractor: Enter Yes or No.

7h. Subcontractor Identification (ID) Number: Enter the Employer (IRS) Number of the subcontractor as the unique identifier for each subcontract awarded from HUD funds. When the subcontractor ID Number is provided, the respective Prime Contractor ID Number must also be provided.

7i. Section 3 Contractor: Enter Yes or No.

7j. Contractor/Subcontractor Name and Address: Enter this information for each
Previous editions are obsolete.

firm receiving contract/subcontract activity only one time on each report for each firm.

Multifamily Housing Programs

1. Grantee/Project Owner: Enter the name of the unit of government, agency or mortgagor entity submitting this report.

3. Contact Person: Same as item 3 under CPD Programs.

4. Reporting Period: Check only one period.

5. Program Code: Enter the appropriate program code.

7a. Grant/Project Number: Enter the HUD Project Number or Housing Development Grant or number assigned.

7b. Amount of Contract/Subcontract: Same as item 7b. under CPD Programs.

7c. Type of Trade: Same as item 7c. under CPD Programs.

7d. Business Racial/Ethnic/Gender Code: Same as item 7d. under CPD Programs.

7e. Woman Owned Business: Enter Yes or No.

7f. Contractor Identification (ID) Number: Same as item 7f. under CPD Programs.

7g. Section 3 Contractor: Enter Yes or No.

7h. Subcontractor Identification (ID) Number: Same as item 7h. under CPD Programs.

7i. Section 3 Contractor: Enter Yes or No.

7j. Contractor/Subcontractor Name and Address: Same as item 7j. under CPD Programs.

Public Housing and Indian Housing Programs

PHAs/IHAs are to report all contracts/subcontracts. Include only contracts executed during this reporting period.

1. Project Owner: Enter the name of the unit of government, agency or mortgagor entity submitting this report. Check box as appropriate.

3. Contact Person: Same as item 3 under CPD Programs.

4. Reporting Period: Check only one period.

5. Program Code: Enter the appropriate program code.

7a. Grant/Project Number: Enter the HUD Project Number or Housing Development Grant or number assigned.

7b. Amount of Contract/Subcontract: Same as item 7b. under CPD Programs.

7c. Type of Trade: Same as item 7c. under CPD Programs.

7d. Business Racial/Ethnic/Gender Code: Same as item 7d. under CPD Programs.

7e. Woman Owned Business: Enter Yes or No.

7f. Contractor Identification (ID) Number: Same as item 7f. under CPD Programs.

7g. Section 3 Contractor: Enter Yes or No.

7h. Subcontractor Identification (ID) Number: Same as item 7h. under CPD Programs.

7i. Section 3 Contractor: Enter Yes or No.

7j. Contractor/Subcontractor Name and Address: Same as item 7j. under CPD Programs.

NOTICE OF CONTRACT AWARD AND PRE-CONSTRUCTION CONFERENCE

To: Tennessee Dept. of Economic and Community Development

From: _____
(Name and Title of Labor Standards Coordinator)

Date: _____

Subject: _____
(Grantee)

(Contract Number, Title of Project and Year)

This is to inform you that _____, _____,
(Name of Company) (I.D. Number)

at _____,
(Address: Street, City, State, Zip)

has been awarded a contract _____ to
(Number)

(Brief Description of Work)

in the City of _____. The number of the applicable wage decision

is _____. The contract is for _____. The estimated start of construction is
(Number) (Amount)

_____. Contract completion is estimated to be _____. A Pre-Construction
(Date) (Date)

Conference will be held concerning this project at _____ on _____ at
(Time) (Date)

(Address: Street, City, State, Zip)

PRE-CONSTRUCTION REPORT

Project Name: _____ Project #: _____

Location: _____

Description of Work to be Performed: _____

Wage Decision Number: _____

Contractor: _____ Contract Amount: \$ _____

Conference Date: _____ Place: _____

Participants:

Names

Titles

Items Covered:

- | | |
|---|---|
| <ul style="list-style-type: none"> <input type="checkbox"/> Initial Starting Date <input type="checkbox"/> Inspection and Supervision <input type="checkbox"/> Labor Standards <input type="checkbox"/> Housing and Urban Development Act of 1968, Section 3 <input type="checkbox"/> Equal Opportunity <input type="checkbox"/> Reporting Requirements and Sanctions <input type="checkbox"/> Payrolls <input type="checkbox"/> Other: _____ | <ul style="list-style-type: none"> <input type="checkbox"/> Employee Interviews <input type="checkbox"/> Insurance Coverage <input type="checkbox"/> Construction Safety <input type="checkbox"/> Partial Payments to Contractor <input type="checkbox"/> Change Orders <input type="checkbox"/> Liquidated Damages <input type="checkbox"/> City's Role and Responsibilities <input type="checkbox"/> Contractor's Role and Responsibilities |
|---|---|

I, _____, (Name of Prime Contractor) hereby acknowledge that I attended a pre-construction conference on the above-noted date, that all items listed were adequately reviewed at the meeting and that I fully understand all obligations and responsibilities allocated to me as prime contractor.

NOTICE TO PROCEED

_____ (Date)

_____ (Contractor)

_____ (Address)

_____ (City), (State), (Zip)

Re: _____ (Grantee)

_____ (Project #)

_____ (Project)

You are hereby notified to commence WORK on _____, 20____, in accordance with the Agreement dated ~~_____~~ 20____, and you are to complete the WORK within _____ consecutive calendar days thereafter. The date of completion of all WORK is therefore _____, 20____.

Owner

By: _____

Title: _____

Contractor

By: _____

Title: _____

NOTICE OF START OF CONSTRUCTION

To: ECD

From: _____
(Grantee)

(Project #)

Date: _____
(Date)

_____, located at _____, awarded to
(Project Name) (Address)

_____ on _____, will begin construction on _____
(Name of Contractor) (Date) (Date)

Construction will be completed by _____. The number of the applicable wage
(Date)

decision is _____ has designated
(Wage Decision Number) (Grantee)

_____ as responsible for compliance with labor standards and equal
(Name)

opportunity provisions.

PROJECT WAGE RATE SHEET

Project Name:			Wage Decision Number/Modification Number						
Project Number:			Project County:						
Employee	Work Classification*	Hourly Rate	Fringe Benefits					TOTAL FRINGE	Total Wage
			Health Insurance	Vacation Pay	Sick Leave Pay	Retirement Benefits	Other - List:		

This form is a breakdown of the hourly rate plus the company-paid fringe benefits for each employee working on this project.

* List each classification for an employee on a different line and indicate category (i.e. building or heavy) for each classification.

 (Company person authorized to sign)
 (Company name)

AUTHORIZATION TO MAKE "OTHER" DEDUCTIONS

I, _____, hereby acknowledge that I have previously authorized my employer, _____, to make the below described deductions which constitute contributions for certain benefits (see Section (d) on the attached list of Permissible Payroll Deductions) on wages earned while employed on the aforementioned projects.

These deductions were either: (1) voluntarily consented to in writing and in advance of my commencement of work on the aforementioned projects or (2) provided for in a bona fide collective bargaining agreement. (Please circle or underline (1) or (2) to indicate which scenario applies.)

I, _____ (please include name and title), hereby state that I pay or supervise the payment of this employee and certify that no profit or other benefit is otherwise obtained by the employer or any affiliated person in the form of a commission, dividend, or otherwise. I further certify that the deductions listed in Section A. of this Form serve the convenience and interest of the employee and consent to said deductions was not a condition either for the obtaining or continuation of his/her employment.

PROJECT NUMBER: _____
PROJECT NAME: _____
PROJECT LOCATION: _____
City County State

These deductions listed below are voluntary and are authorized for the identified purpose(s):

Table with 2 columns: Purpose of Deduction, Amount / Frequency of Deduction. Rows 1-5.

Employee Name (PRINT OR TYPE)

Witness

Employee Signature

Date

Employee Last 4 Digits of SSN.

Date

PERMISSIBLE PAYROLL DEDUCTIONS (29 C.F.R. §3.5)

The following payroll deductions may be made without requesting approval from the U.S. Department of Labor:

- (a) Any deduction made **in compliance with the requirements of Federal, State, or local law**, such as Federal or State withholding income taxes and Federal Social Security taxes.
- (b) Any deduction of **sums previously paid to the employee as a bona fide prepayment of wages** when such prepayment is made without discount or interest. A “bona fide prepayment of wage” is considered to have been made only when cash or its equivalent has been advanced to the person employed in such manner as to give him complete freedom of disposition of the advanced funds.
- (c) Any deduction of **amounts required by court process** to be paid to another, unless the deduction is in favor of the contractor, subcontractor, or any affiliated person, or when collusion or collaboration exists.
- (d) Any deduction constituting a contribution on behalf of the person employed to funds established by the employer or representatives of employees, or both, for the purpose of providing either from principal or income, or both, **medical or hospital care, pensions or annuities on retirement death benefits, compensation for injuries, illness, accidents, sickness, or disability, or for insurance to provide any of the foregoing, or unemployment benefits, vacation pay, savings accounts, or similar payments** for the benefit of employees, their families and dependents: *Provided, however, that the following standards are met:* (1) the deduction is **not otherwise prohibited by law**; (2) it is either: (i) **voluntarily consented to by the employee in writing and in advance** of the period in which the work is to be done and such consent is **not a condition either for the obtaining of or for the continuation of employment**, or (ii) **provided for in a bona fide collective bargaining agreement** between the contractor or subcontractor and representatives of its employees; (3) no **profit or other benefit is otherwise obtained**, directly or indirectly, by the contractor or subcontractor or any affiliated person in the form of commission, dividend, or otherwise; and (4) the deduction shall serve the **convenience and interest of the employee**.
- (e) Any deduction contributing toward the purchase of United States **Savings Bonds** when voluntarily authorized by the employee
- (f) Any deduction requested by the employee to enable him to **repay loans** to or to purchase shares in credit unions organized and operated in accordance with Federal and State credit union statutes.
- (g) Any deduction voluntarily authorized by the employee for the making of contributions governmental or quasi-governmental agencies, such as the American Red Cross.
- (h) Any deduction voluntarily authorized by the employee for the making of contributions to Community Chests, United Givers Funds, and similar charitable organizations.

