

CITY OF FLINT

**Department of Planning & Development
Community & Economic Development Division**



STANDARD OPERATING PROCEDURES

Community Development Block Grant (CDBG)

Emergency Solutions Grant (ESG)

HOME Investment Partnership Program (HOME)

STANDARD OPERATING PROCEDURES (SOPs)

All City subrecipients must comply with the following mandatory requirements in the administration of their CDBG, ESG or HOME funded activities:

CONTRACT DISBURSEMENT

- A subrecipient may not incur costs until it has received a notice to proceed from CED Staff stating that the City of Flint's Community and Economic Division has received the Release of Funds from HUD.
- A subrecipient may not incur costs until it has received notification that the environmental review has been completed and a notice to proceed has been issued in writing.
- Any costs incurred prior to the occurrence of the above will not be reimbursed by the City.
- A subrecipient should not incur costs during a contract lapse, while awaiting City approval for a contract extension. These costs may not be reimbursed by the City.
- It is the sole responsibility of the subrecipient to request a contract extension by submitting a Contract Amendment Request form to CED at least 45 days before the expiration of the written agreement.
- If a contract extension is approved, a notice to proceed will be issued.
- It is the sole responsibility of the subrecipient to request a budget amendment in writing to the CED staff member assigned to the contract.
- The City will not award a contract to parties not in Good Standing with the City of Flint.

PROCUREMENT PROCEDURES

NOTE: City departments must comply with the City of Flint's purchasing ordinances in addition to Federal regulations.

Debarment – A Contract award must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM). SAM exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory of regulatory authority other than Executive Order 12549. 2 CFR 200 Subpart F Appendix 2H

Small Purchases:

According to the City of Flint Ordinance 18-21.6, purchases under \$10,000 require the agency to solicit a minimum of three (3) competitive quotes to provide the goods or services sought, when possible and practical. Small purchase procedures are those relatively simple and informal

procurement methods for securing services, supplies or other property that do not cost more than the Simplified Acquisition Threshold. 2 CFR 200 Subpart D 200.320 (b)

Non-Competitive Proposals:

NOTE: These should be submitted in writing and approved by CED staff.

Non-competitive proposals are defined as solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

1. The item is available only from a single source
2. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation (must be documented in writing)
3. The Federal award agency expressly authorizes non-competitive proposals in response to a written request from the agency
4. After solicitation of a number of sources, competition is determined inadequate 2 CFR 200 Subpart D 200.320 (f) (1-4)

Competitive Sealed Bids:

According to 2 CFR 200 Subpart D 200.320 (c) (1-2), bids are publicly solicited and a firm fixed price contract is awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest price. In order for sealed bidding to be feasible, the following conditions should be present:

1. A complete, adequate, and realistic specification on purchase description is available
2. Two or more responsible bidders are willing and able to compete effectively for the business
3. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price

If sealed bids are used, the following requirements apply (Per City of Flint Purchasing Ordinance SS 18-21.3, subparts 2-6, 10):

1. *Invitation for bids:* An invitation for bids shall be issued and shall include specifications and all contractual terms and conditions applicable to the procurement
2. *Public Notice:* Adequate public notice of the invitation for bids shall be given not less than ten (10) calendar days prior to the date set forth for the opening of bids. The notice may include publication on the city's website, any electronic media service, or newspaper of general circulation within ten (10) days prior to bid opening. The public notice shall state the place, date, and time of bid opening.

3. *Bid Opening:* Bids may be opened publicly in the presence of one or more witnesses at the time and place designated or recorded and published in an electronic invitation for bids management system. The amount of each bid, and all other relevant information, as deemed appropriate, together with the name of each bidder shall be recorded. The record and each bid shall be open to the public. For housing activities, the City's Housing Inspector must be present at all bid openings.
4. *Bid acceptance and bid evaluation:* Bids shall be unconditionally accepted without alteration or correction, except as authorized herein. Bids shall be evaluated based on the requirements set forth in the invitation for bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in the evaluation for award shall be objectively measurable, such as discounts, transportation costs, and total or life cycle costs. The invitation for bids shall set forth the evaluation criteria to be used.
5. *Local Preference:* From the bidders determined to be responsible, the Subrecipient shall determine the recommended bid award. From among the responsible bidders, the recommended award shall be to the lowest bidder; provided, that in determining the lowest bid, the Subrecipient shall consider the bona fide business location of the bidder. If the lowest responsible bidder is NOT located within the city limits, and the lowest bid of the responsible bidders located within the city limits does not exceed that of the lowest non-local bidder by more than seven percent (7%), then the Subrecipient shall be allowed to request the lowest local vendor match the price offered by the lowest non-local vendor. Additionally, if the lowest responsible bidder is not located within the city limits, and the lowest bid of the responsible bidder located within Genesee County does not exceed the bid of the lowest non-local bidder by more than three and one-half percent (3.5%), then the purchasing director shall be allowed to request the lowest local vendor match the price offered by the lowest non-local vendor.
6. *Correction or Withdrawal of Bids; Cancellation of Awards:* Corrections or withdrawal of inadvertently erroneous bids before or after bid openings, or cancellation of awards or contracts based on bid mistakes, may be permitted where appropriate. Mistakes discovered before bid opening may be modified or withdrawn by written or electronic notice received in the office designated in the invitation for bids prior to the deadline for submission of the bid.
7. *Multi-Step Sealed Bidding:* When it is considered impractical to initially prepare a purchase description to support an award based on price, an invitation for qualifications may be issued requesting the submission of un-priced offers to be followed by an invitation for bids limited to those bidders whose offers have been determined to be technically acceptable under the criteria set forth in the first solicitation.