- (i) Any deductions to pay **regular union initiation fees** and membership dues, not including fines or special assessments: *Provided, however,* that a collective bargaining agreement between employees provided for such deductions and the deductions are not otherwise prohibited by law.
- (j) Any deduction not more than for the **“reasonable cost” of board, lodging** or other facilities meeting the requirements of section 3(m) of the Fair Labor Standards Act of 1938, as amended, and Part 531 of Title 29, Code of Federal Regulations. When such a deduction is made, the additional records required under Section 516.25(a) of Title 29, Code of Federal Regulations, shall be kept.
- (k) Any deduction for the cost of safety equipment of nominal value purchased by the employee as his own property for his personal protection in his work, such as safety shoes, safety glasses, safety gloves, and hard hats, if such equipment is not required by law to be furnished by the employer, if such deduction is not violative of the Fair Labor Standards Act or prohibited by other law, if the cost on which the deduction is based does not exceed the actual cost to the employer where the equipment is purchased from him and does not include any direct or indirect monetary return to the employer where the equipment is purchased from a third person, and if the deduction is either:
 - (1) Voluntarily consented to by the employee in writing and in advance of the period in which the work is to be done and such consent is not a condition either for the obtaining of employment or its continuance; or
 - (2) Provided for in a bona fide collective bargaining agreement between the contractor or subcontractor and representatives of its employees.

Record of Employee Interview

U.S. Department of Housing and Urban Development Office of Labor Relations

OMB Approval No. 2501-0009
(exp. 10/31/2010)

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. The information is collected to ensure compliance with the Federal labor standards by recording interviews with construction workers. The information collected will assist HUD in the conduct of compliance monitoring; the information will be used to test the veracity of certified payroll reports submitted by the employer. **Sensitive Information.** The information collected on this form is considered sensitive and is protected by the Privacy Act. The Privacy Act requires that these records be maintained with appropriate administrative, technical, and physical safeguards to ensure their security and confidentiality. In addition, these records should be protected against any anticipated threats or hazards to their security or integrity that could result in substantial harm, embarrassment, inconvenience, or unfairness to any individual on whom the information is maintained. **The information collected herein is voluntary, and any information provided shall be kept confidential.**

1a. Project Name			2a. Employee Name		
1b. Project Number			2b. Employee Phone Number (including area code)		
1c. Contractor or Subcontractor (Employer)			2c. Employee Home Address & Zip Code		
			2d. Verification of identification? Yes <input type="checkbox"/> No <input type="checkbox"/>		
3a. How long on this job?	3b. Last date on this job before today?	3c. No. of hours last day on this job?	4a. Hourly rate of pay?	4b. Fringe Benefits?	4c. Pay stub?
				Vacation Yes <input type="checkbox"/> No <input type="checkbox"/> Medical Yes <input type="checkbox"/> No <input type="checkbox"/> Pension Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
5. Your job classification(s) (list all) --- continue on a separate sheet if necessary					
6. Your duties					
7. Tools or equipment used					
8. Are you an apprentice or trainee?		Y <input type="checkbox"/> N <input type="checkbox"/>	10. Are you paid at least time and ½ for all hours worked in excess of 40 in a week?		Y <input type="checkbox"/> N <input type="checkbox"/>
9. Are you paid for all hours worked?		Y <input type="checkbox"/> N <input type="checkbox"/>	11. Have you ever been threatened or coerced into giving up any part of your pay?		Y <input type="checkbox"/> N <input type="checkbox"/>
12a. Employee Signature			12b. Date		
13. Duties observed by the Interviewer (Please be specific.)					
14. Remarks					
15a. Interviewer name (please print)		15b. Signature of Interviewer		15c. Date of interview	

Payroll Examination

16. Remarks	
17a. Signature of Payroll Examiner	17b. Date

Previous editions are obsolete

Form HUD-11 (08/2004)

Record of Employee Interview Instructions	U.S. Department of Housing and Urban Development Office of Labor Relations	OMB Approval No. 2501-0009 (exp. 10/31/2010)
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General:

This form is to be used by HUD and local agency staff for recording information gathered during on-site interviews with laborers and mechanics employed on projects subject to Federal prevailing wage requirements. Typically, the staff that will conduct on-site interviews and use this form are HUD staff and fee construction inspectors, HUD Labor Relations staff, and local agency labor standards contract monitors.

Information recorded on the form HUD-11 is evaluated for general compliance and compared to certified payroll reports submitted by the respective employer. The comparison tests the veracity of the payroll reports and may be critical to the successful conclusion of enforcement actions in the event of labor standards violations. The thoroughness and accuracy of the information gathered during interviews is crucial.

Note that the interview itself and the information collected on the form HUD-11 are considered confidential. Interviews should be conducted individually and privately. All laborers and mechanics employed on the job site must be made available for interview at the interviewer’s request. The employee’s participation, however, is voluntary. Interviews shall be conducted in a manner and place that are conducive to the purposes of the interview and that cause the least inconvenience to the employer(s) and the employee(s).

Completing the form HUD-11

Items 1a - 1c: Self-explanatory

Items 2a – 2d: Enter the employee’s full name, a telephone number where the employee can be reached, and the employee’s home address. Many construction workers use a temporary address in the locality of the project and have a more permanent address elsewhere from which mail may be forwarded to them. Obtain a more permanent address, if available. Ask the employee for a form of identification (e.g., driver’s license) to verify their name.

Items 3a – 4c: Enter the employee’s responses. Ask the employee whether they have a pay stub with them; if so, determine whether the pay stub is consistent with the information provided by the employee.

Items 5 – 7: Be certain that the employee’s responses are specific. For example, job classification (#5) must identify the trade involved (e.g., Carpenter, Electrician, Plumber) – responses such as “journeyman” or “mechanic” are not helpful for our purposes.

Items 8 – 12b: Self-explanatory

Items 13 – 15c: These items represent some of the most important information that can be gathered while conducting on-site interviews. Please be specific about the duties you observed the employee performing. It may be easiest to make these observations before initiating the interview. Please record any comments or remarks that may be helpful. For example, if the employee interviewed was working with a crew, how many workers were in the crew? Was the employee evasive?

The level of specificity that is warranted is directly related to the extent to which interview(s) or other observations indicate that there may be violations present. If interviews indicate that there may be underpayments involving a particular trade(s), the interviewer is encouraged to interview as many workers in that trade(s) that are available.

Items 16 – 17b: The information on the form HUD-11 may be reviewed for general compliance, initially. For example, are the job classification and wage rate stated by the employee compatible with the classifications and wage rates on the applicable wage decision? Are the duties observed by the interviewer consistent with the job classification?

Once the corresponding certified payroll reports are received, the information on the HUD-11 shall be compared to the payroll reports. Any discrepancies noted between the HUD-11 information and that on the payroll report shall be noted in Item 16, Remarks. If discrepancies are noted, follow-up actions to resolve the discrepancies must be taken.

EMPLOYEE RIGHTS UNDER THE DAVIS-BACON ACT

FOR LABORERS AND MECHANICS EMPLOYED ON FEDERAL OR FEDERALLY ASSISTED CONSTRUCTION PROJECTS

THE UNITED STATES DEPARTMENT OF LABOR WAGE AND HOUR DIVISION

PREVAILING WAGES

You must be paid not less than the wage rate listed in the Davis-Bacon Wage Decision posted with this Notice for the work you perform.

OVERTIME

You must be paid not less than one and one-half times your basic rate of pay for all hours worked over 40 in a work week. There are few exceptions.

ENFORCEMENT

Contract payments can be withheld to ensure workers receive wages and overtime pay due, and liquidated damages may apply if overtime pay requirements are not met. Davis-Bacon contract clauses allow contract termination and debarment of contractors from future federal contracts for up to three years. A contractor who falsifies certified payroll records or induces wage kickbacks may be subject to civil or criminal prosecution, fines and/or imprisonment.

APPRENTICES

Apprentice rates apply only to apprentices properly registered under approved Federal or State apprenticeship programs.

PROPER PAY

If you do not receive proper pay, or require further information on the applicable wages, contact the Contracting Officer listed below:

Office of Federal Programs
Wm. R. Snodgrass TN Tower Building
26th Floor
312 Rosa L. Parks Avenue
Nashville, TN 37243
(877) 768-6374

or contact the U.S. Department of Labor's Wage and Hour Division.



For additional information:

1-866-4-USWAGE

(1-866-487-9243) TTY: 1-877-889-5627



WWW.WAGEHOUR.DOL.GOV

Equal Employment Opportunity is **THE LAW**

Private Employers, State and Local Governments, Educational Institutions, Employment Agencies and Labor Organizations

Applicants to and employees of most private employers, state and local governments, educational institutions, employment agencies and labor organizations are protected under Federal law from discrimination on the following bases:

RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN

Title VII of the Civil Rights Act of 1964, as amended, protects applicants and employees from discrimination in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral, and other aspects of employment, on the basis of race, color, religion, sex (including pregnancy), or national origin. Religious discrimination includes failing to reasonably accommodate an employee's religious practices where the accommodation does not impose undue hardship.

DISABILITY

Title I and Title V of the Americans with Disabilities Act of 1990, as amended, protect qualified individuals from discrimination on the basis of disability in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral, and other aspects of employment. Disability discrimination includes not making reasonable accommodation to the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or employee, barring undue hardship.

AGE

The Age Discrimination in Employment Act of 1967, as amended, protects applicants and employees 40 years of age or older from discrimination based on age in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral, and other aspects of employment.

SEX (WAGES)

In addition to sex discrimination prohibited by Title VII of the Civil Rights Act, as amended, the Equal Pay Act of 1963, as amended, prohibits sex discrimination in the payment of wages to women and men performing substantially equal work, in jobs that require equal skill, effort, and responsibility, under similar working conditions, in the same establishment.

GENETICS

Title II of the Genetic Information Nondiscrimination Act of 2008 protects applicants and employees from discrimination based on genetic information in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral, and other aspects of employment. GINA also restricts employers' acquisition of genetic information and strictly limits disclosure of genetic information. Genetic information includes information about genetic tests of applicants, employees, or their family members; the manifestation of diseases or disorders in family members (family medical history); and requests for or receipt of genetic services by applicants, employees, or their family members.

RETALIATION

All of these Federal laws prohibit covered entities from retaliating against a person who files a charge of discrimination, participates in a discrimination proceeding, or otherwise opposes an unlawful employment practice.

WHAT TO DO IF YOU BELIEVE DISCRIMINATION HAS OCCURRED

There are strict time limits for filing charges of employment discrimination. To preserve the ability of EEOC to act on your behalf and to protect your right to file a private lawsuit, should you ultimately need to, you should contact EEOC promptly when discrimination is suspected:

The U.S. Equal Employment Opportunity Commission (EEOC), 1-800-669-4000 (toll-free) or 1-800-669-6820 (toll-free TTY number for individuals with hearing impairments). EEOC field office information is available at www.eeoc.gov or in most telephone directories in the U.S. Government or Federal Government section. Additional information about EEOC, including information about charge filing, is available at www.eeoc.gov.

Employers Holding Federal Contracts or Subcontracts

Applicants to and employees of companies with a Federal government contract or subcontract are protected under Federal law from discrimination on the following bases:

RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN

Executive Order 11246, as amended, prohibits job discrimination on the basis of race, color, religion, sex or national origin, and requires affirmative action to ensure equality of opportunity in all aspects of employment.

INDIVIDUALS WITH DISABILITIES

Section 503 of the Rehabilitation Act of 1973, as amended, protects qualified individuals from discrimination on the basis of disability in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral, and other aspects of employment. Disability discrimination includes not making reasonable accommodation to the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or employee, barring undue hardship. Section 503 also requires that Federal contractors take affirmative action to employ and advance in employment qualified individuals with disabilities at all levels of employment, including the executive level.

DISABLED, RECENTLY SEPARATED, OTHER PROTECTED, AND ARMED FORCES SERVICE MEDAL VETERANS

The Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, 38 U.S.C. 4212, prohibits job discrimination and requires affirmative action to employ and advance in employment disabled veterans, recently separated veterans (within

three years of discharge or release from active duty), other protected veterans (veterans who served during a war or in a campaign or expedition for which a campaign badge has been authorized), and Armed Forces service medal veterans (veterans who, while on active duty, participated in a U.S. military operation for which an Armed Forces service medal was awarded).

RETALIATION

Retaliation is prohibited against a person who files a complaint of discrimination, participates in an OFCCP proceeding, or otherwise opposes discrimination under these Federal laws.

Any person who believes a contractor has violated its nondiscrimination or affirmative action obligations under the authorities above should contact immediately:

The Office of Federal Contract Compliance Programs (OFCCP), U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210, 1-800-397-6251 (toll-free) or (202) 693-1337 (TTY). OFCCP may also be contacted by e-mail at OFCCP-Public@dol.gov, or by calling an OFCCP regional or district office, listed in most telephone directories under U.S. Government, Department of Labor.

Programs or Activities Receiving Federal Financial Assistance

RACE, COLOR, NATIONAL ORIGIN, SEX

In addition to the protections of Title VII of the Civil Rights Act of 1964, as amended, Title VI of the Civil Rights Act of 1964, as amended, prohibits discrimination on the basis of race, color or national origin in programs or activities receiving Federal financial assistance. Employment discrimination is covered by Title VI if the primary objective of the financial assistance is provision of employment, or where employment discrimination causes or may cause discrimination in providing services under such programs. Title IX of the Education Amendments of 1972 prohibits employment discrimination on the basis of sex in educational programs or activities which receive Federal financial assistance.

INDIVIDUALS WITH DISABILITIES

Section 504 of the Rehabilitation Act of 1973, as amended, prohibits employment discrimination on the basis of disability in any program or activity which receives Federal financial assistance. Discrimination is prohibited in all aspects of employment against persons with disabilities who, with or without reasonable accommodation, can perform the essential functions of the job.

If you believe you have been discriminated against in a program of any institution which receives Federal financial assistance, you should immediately contact the Federal agency providing such assistance.

La Igualdad de Oportunidades en el Empleo es

LAWLEY

Empleadores privados, autoridades locales y estatales, instituciones educativas, agencias de empleo y organizaciones laborales

Los solicitantes de empleo y los empleados de la mayoría de los empleadores privados, autoridades locales y estatales, instituciones educativas, agencias de empleo y organizaciones laborales están protegidos conforme a la ley federal contra la discriminación por cualquiera de los siguientes motivos:

RAZA, COLOR, RELIGIÓN, SEXO, ORIGEN NACIONAL

El Título VII de la Ley de Derechos Civiles de 1964, y sus enmiendas, protege a los solicitantes de empleo y a los empleados contra la discriminación en la contratación, ascenso, despido, sueldo, beneficios adicionales, capacitación laboral, clasificación, referencia, y otros aspectos del empleo, debido a la raza, color, religión, sexo (incluido el embarazo) u origen nacional. La discriminación religiosa incluye el no realizar los arreglos razonables para las prácticas religiosas de un empleado, cuando tales arreglos no impongan una dificultad indebida.

DISCAPACIDAD

El Título I y el Título V de la Ley de Estadounidenses con Discapacidades de 1990, y sus enmiendas, protegen a los individuos que calificuen contra la discriminación por una discapacidad en la contratación, ascenso, despido, sueldo, beneficios adicionales, capacitación laboral, clasificación, referencia, y otros aspectos del empleo. La discriminación por discapacidad incluye el no realizar los arreglos razonables para las limitaciones mentales o físicas conocidas de un individuo con una discapacidad quien solicite empleo o sea empleado, salvo que implique una dificultad indebida.

EDAD

La Ley Contra la Discriminación por Edad en el Empleo de 1967, y sus enmiendas, protege a los solicitantes de empleo y a los empleados que tengan 40 años de edad o más contra la discriminación por la edad en la contratación, ascenso, despido, sueldo, beneficios adicionales, capacitación laboral, clasificación, referencia, y otros aspectos del empleo.

SEXO (SALARIOS)

Adicionalmente a la prohibición de la discriminación por sexo estipulada en el Título VII de la Ley de Derechos Civiles, y sus enmiendas, la Ley de Igualdad Salarial de 1963, y sus enmiendas, prohíbe la discriminación por sexo en el pago de salarios a los hombres y mujeres que realicen un trabajo sustancialmente similar, en empleos que requieran iguales destrezas, esfuerzos y responsabilidades, bajo condiciones laborales similares, en el mismo establecimiento.

GENÉTICA

El Título II de la Ley contra la Discriminación por Información Genética de 2008 (GINA) protege a los solicitantes de empleo y a los empleados contra la discriminación con basada en información genética, en la contratación, ascenso, despido, sueldo, beneficios adicionales, capacitación laboral, clasificación, referencia, y otros aspectos del empleo. GINA también restringe la adquisición de la información genética por parte de los empleadores y limita estrictamente la divulgación de la información genética. La información genética incluye la información sobre las pruebas genéticas de los solicitantes de empleo, los empleados o sus familiares; la manifestación de enfermedades o desórdenes en los familiares (históricamente médico familiar); y las solicitudes o recibo de servicios genéticos por los solicitantes de empleo, los empleados o sus familiares.

REPRESALIA

Todas estas leyes federales prohíben a las entidades cubiertas tomar represalias contra una persona que presente un cargo de discriminación, participe en un procedimiento de discriminación o se oponga a una práctica laboral ilegal.

QUÉ DEBE HACER SI CONSIDERA QUE HA OCURRIDO UNA DISCRIMINACIÓN

Hay límites estrictos de tiempo para presentar cargos de discriminación en el empleo. Para conservar la capacidad del EEOC de actuar en su nombre y para proteger su derecho de presentar una demanda privada, en caso de que en última instancia lo necesite, usted debe comunicarse con el EEOC de manera oportuna cuando sospeche de la discriminación:

La Comisión para la Igualdad de Oportunidades en el Empleo de los EE.UU. (EEOC), 1-800-669-4000 (número gratuito) o 1-800-669-6820 (número TTY gratuito para las personas con dificultades auditivas). La información de las oficinas de campo del EEOC está disponible en www.eeoc.gov o en la mayoría de los directorios telefónicos en la sección de Gobierno de los EE.UU. o Gobierno Federal. Puede encontrar información adicional sobre el EEOC, incluida la información sobre la presentación de cargos, en www.eeoc.gov.

Empleadores que tengan contratos o subcontratos federales

Los solicitantes de empleo y los empleados de compañías con un contrato o subcontrato gubernamental federal están protegidos conforme a las leyes federales contra la discriminación por los siguientes motivos:

RAZA, COLOR, RELIGIÓN, SEXO, ORIGEN NACIONAL

La Orden Ejecutiva 11246, y sus enmiendas, prohíbe la discriminación en el trabajo por motivo de raza, color, religión, sexo u origen nacional, y exige la aplicación de acción afirmativa para garantizar la igualdad en las oportunidades en todos los aspectos del empleo.

INDIVIDUOS CON DISCAPACIDADES

La Sección 503 de la Ley de Rehabilitación de 1973, y sus enmiendas, protege a los individuos que califican contra la discriminación por una discapacidad en la contratación, ascenso, despido, sueldo, beneficios adicionales, capacitación laboral, clasificación, referencia, y otros aspectos del empleo. La discriminación por discapacidad incluye el no realizar los arreglos razonables para las limitaciones mentales o físicas conocidas de un individuo con una discapacidad quien solicite empleo o sea empleado, salvo que implique una dificultad indebida. La Sección 503 también exige que los contratistas federales tomen las acciones afirmativas para emplear y ascender en el empleo a individuos calificados con discapacidades en todos los niveles laborales, incluido el nivel ejecutivo.

VETERANOS CON MEDALLAS DEL SERVICIO DE LAS FUERZAS ARMADAS Y VETERANOS DISCAPACITADOS, SEPARADOS RECIENTEMENTE Y DE OTRO ESTATUS PROTEGIDO

La Ley de Asistencia a la Readaptación de los Veteranos de Vietnam de 1974, y sus enmiendas, 38 U.S.C. 4212, prohíbe la discriminación laboral y exige la acción afirmativa para emplear y ascender en el empleo a veteranos discapacitados, veteranos separados

del servicio recientemente (dentro de los tres años dados de baja del servicio activo), otros veteranos protegidos (quienes hayan prestado el servicio militar en una guerra o en una campaña o expedición para la cual se haya autorizado una insignia de campaña), y los veteranos con medallas del Servicio de las Fuerzas Armadas (veteranos quienes, mientras se encontraban en el servicio activo, participaron en una operación militar de EE.UU. para la cual se les otorgó una medalla del Servicio de las Fuerzas Armadas).

REPRESALIA

Se prohíben las represalias contra una persona que presente un cargo de discriminación, participe en un procedimiento de la Oficina de Programas de Cumplimiento de Contratos Federales (OFCCP), o quien se oponga a la discriminación de conformidad con estas leyes federales.

Toda persona quien considere que un contratista ha incumplido sus obligaciones antidiscriminatorias o de acción afirmativa conforme a las autoridades antes indicadas, debe contactar de inmediato a:

The Office of Federal Contract Compliance Programs (OFCCP), U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210, 1-800-397-6251 (número gratuito) o (202) 693-1337 (número TTY). También puede contactar a la OFCCP por el correo electrónico OFCCP-Public@dol.gov, o llamando a una oficina distrital o regional de la OFCCP, la cual puede encontrar en la mayoría de los directorios telefónicos en la sección U.S. Government (Gobierno de los EE.UU.), Department of Labor (Departamento del Trabajo).

Programas o actividades que reciban asistencia financiera federal

RAZA, COLOR, ORIGEN NACIONAL, SEXO

Adicionalmente a las protecciones del Título VII de la Ley de Derechos Civiles de 1964, y sus enmiendas, el Título VI de la Ley de Derechos Civiles de 1964, y sus enmiendas, prohíbe la discriminación por raza, color u origen nacional en los programas o actividades que reciban asistencia financiera federal. La discriminación en el empleo está cubierta por el Título VI si el objetivo principal de la asistencia financiera es la provisión del empleo, o donde la discriminación laboral cause o pueda causar una discriminación en la provisión de los servicios conforme a tales programas. El Título IX de las Enmiendas en la Educación de 1972 prohíbe la discriminación en el empleo por motivo del sexo en las actividades o programas educativos que reciban asistencia financiera federal.

INDIVIDUOS CON DISCAPACIDADES

La Sección 504 de la Ley de Rehabilitación de 1973, y sus enmiendas, prohíbe la discriminación en el empleo por una discapacidad, en cualquier programa o actividad que reciba asistencia financiera federal. Se prohíbe la discriminación en todos los aspectos del empleo contra las personas con discapacidades quienes, con o sin arreglos razonables, puedan realizar las funciones esenciales del trabajo.

Si usted considera que ha sido discriminado en un programa de alguna institución que reciba asistencia financiera federal, debe contactar inmediatamente a la agencia federal que proporciona dicha asistencia.

Job Safety and Health

It's the law!

OSHA[®]
Occupational Safety
and Health Administration
U.S. Department of Labor

EMPLOYEES:

- You have the right to notify your employer or OSHA about workplace hazards. You may ask OSHA to keep your name confidential.
- You have the right to request an OSHA inspection if you believe that there are unsafe and unhealthful conditions in your workplace. You or your representative may participate in that inspection.
- You can file a complaint with OSHA within 30 days of retaliation or discrimination by your employer for making safety and health complaints or for exercising your rights under the *OSH Act*.
- You have the right to see OSHA citations issued to your employer. Your employer must post the citations at or near the place of the alleged violations.
- Your employer must correct workplace hazards by the date indicated on the citation and must certify that these hazards have been reduced or eliminated.
- You have the right to copies of your medical records and records of your exposures to toxic and harmful substances or conditions.
- Your employer must post this notice in your workplace.
- You must comply with all occupational safety and health standards issued under the *OSH Act* that apply to your own actions and conduct on the job.

EMPLOYERS:

- You must furnish your employees a place of employment free from recognized hazards.
- You must comply with the occupational safety and health standards issued under the *OSH Act*.

This free poster available from OSHA –
The Best Resource for Safety and Health



Free assistance in identifying and correcting hazards or complying with standards is available to employers, without citation or penalty, through OSHA-supported consultation programs in each state.

1-800-321-OSHA (6742)

www.osha.gov

OSHA 3165-02 2012R



Seguridad y Salud en el Trabajo

¡Es la Ley!



Administración de Seguridad y Salud Ocupacional

Departamento de Trabajo de los EE. UU.

EMPLEADOS:

- Usted tiene el derecho de notificar a su empleador o a la OSHA sobre peligros en el lugar de trabajo. Usted también puede pedir que la OSHA no revele su nombre.
- Usted tiene el derecho de pedir a la OSHA que realice una inspección si usted piensa que en su trabajo existen condiciones peligrosas o poco saludables. Usted o su representante pueden participar en esa inspección.
- Usted tiene 30 días para presentar una queja ante la OSHA si su empleador llega a tomar represalias o discriminar en su contra por haber denunciado la condición de seguridad o salud o por ejercer los derechos consagrados bajo la Ley OSH.
- Usted tiene el derecho de ver las citaciones enviadas por la OSHA a su empleador. Su empleador debe colocar las citaciones en el lugar donde se encontraron las supuestas infracciones o cerca del mismo.
- Su empleador debe corregir los peligros en el lugar de trabajo para la fecha indicada en la citación y debe certificar que dichos peligros se hayan reducido o desaparecido.
- Usted tiene derecho de recibir copias de su historial o registro médico y el registro de su exposición a sustancias o condiciones tóxicas o dañinas.
- Su empleador debe colocar este aviso en su lugar de trabajo.
- Usted debe cumplir con todas las normas de seguridad y salud ocupacionales expedidas conforme a la Ley OSH que sean aplicables a sus propias acciones y conducta en el trabajo.

EMPLEADORES:

- Usted debe proporcionar a sus empleados un lugar de empleo libre de peligros conocidos.
- Usted debe cumplir con las normas de seguridad y salud ocupacionales expedidas conforme a la Ley OSH.



Los empleadores pueden obtener ayuda gratis para identificar y corregir las fuentes de peligro y para cumplir con las normas, sin citación ni multa, por medio de programas de consulta respaldados por la OSHA en cada estado del país.

1-800-321-OSHA (6742)

www.osha.gov

OSHA 3167-01-07R



**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
REPORT OF ADDITIONAL CLASSIFICATION AND RATE**

HUD FORM 4230A

OMB Approval Number 2501-0011
(Exp. 01/31/2010)

1. FROM (name and address of requesting agency)	2. PROJECT NAME AND NUMBER
	3. LOCATION OF PROJECT (City, County and State)

4. BRIEF DESCRIPTION OF PROJECT	5. CHARACTER OF CONSTRUCTION <input type="checkbox"/> Building <input type="checkbox"/> Residential <input type="checkbox"/> Heavy <input type="checkbox"/> Other (specify) <input type="checkbox"/> Highway
---------------------------------	---

6. WAGE DECISION NO. (include modification number, if any) <input type="checkbox"/> COPY ATTACHED	7. WAGE DECISION EFFECTIVE DATE
--	---------------------------------

8. WORK CLASSIFICATION(S)	HOURLY WAGE RATES	
	BASIC WAGE	FRINGE BENEFIT(S) (if any)

9. PRIME CONTRACTOR (name, address)	10. SUBCONTRACTOR/EMPLOYER, IF APPLICABLE (name, address)
-------------------------------------	---

Check All That Apply:

- The work to be performed by the additional classification(s) is not performed by a classification in the applicable wage decision.
- The proposed classification is utilized in the area by the construction industry.
- The proposed wage rate(s), including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage decision.
- The interested parties, including the employees or their authorized representatives, agree on the classification(s) and wage rate(s).
- Supporting documentation attached, including applicable wage decision.

Check One:

- Approved, meets all criteria. DOL confirmation requested.**
- One or more classifications fail to meet all criteria as explained in agency referral. DOL decision requested.**

<p style="text-align: center;">_____</p> <p style="text-align: center;">Agency Representative (Typed name and signature)</p> <p style="text-align: center;">_____</p> <p style="text-align: center;"><i>Date</i></p> <p style="text-align: center;">_____</p> <p style="text-align: center;"><i>Phone Number</i></p>	<p>FOR HUD USE ONLY LR2000:</p> <p>Log in:</p> <p>Log out:</p>
---	--

HOUSING REHABILITATION APPLICATION/FAMILY SURVEY

DATE OF ORIGINAL INTERVIEW:

NAME OF INTERVIEWER:

Name of Occupant:

Address:

Lot:

Section:

Subdivision:

Phone: Day ()

Night ()

Racial/Ethnic Classification:

Female Headed Household:

Age of Head of Household:

Date First Moved into Unit:

Size of Household:

Single Family _____ Duplex _____ Triplex _____ Other _____

How Many Units in Structure:

Number of Rooms:

Number of Bedrooms:

Approximate Year Built:

HOUSING COSTS OF CURRENT UNIT I

Owner: _____

Monthly Mortgage \$

Second Mortgage \$

Average Utilities \$

Insurance \$

Real Taxes \$

Total Monthly Housing Cost \$

HOUSING REHABILITATION APPLICATION/FAMILY SURVEY

MONTHLY EXPENSES:

Monthly Housing \$ _____

Car \$ _____

Gasoline/Services \$ _____

Life Insurance \$ _____

Medical Insurance \$ _____

Installment Loans \$ _____

Food \$ _____

Other \$ _____

Other\$ _____

Subtotal: \$ _____

INCOME:

Fixed Monthly Income:

Social Security \$ _____

Income Taxes \$ _____

Retirement \$ _____

Other \$ _____

Earned Monthly Income: \$ _____ (source(s)) _____

Total Monthly Income \$ _____

Total Monthly Expenses \$ _____

HOUSING REHABILITATION APPLICATION/FAMILY SURVEY

NAME AGE SEX RELATIONSHIP TO HOUSEHOLD HEAD

1.

2.

3.

4.

5.

6.

7.

8.

NAME	DATE	ADDRESS	PHONE	EMPLOYEE NAME	VERIFIED
------	------	---------	-------	---------------	----------

1.

2.

3.

4.

5.

6.

AUTHORIZATION FOR RELEASE OF INFORMATION

I hereby authorize the release of any information needed by the Community Development Department of the City of _____, Tennessee in order to determine relocation benefits and/or eligibility for federal housing rehabilitation assistance.

It is specifically agreed that this information will be utilized only for the determination of relocation benefits or housing rehabilitation assistance and will not be divulged to any unauthorized individuals.

Name (Printed): _____

Signature: _____

Date: _____

EMPLOYER'S VERIFICATION

To: City File

DATE: CASE NO.

THE INFORMATION ON THIS FORM IS CONFIDENTIAL AND IS TO BE TRANSMITTED DIRECTLY TO THE COMMUNITY DEVELOPMENT DEPARTMENT WITHOUT PASSING THROUGH THE HANDS OF THE APPLICANT OR ANY OTHER PARTY.

NAME OF APPLICANT: _____

A. Position held by applicant: B. Dates of Employment:
From: To: From: To:

C. Rate of Pay: (estimate if not based on time) \$ _____ per (hour, month, or year)

D. Additional compensation: (actual past 12 months)

Overtime \$ Bonus \$

Commission \$ Other \$

E. Military pay: (monthly)

Base Pay: \$ _____ Quarters and subsistence: \$ _____

Flight or hazardous duty: \$ _____

F. Signature of employer:

The above information is furnished in strict confidence to assist in determining eligibility of the loan applicant to receive housing rehab assistance from the Community Development Program.

Date: Signature: _____ Title: _____

I hereby authorize release of the above information to the Community Development

Program: _____ Date: _____

Signature: _____ Title: _____

REQUEST FOR VERIFICATION OF MORTGAGE OR DEED OF TRUST

To: City File

DATE: CASE NO.

Name and Address of Applicant for Loan:

Name and Address of Mortgagee:

Address of Mortgage Property:

FINANCIAL DATA I

Date of Mortgage: Date of Maturity:

Original Amount: Present Balance:

Monthly Payment to: Principal and Interest: \$ Mortgage Insurance Premium: \$

Are Payments Current? Yes No

If not, state amount in arrears \$

Period in Arrears

NOTE TO MORTGAGEE

The applicant identified above has applied for a loan for rehabilitation of the above property. The applicant has authorized this Agency in writing to obtain verification of the status of existing mortgages on the property from any source named in the application. The requested information in this verification of mortgage is for the confidential use of this Agency. Please furnish the information requested below and return this form using the stamped, addressed envelope.

Date: _____ Signature of Mortgagee: _____

Authorization by Applicant:

I authorize the mortgagee to furnish to the Community Development Agency the information regarding the mortgage identified above.

The above information is furnished in strict confidence, in response to your request.

Date: _____ Signature of Applicant: _____

OLD AGE AND SURVIVOR'S INSURANCE FORM

To: City File

Social Security Number:

Relationship:

City, State, Zip Code:

The Director Bureau of Old Age Survivor's Insurance Social Security Administration District Office:

Attention Director:

I request that information from your records concerning my entitlement to benefits be furnished to me.

Please honor the above request.

Claimant Signature: _____

Date: _____

SOCIAL SECURITY ADMINISTRATION REPORT

The records of this Bureau disclosed the following: I

Name of Beneficiaries: _____ Date of Award: _____

Types of Monthly Benefits:

Amounts, Monthly: \$ _____

SOCIAL SECURITY ADMINISTRATION By: _____

Title: _____

LEAD-BASED PAINT QUICK REFERENCE GUIDE

Property receiving less than or equal to \$5,000 per unit: I

- Provision of pamphlet.
- Paint testing of surfaces to be disturbed, or presume LBP
- Safe work practices in rehab
- Repair disturbed paint
- Notice to occupants
- Clearance testing of worksite

Property receiving more than \$5,000 and up to \$25,000 per unit

- Provision of pamphlet
- Paint testing of surfaces to be disturbed, or presume LBP
- Risk Assessment
- Interim controls/Standard treatments
- Notice to occupants
- Clearance testing of entire unit and common areas

Property receiving more than \$25,000 per unit

- Provision of pamphlet
- Paint testing of surfaces to be disturbed, or presume LBP
- Risk assessment
- Abatement of LBP hazards
- Notice to occupants
- Clearance testing of entire unit and common areas

STATUS OF COMPLIANCE WITH LEAD-BASED PAINT REGULATIONS

To be submitted with project set-up, contract, and work-write-up.

Project Name and Address:

1. Check applicable box(es)

 Lead based paint inspection Risk Assessment Presumption of LBP Post 1977 Housing

2. If inspection/risk assessment performed: Name of Inspector/Risk Assessor Company

3. Were Lead Based Paint Hazards Identified?

 Yes No

4. If yes, were corrective measures added to the original work-write-up?

 Yes No

5. Type of Lead-Activity to be conducted:

 Interim controls Abatement Standard treatments None

6. Is relocation necessary?

 Yes No

7. Estimated cost of lead work: \$ _____

Administrator: _____

Date: _____

STATEMENT OF CLEARANCE

To be submitted with Certification of Completion and Final Inspection

Project Name and Address:

Name of Inspector/Risk Assessor:

Company:

1. Were all lead-based paint hazards corrected during rehab?

Yes No

2. Date Clearance achieved:

3. Date home reoccupied:

4. Attach a copy of statement of Clearance from Risk Assessor.

CERTIFICATE OF ESCROW ACCOUNT

This document shall serve as the Community of (Community's) Certification that the sum of \$ _____ is being requested for deposit in escrow account number (#) , located at (Financial Institution) on the behalf of the family of (Name of Family) for property to be rehabilitated located at (Address of Property) in the Community of (Community) .

City Official: _____

Title: _____

Date: _____

REHABILITATION FILE CHECKLIST

The COMMUNITY must keep accurate, comprehensive and up to date files. The following materials need to be clearly labeled and filed with the other project files.

- Policies and Procedures with resolution of adoption by COMMUNITY
- General Conditions and Specifications for rehabilitation
- Prioritized list of eligible homeowners indicating the order in which the work will be done
- Disqualified applicants and the reason for disqualification
- Master list of all dwellings
- Individual case file - There must be one file for each dwelling in the target area.

If there are thirty houses in the target area, there must be thirty individual files even if only fifteen of the dwellings are being rehabilitated. The other individual files must contain information on why those dwellings are not eligible.

The following checklist may be copied and placed in the individual case file.

INDIVIDUAL CASE FILE CHECKLIST

There must be one file for each dwelling in the target area that is being rehabilitated.

Name:

Priority List Number:

Address:

Grant amount:

Was a site visit made? Yes NoHousing rehabilitation application Ineligible for assistance (if applicable)(Exhibit I-2) Approval for rehabilitation assistance Rehabilitation work write-up Contract for rehabilitation Grant agreement Lead poisoning notice (Homeowner's brochure) Status of Compliance (Exhibit I-11) Statement of Clearance (Exhibit I-12) Rehab bid tabulation Notice to Proceed (Exhibit I-8) Certificate of Escrow Account (Exhibit I-15) Inspection report (s) (Exhibit I-6) Change Orders (if necessary) Non-Kickback Certification Certification of Completion/ Final Inspection
(Exhibit I-6) Final Invoice, Release of Liens and Warranty (Exhibit I-5) Receipt of final payment (Exhibit I-7) Copies of contractor payments (cancelled checks) Follow-up visits Written complaints and resolution, correspondence

To: City File

INELIGIBLE FOR ASSISTANCE

DATE:

CASE NO.:

(To the Applicant)

We regret to inform you that your application for rehabilitation assistance has been turned down for the reasons checked below:

- Over Income Limits
- Cannot make house standard with available funds Property ownership not properly recorded
- Rehabilitation is not feasible due to structural condition
- Other

Explanation:

If you have any questions on this matter, please contact our office.

Sincerely,

Signature: _____

Title: _____

WORK WRITE-UP AND COST ESTIMATE

To: City File

To: Homeowner

NAME INSPECTED BY: _____

ADDRESS: _____ DATE: _____

CITY ESTIMATE: _____

PHONE NUMBER: _____ CASE NUMBER: _____

WORK WRITE-UP:

ITEM CODE VIOLATION COST: \$ _____

APPROVAL OF REHAB ASSISTANCE

DATE: CASE NO.

WHEREAS, _____(applicant) has applied to the City of _____ for financial assistance in the amount of \$ _____ to make certain eligible improvements on the following described real estate:

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS, that the City of _____ hereby agrees to provide assistance to the said _____ in the amount of \$ _____ in order to perform eligible rehabilitation activities described in previously submitted and approved application documents, labeled Rehab Case No. _____ according to the provisions of the City of Housing Rehabilitation Program.

Dated this _____ day of _____, 20__.

(Signature) _____,

Mayor

FINAL INVOICE, RELEASE OF LIENS, AND WARRANTY

To: City File

To: Homeowner

DATE: CASE NO. RE: Property located at _____

Contract Dated: Total Contract: Amount \$ _____

1. As a final invoice, the undersigned hereby certifies that there is due from and payable by the Owner to the Contractor under the above contract and duly approved change orders and modifications, if any, the balance of \$ _____.

2. The undersigned further certifies that work required under this contract has been performed in accordance with the terms thereof, and there are no unpaid claims for materials, supplies, or equipment and no claims of laborers or mechanics for unpaid wages arising out of the performance of this contract.

3. That in consideration of the payment of the amount stated in Paragraph 1 hereof, the undersigned does hereby release the Owner from any and all claims arising under or by virtue of this contract.

4. The undersigned hereby guarantees the work performed for a period of one year from the date of owner's acceptance of all the work required by the contract. He also attaches herewith all manufacturers and supplier's written guarantees and warranties covering materials and equipment furnished under the contract.

CONTRACTOR: _____

Date: _____

IN WITNESS WHEREOF, the undersigned has signed and sealed this instrument this

_____ day of _____, 20__ .

WITNESS: _____

By: (SEAL IF CORPORATION) (Signature & Title of Officer)

I

CERTIFICATION OF COMPLETION AND FINAL INSPECTION

To: City File

To: Homeowner

To: ECD

A. Applicant's Name & Property Address

C. Date of Final Inspection

B. Contractor's Name & Address

D. Date Construction Began

E. Total Amount: \$ _____

CERTIFICATIONS:

CONTRACTOR CERTIFICATION I

Construction work on the property identified in Block A has been satisfactorily completed in accordance with the contract. I have obtained or prepared all Warranties or Release of Liens necessary for loan closing. I further certify that there are no unpaid claims for materials, supplies or equipment, and no claims of laborers or mechanics for unpaid wages out of the performance of this contract.

Signature of Contractor: _____ Title: _____

Date: _____

HOMEOWNER'S CERTIFICATION

I understand that the warranty lasts one year from today and that it only covers materials and work performed under this contract.

Construction work on my property has been satisfactorily completed in accordance with my contract with (Contractor).

Date: _____

Signature of Homeowner: _____

CERTIFICATION OF FINAL INSPECTION

Final inspection has been made of the property identified in Block A. The construction work has been completed in accordance with the contract. Final payment is authorized in the amount of \$ _____ .

Date: _____

Signature of Homeowner Community: _____

RECEIPT OF FINAL PAYMENT

To: City File

To: Homeowner

To: ECD

To: Contractor

DATE: CASE NO.

I, _____, as a Contractor/Supplier responsible for provision of goods and/or services under the above referenced contract, do hereby acknowledge receipt of \$ _____, which constitutes the full amount due and payable to me.

Date: _____ Firm Name: _____

By: _____

WITNESS: _____

CONTRACTOR'S DATA FORM

To: City File

To: Homeowner

FIRM NAME: _____

DATE: _____

BUSINESS ADDRESS: _____

TELEPHONE: _____

Names and Addresses of all owners, partners, and, if a corporation, the names of major stockholders and officers:

YEARS IN BUSINESS: _____

LIST ALL CONSTRUCTION EXPERIENCE: _____

SUBCONTRACTORS YOU USE OR MATERIAL SUPPLIERS: _____

BUSINESS REFERENCES: (Local banks, etc.): _____

Name, address and phone number of the last three (3) customers for whom you have performed home improvement work:

The undersigned Contractor certifies that all information given herein is correct and further agrees:

1. That if the work is found to be unsatisfactory by the inspector or if contract relations between the contractor and the homeowner are found to be unsatisfactory, the contractor's name may be removed from the approved list, with such accompanying publicity as deemed necessary.
2. That required insurance and bond will be provided.
3. That the contractor will abide by U.S. Department of Housing and Urban Development regulations pertaining to equal employment opportunity.

Date: _____

Signed: _____

Reviewed by: _____ I

CUMULATIVE HOUSING REHABILITATION REPORT

To City File

PROJECT:

CONTRACT:

Period Covered:

CDBG Total # :

V-Low Priority	Name	Address	Activity	Cost	H/Hold	Inc.
----------------	------	---------	----------	------	--------	------

NOTE: This report is cumulative.

* Racial/Ethnic Codes: 1 – White/Caucasian 2 –Black/African-American, 3 - Native American, 4 - Hispanic, 5 - Asian/Pacific Islanders, 6 – Other Multi-Racial

TOTAL 1:

TOTAL 2:

TOTAL 3:

TOTAL 4:

TOTAL 5:

TOTAL 6:

Applicant/Recipient Disclosure/Update Report

U.S. Department of Housing and Urban Development

OMB Approval No. 2510-0011 (exp. 12/31/2015)

Instructions. (See Public Reporting Statement and Privacy Act Statement and detailed instructions on page 2.)

Applicant/Recipient Information

Indicate whether this is an Initial Report or an Update Report

1. Applicant/Recipient Name, Address, and Phone (include area code):	2. Social Security Number or Employer ID Number:
3. HUD Program Name	4. Amount of HUD Assistance Requested/Received
5. State the name and location (street address, City and State) of the project or activity:	

Part I Threshold Determinations

<p>1. Are you applying for assistance for a specific project or activity? These terms do not include formula grants, such as public housing operating subsidy or CDBG block grants. (For further information see 24 CFR Sec. 4.3).</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>2. Have you received or do you expect to receive assistance within the jurisdiction of the Department (HUD), involving the project or activity in this application, in excess of \$200,000 during this fiscal year (Oct. 1 - Sep. 30)? For further information, see 24 CFR Sec. 4.9</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No.</p>
--	---

If you answered “No” to either question 1 or 2, **Stop!** You do not need to complete the remainder of this form. **However**, you must sign the certification at the end of the report.

Part II Other Government Assistance Provided or Requested / Expected Sources and Use of Funds.

Such assistance includes, but is not limited to, any grant, loan, subsidy, guarantee, insurance, payment, credit, or tax benefit.

Department/State/Local Agency Name and Address	Type of Assistance	Amount Requested/Provided	Expected Uses of the Funds

(Note: Use Additional pages if necessary.)

Part III Interested Parties. You must disclose:

1. All developers, contractors, or consultants involved in the application for the assistance or in the planning, development, or implementation of the project or activity and
2. any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds \$50,000 or 10 percent of the assistance (whichever is lower).

Alphabetical list of all persons with a reportable financial interest in the project or activity (For individuals, give the last name first)	Social Security No. or Employee ID No.	Type of Participation in Project/Activity	Financial Interest in Project/Activity (\$ and %)

(Note: Use Additional pages if necessary.)

Certification

Warning: If you knowingly make a false statement on this form, you may be subject to civil or criminal penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosures of information, including intentional non-disclosure, is subject to civil money penalty not to exceed \$10,000 for each violation.

I certify that this information is true and complete.

Signature:	Date: (mm/dd/yyyy)
X	

Public reporting burden for this collection of information is estimated to average 2.0 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection information unless that collection displays a valid OMB control number.

Privacy Act Statement. Except for Social Security Numbers (SSNs) and Employer Identification Numbers (EINs), the Department of Housing and Urban Development (HUD) is authorized to collect all the information required by this form under section 102 of the Department of Housing and Urban Development Reform Act of 1989, 42 U.S.C. 3531. Disclosure of SSNs and EINs is voluntary. HUD is authorized to collect this information under the Housing and Community Development Act of 1987 42 U.S.C.3543 (a). The SSN or EIN is used as a unique identifier. The information you provide will enable HUD to carry out its responsibilities under Sections 102(b), (c), and (d) of the Department of Housing and Urban Development Reform Act of 1989, Pub. L. 101-235, approved December 15, 1989. These provisions will help ensure greater accountability and integrity in the provision of certain types of assistance administered by HUD. They will also help ensure that HUD assistance for a specific housing project under Section 102(d) is not more than is necessary to make the project feasible after taking account of other government assistance. HUD will make available to the public all applicant disclosure reports for five years in the case of applications for competitive assistance, and for generally three years in the case of other applications. Update reports will be made available along with the disclosure reports, but in no case for a period generally less than three years. All reports, both initial reports and update reports, will be made available in accordance with the Freedom of Information Act (5 U.S.C. §552) and HUD's implementing regulations at 24 CFR Part 15. HUD will use the information in evaluating individual assistance applications and in performing internal administrative analyses to assist in the management of specific HUD programs. The information will also be used in making the determination under Section 102(d) whether HUD assistance for a specific housing project is more than is necessary to make the project feasible after taking account of other government assistance. You must provide all the required information. Failure to provide any required information may delay the processing of your application, and may result in sanctions and penalties, including imposition of the administrative and civil money penalties specified under 24 CFR §4.38.

Note: This form only covers assistance made available by the Department. States and units of general local government that carry out responsibilities under Sections 102(b) and (c) of the Reform Act must develop their own procedures for complying with the Act.

Instructions

Overview.

A. Coverage. You must complete this report if:

- (1) You are applying for assistance from HUD for a specific project or activity **and** you have received, or expect to receive, assistance from HUD in excess of \$200,000 during the during the fiscal year;
- (2) You are updating a prior report as discussed below; or
- (3) You are submitting an application for assistance to an entity other than HUD, a State or local government if the application is required by statute or regulation to be submitted to HUD for approval or for any other purpose.

B. Update reports (filed by "Recipients" of HUD Assistance):

General. All recipients of covered assistance must submit update reports to the Department to reflect substantial changes to the initial applicant disclosure reports.

Line-by-Line Instructions.

Applicant/Recipient Information.

All applicants for HUD competitive assistance, must complete the information required in blocks 1-5 of form HUD-2880:

1. Enter the full name, address, city, State, zip code, and telephone number (including area code) of the applicant/recipient. Where the applicant/recipient is an individual, the last name, first name, and middle initial must be entered.
2. Entry of the applicant/recipient's SSN or EIN, as appropriate, is optional.
3. Applicants enter the HUD program name under which the assistance is being requested.
4. Applicants enter the amount of HUD assistance that is being requested. Recipients enter the amount of HUD assistance that has been provided and to which the update report relates. The amounts are those stated in the application or award documentation. NOTE: In the case of assistance that is provided pursuant to contract over a period of time (such as project-based assistance under section 8 of the United States Housing Act of 1937), the amount of assistance to be reported includes all amounts that are to be provided over the term of the contract, irrespective of when they are to be received.
5. Applicants enter the name and full address of the project or activity for which the HUD assistance is sought. Recipients enter the name and full address of the HUD-assisted project or activity to which the update report relates. The most appropriate government identifying number must be used (e.g., RFP No.; IFB No.; grant announcement No.; or contract, grant, or loan No.) Include prefixes.

Part I. Threshold Determinations - Applicants Only

Part I contains information to help the applicant determine whether the remainder of the form must be completed. **Recipients filing Update Reports should not complete this Part.**

If the answer to **either** questions 1 or 2 is No, the applicant need not complete Parts II and III of the report, but must sign the certification at the end of the form.

Part II. Other Government Assistance and Expected Sources and Uses of Funds.

A. Other Government Assistance. This Part is to be completed by both applicants and recipients for assistance and recipients filing update reports. Applicants and recipients must report any other government assistance involved in the project or activity for which assistance is sought. Applicants and recipients must report any other government assistance involved in the project or activity. Other government assistance is defined in note 4 on the last page. For purposes of this definition, other government assistance is expected to be made available if, based on an assessment of all the circumstances involved, there are reasonable grounds to anticipate that the assistance will be forthcoming.

Both applicant and recipient disclosures must include all other government assistance involved with the HUD assistance, as well as any other government assistance that was made available before the request, but that has continuing vitality at the time of the request. Examples of this latter category include tax credits that provide for a number of years of tax benefits, and grant assistance that continues to benefit the project at the time of the assistance request.

The following information must be provided:

1. Enter the name and address, city, State, and zip code of the government agency making the assistance available.
2. State the type of other government assistance (e.g., loan, grant, loan insurance).
3. Enter the dollar amount of the other government assistance that is, or is expected to be, made available with respect to the project or activities for which the HUD assistance is sought (applicants) or has been provided (recipients).
4. Uses of funds. Each reportable use of funds must clearly identify the purpose to which they are to be put. Reasonable aggregations may be used, such as "total structure" to include a number of structural costs, such as roof, elevators, exterior masonry, etc.

B. Non-Government Assistance. Note that the applicant and recipient disclosure report must specify all expected sources and uses of funds - both from HUD **and any other source** - that have been or are to be, made available for the project or activity. Non-government sources of

funds typically include (but are not limited to) foundations and private contributors.

Part III. Interested Parties.

This Part is to be completed by both applicants and recipients filing update reports. Applicants must provide information on:

1. All developers, contractors, or consultants involved in the application for the assistance or in the planning, development, or implementation of the project or activity and
2. any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds \$50,000 or 10 percent of the assistance (whichever is lower).

Note: A financial interest means any financial involvement in the project or activity, including (but not limited to) situations in which an individual or entity has an equity interest in the project or activity, shares in any profit on resale or any distribution of surplus cash or other assets of the project or activity, or receives compensation for any goods or services provided in connection with the project or activity. Residency of an individual in housing for which assistance is being sought is not, by itself, considered a covered financial interest.

The information required below must be provided.

1. Enter the full names and addresses. If the person is an entity, the listing must include the full name and address of the entity as well as the CEO. Please list all names alphabetically.
2. Entry of the Social Security Number (SSN) or Employee Identification Number (EIN), as appropriate, for each person listed is optional.
3. Enter the type of participation in the project or activity for each person listed: i.e., the person's specific role in the project (e.g., contractor, consultant, planner, investor).
4. Enter the financial interest in the project or activity for each person listed. The interest must be expressed both as a dollar amount and as a percentage of the amount of the HUD assistance involved.

Note that if any of the source/use information required by this report has been provided elsewhere in this application package, the applicant need

not repeat the information, but need only refer to the form and location to incorporate it into this report. (It is likely that some of the information required by this report has been provided on SF 424A, and on various budget forms accompanying the application.) If this report requires information beyond that provided elsewhere in the application package, the applicant must include in this report all the additional information required.

Recipients must submit an update report for any change in previously disclosed sources and uses of funds as provided in Section I.D.5., above.

Notes:

1. All citations are to 24 CFR Part 4, which was published in the Federal Register. [April 1, 1996, at 63 Fed. Reg. 14448.]
2. Assistance means any contract, grant, loan, cooperative agreement, or other form of assistance, including the insurance or guarantee of a loan or mortgage, that is provided with respect to a specific project or activity under a program administered by the Department. The term does not include contracts, such as procurements contracts, that are subject to the Fed. Acquisition Regulation (FAR) (48 CFR Chapter 1).
3. See 24 CFR §4.9 for detailed guidance on how the threshold is calculated.
4. "Other government assistance" is defined to include any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance from the Federal government (other than that requested from HUD in the application), a State, or a unit of general local government, or any agency or instrumentality thereof, that is, or is expected to be made, available with respect to the project or activities for which the assistance is sought.
5. For the purpose of this form and 24 CFR Part 4, "person" means an individual (including a consultant, lobbyist, or lawyer); corporation; company; association; authority; firm; partnership; society; State, unit of general local government, or other government entity, or agency thereof (including a public housing agency); Indian tribe; and any other organization or group of people.

Part II: Contracts Awarded

1. Construction Contracts:

A. Total dollar amount of all contracts awarded on the project	\$
B. Total dollar amount of contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving contracts	

2. Non-Construction Contracts:

A. Total dollar amount all non-construction contracts awarded on the project/activity	\$
B. Total dollar amount of non-construction contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving non-construction contracts	

Part III: Summary

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. (Check all that apply.)

- Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contracts with the community organizations and public or private agencies operating within the metropolitan area (or nonmetropolitan county) in which the Section 3 covered program or project is located, or similar methods.
- Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.
- Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
- Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.
- Other; describe below.

Public reporting for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB number.

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, mandates that the Department ensures that employment and other economic opportunities generated by its housing and community development assistance programs are directed toward low- and very-low income persons, particularly those who are recipients of government assistance housing. The regulations are found at 24 CFR Part 135. The information will be used by the Department to monitor program recipients' compliance with Section 3, to assess the results of the Department's efforts to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients as self-monitoring tool. The data is entered into a database and will be analyzed and distributed. The collection of information involves recipients receiving Federal financial assistance for housing and community development programs covered by Section 3. The information will be collected annually to assist HUD in meeting its reporting requirements under Section 808(e)(6) of the Fair Housing Act and Section 916 of the HCDA of 1992. An assurance of confidentiality is not applicable to this form. The Privacy Act of 1974 and OMB Circular A-108 are not applicable. The reporting requirements do not contain sensitive questions. Data is cumulative; personal identifying information is not included.

→
Check at
least one

Form HUD-60002, **Section 3 Summary Report, Economic Opportunities for Low- and Very Low-Income Persons.**

Instructions: This form is to be used to report annual accomplishments regarding employment and other economic opportunities provided to low- and very low-income persons under Section 3 of the Housing and Urban Development Act of 1968. The Section 3 regulations apply to any **public and Indian housing programs** that receive: (1) development assistance pursuant to Section 5 of the U.S. Housing Act of 1937; (2) operating assistance pursuant to Section 9 of the U.S. Housing Act of 1937; or (3) modernization grants pursuant to Section 14 of the U.S. Housing Act of 1937 and to **recipients of housing and community development assistance in excess of \$200,000** expended for: (1) housing rehabilitation (including reduction and abatement of lead-based paint hazards); (2) housing construction; or (3) other public construction projects; and to **contracts and subcontracts in excess of \$100,000** awarded in connection with the Section-3-covered activity.

Form HUD-60002 has three parts, which are to be completed for all programs covered by Section 3. Part I relates to **employment and training**. The recipient has the option to determine numerical employment/training goals either on the basis of the number of hours worked by new hires (columns B, D, E and F). Part II of the form relates to **contracting**, and Part III summarizes recipients' **efforts** to comply with Section 3.

Recipients or contractors subject to Section 3 requirements must maintain appropriate documentation to establish that HUD financial assistance for housing and community development programs were directed toward low- and very low-income persons.* A recipient of Section 3 covered assistance shall submit one copy of this report to HUD Headquarters, Office of Fair Housing and Equal Opportunity. Where the program providing assistance requires an annual performance report, this Section 3 report is to be submitted at the same time the program performance report is submitted. Where an annual performance report is not required, this Section 3 report is to be submitted by January 10 and, if the project ends before December 31, within 10 days of project completion. **Only Prime Recipients are required to report to HUD. The report must include accomplishments of all recipients and their Section 3 covered contractors and subcontractors.**

- HUD Field Office: Enter the Field Office name .
1. Recipient: Enter the name and address of the recipient submitting this report.
 2. Federal Identification: Enter the number that appears on the award form (with dashes). The award may be a grant, cooperative agreement or contract.
 3. Dollar Amount of Award: Enter the dollar amount, rounded to the nearest dollar, received by the recipient.
 - 4 & 5. Contact Person/Phone: Enter the name and telephone number of the person with knowledge of the award and the recipient's implementation of Section 3.
 6. Reporting Period: Indicate the time period (months and year) this report covers.
 7. Date Report Submitted: Enter the appropriate date.

8. Program Code: Enter the appropriate program code as listed at the bottom of the page.
9. Program Name: Enter the name of HUD Program corresponding with the "Program Code" in number 8.

Part I: Employment and Training Opportunities

Column A: Contains various job categories. Professionals are defined as people who have special knowledge of an occupation (i.e. supervisors, architects, surveyors, planners, and computer programmers). For construction positions, list each trade and provide data in columns B through F for each trade where persons were employed. The category of "Other" includes occupations such as service workers.

Column B: (Mandatory Field) Enter the number of new hires for each category of workers identified in **Column A** in connection with this award. New hire refers to a person who is not on the contractor's or recipient's payroll for employment at the time of selection for the Section 3 covered award or at the time of receipt of Section 3 covered assistance.

Column C: (Mandatory Field) Enter the number of Section 3 new hires for each category of workers identified in **Column A** in connection with this award. Section 3 new hire refers to a Section 3 resident who is not on the contractor's or recipient's payroll for employment at the time of selection for the Section 3 covered award or at the time of receipt of Section 3 covered assistance.

Column D: Enter the percentage of all the staff hours of new hires (Section 3 residents) in connection with this award.

Column E: Enter the percentage of the total staff hours worked for Section 3 employees and trainees (including new hires) connected with this award. Include staff hours for part-time and full-time positions.

Column F: (Mandatory Field) Enter the number of Section 3 residents that were trained in connection with this award.

Part II: Contract Opportunities

Block 1: Construction Contracts

Item A: Enter the total dollar amount of all contracts awarded on the project/program.

Item B: Enter the total dollar amount of contracts connected with this project/program that were awarded to Section 3 businesses.

Item C: Enter the percentage of the total dollar amount of contracts connected with this project/program awarded to Section 3 businesses.

Item D: Enter the number of Section 3 businesses receiving awards.

Block 2: Non-Construction Contracts

Item A: Enter the total dollar amount of all contracts awarded on the project/program.

Item B: Enter the total dollar amount of contracts connected with this project awarded to Section 3 businesses.

Item C: Enter the percentage of the total dollar amount of contracts connected with this project/program awarded to Section 3 businesses.

Item D: Enter the number of Section 3 businesses receiving awards.

Part III: Summary of Efforts – Self -explanatory

Submit one (1) copy of this report to the HUD Headquarters Office of Fair Housing and Equal Opportunity, at the same time the performance report is submitted to the program office. The Section 3 report is submitted by January 10. Include only contracts executed during the period specified in item 8. PHAs/IHAs are to report all contracts/subcontracts.

* The terms "low-income persons" and very low-income persons" have the same meanings given the terms in section 3 (b) (2) of the United States Housing Act of 1937. **Low-income persons** mean families (including single persons) whose incomes do not exceed 80 percent of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that

The Secretary may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of the Secretary's findings such that variations are necessary because of prevailing levels of construction costs or unusually high- or low-income families. **Very low-income persons** mean low-income families (including single persons) whose incomes do not exceed 50 percent of the median family income area, as determined by the Secretary with adjustments or smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

FINAL WAGE COMPLIANCE: LABOR STANDARDS ENFORCEMENT REPORT

I. CONTRACT INFORMATION

1. Project Name:	2. Contract Number:
3. Prime Contractor Name and Address:	4. Prime Contract Amount:
	5. Wage Decision Number:

II. LABOR STANDARDS VIOLATIONS (Project in total – prime and subcontractors)

Yes No

1. Were any labor standards violations found?
2. Were any violations willful?
3. Were CWHHSA* liquidated damages computed?
4. Are administrative sanctions recommended?
5. Total amount of underpayment found: 'aaaaaaaaaaaaaaaaaaaaaaaaaaaaa
6. Wage underpayments were discover though: (check all that apply)

Routine payroll review	On-site interview
On-site interview	Other: _____

Attach a schedule showing the names of each affected employee, the contractor involved, and the amount of restitution paid to each employee. If restitution is due and unpaid, explain why payment has not been made.

* Contract Work Hours and Safety Standards Act

When to submit a more detailed enforcement report:

A detailed enforcement report is required if the agency recorded a "Yes" response to 2, 3 or 4 in Part II above or if underpayment by a single contractor totals \$1,000 or more. The report must explain why the investigation (if any) began, provide the facts involved regarding the violation(s), all actions taken to obtain compliance by the contractor, the bases of conclusions reached, and computations of wages due (with explanations as necessary). Copies of relevant documents such as the weekly payroll reviews, on-site interviews, employee statements, preconstruction conference minutes, correspondence and related material must be submitted with any detailed enforcement report.

The undersigned authorized representative of the contracting agency certifies that weekly payrolls and other required documentation have been obtained and reviewed and that the information provided in the Labor Standards Enforcement Report for the above-identified project is correct.

_____ (Signature)

_____ (Date)

HOUSEHOLD INCOME VERIFICATION FORM

TO PROJECT AREA RESIDENT:

As you may know, you stand to benefit from a federally funded project in your neighborhood. In order to comply with federal requirements, we need to verify that persons benefitting from the project meet the standards set for income limits.

Please complete the blanks.

1. Name of Head of Household: _____ 2. Age: _____

3. Address: _____
(Street Address, City, County, State, Zip code)

4. Total Number of Persons in Household: _____

5. Racial/Ethnic Makeup of Household:

____ Number of White/Caucasian

____ Number of American Indian/Alaskan Native & African American /Black

____ Number of African-American/Black

____ Number of Asian & White/Caucasian

____ Number of Asian

____ Number of African-American/Black & White/Caucasian

____ Number of American Indian/Alaskan Native

____ Number of Other Multi-Racial

____ Number of Native Hawaiian/Other Pacific Islander

____ Number of Hispanic

____ Number of American Indian/Alaskan Native & White/Caucasian

6. Gender of the Head of Household: _____ Male _____ Female

7. Number of Persons in Household with a disability: _____ 8. Number of Dependents: _____

9. Number of Persons in Household over age 62: _____

10. Total Annual Household Income: _____

CERTIFICATION BY RESIDENT

I hereby certify that all information on this form and all information furnished in support of this certification is given for the purpose of obtaining assistance under the _____ Community Development Block Grant and is true and complete to the best of my belief and knowledge.

(Date)

(Resident's Signature)

PERFORMANCE MEASURES FOR HOUSING PROJECTS

Objective:	Outcome Categories:	Number of Units:
Creating sustainable living environment	Accessibility/availability	New Construction _____
Providing decent affordable housing	Affordability	Rehabilitation _____
Creating economic opportunities	Sustainability	

Total number of owner occupied units created: _____

Total number of owner occupied units rehabilitated/reconstructed: _____

Number of units Section 504 accessible: _____

Number of units brought from substandard to standard condition*: _____

Number of units brought into compliance with the lead-safe housing rule**: _____

Number of units qualified as Energy Star: _____

Number of units demolished: _____

* For definitions of substandard housing, refer to “Chapter G: Housing”

** 24 CFR part 35

Racial Benefit Breakdown

- | | |
|---|--|
| 1. White/Caucasian | 7. American Indian/Alaskan Native & African-American/Black |
| 2. African-American/Black | 8. Asian & White/Caucasian |
| 3. Asian | 9. African American/Black & White/Caucasian |
| 4. American Indian/Alaskan Native | 10. Other Multi-Racial |
| 5. Native Hawaiian/Other Pacific Islander | 11. Hispanic |
| 6. American Indian/Alaskan Native & White/Caucasian | |

Number of people in each of the racial/ethnic categories										
1	2	3	4	5	6	7	8	9	10	11

Total Number of Units Occupied by Minority Persons: _____

Total Number of Units with Female Head of Household: _____

Total Number of Units Occupied by Elderly Persons: _____

Total Number of Units Occupied by Disabled Persons: _____