Competitive Sealed Proposals:

According to 2 CFR 200 Subpart D 200.320 (d), the practice of competitive proposals is when more than one source submits an offer and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids.

If this method is used, the following requirements apply (Per City of Flint Purchasing Ordinance SS 18-21.4, subparts 2-8):

1. Request for proposals must be solicited through a written and publically noticed request for proposals format. CED recommends publishing in the Flint Journal/MLive, and proposals must identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical.
2. *Public Notice:* Adequate public notice of the request for proposals shall be given in the same manner as provided in the previous section regarding Competitive Sealed Bids.
3. *Receipt of Proposals:* Proposals shall be prepared containing the name of each respondent, the number of modifications received, if any, and a description sufficient to identify the item offered. The proposals shall be open for public inspection only after being published.
4. *Disclosure of Respondents and Contents:* The contents of any proposal shall not be disclosed to competing respondents until after being published.
5. *Evaluation Factors:* The request for proposals shall state the relative importance of price and other evaluation factors.
6. *Discussion with Responsible Respondents and Revisions to Proposals:* As provided in the request for proposals, discussions may be conducted with responsible respondents who submit proposals determined to be reasonably susceptible of being selected for award for the purpose of clarification to assure full understanding of, and conformance to, the solicitation requirements. Respondents who submitted proposals determined to be reasonably susceptible of being selected for award shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers.
7. *Local Preference:* Unless the funding source for the contract prohibits such preferences, the preference for local vendors as outlined in the section above (pertaining to Competitive Sealed Bids) shall be considered.
8. Proposals must be solicited from a minimum of three (3) qualified sources. Any deviation from that must be explained in writing and approved by CED prior to entering into a contract for the purchase of goods/services.
9. The agency must have a written method for conducting technical evaluations of the proposals received for selecting recipients, and provide a copy of said method to the Community and Economic Development Division for review.

10. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered. If the firm selected is not the lowest price, written justification must be provided to CED.

FEDERAL REGULATIONS REGARDING THE USE OF FUNDS:

Subrecipient must use funds as originally planned and for eligible activities. Furthermore, all expenditures must be in accordance with conditions such as funding ceilings and other limitations on the provision of services. Each ESG grantee must match the funding provided by HUD with an equal amount of funds from other sources. Federal regulations require that all grantees provide details on the match, including specific sources and amounts. This reporting requirement is included as part of the Performance and Evaluation Report.

Indirect Costs:

If indirect costs are to be charged, the subrecipient must develop an indirect cost allocation plan to determine the appropriate federal share of administrative costs, and shall submit such plan to the City for approval. Indirect costs must be classified within two broad categories: Facilities (depreciation on buildings, capital improvements, operation expenses, etc.) and Administration (director's office, accounting, expenditures, etc.) 2 CFR 200 Subpart E 200.414 (a)

The subrecipient will not be reimbursed for indirect costs until the City and has formally approved its plan and indirect cost rate. Upon approval, indirect costs can only be reimbursed beginning with the date of City approval.

The subrecipient must implement, and make publicly available, the policies, procedures and general decision making criteria that their programs will follow to seek and justify deviations from negotiated rates. 2 CFR 200 Subpart E 200.414 (c) (3)

The subrecipient may apply for a one-time extension of the rates in that agreement for a period up to four years. This extension will be subject to the review and approval of the cognizant agency for indirect costs. If an extension is granted, the subrecipient may not request a rate review until the extension period ends. At the end of the four-year extension, the subrecipient must re-apply to negotiate a rate. Subsequent one-time extensions (up to four years) are permitted if a renegotiation is completed between each extension request. 2 CFR 200 Subpart E 200.414 (g)

Program Income:

The subrecipient shall retain all program income, and report same to the City on a monthly basis. The use of program income by the Subrecipient shall comply with the requirements set forth by 2

CFR 200 Subpart D 200.307 (e) (1) & (2). It is required in the HOME guidelines that if Program income is kept by the subrecipient, it must be in writing that CED approves and it must be spent on specific program-related expenditures as agreed to in writing.

1. *Deduction.* Ordinarily program income must be deducted from total allowable costs to determine the net allowable costs. Program income must be used for current costs unless the Federal awarding agency authorizes otherwise. Program income that the subrecipient did not anticipate at the time of the award must be used to reduce the Federal award and subrecipient entity contributions rather than to increase the funds committed to the project.
2. *Addition.* With prior approval of the Federal awarding agency program income may be added to the Federal award by the Federal agency and the subrecipient. The program income must be used for the purposes and under the conditions of the Federal award.

If agency staff has questions regarding program income, or is unclear as to whether the agency's program will generate program income, the agency should contact the DCED Staff for clarification. Failure to comply with the requirements shall result in the subrecipient being required to return all program income to the City for use in other eligible program activities.

Reporting and Payment Process:

1. For the HOME program, the agency must submit all set-up reports to the assigned CED Staff. These reports must be received before any reimbursements can be authorized
2. For the HOME program, the agency must submit all completion reports to the assigned CED staff. These reports must be received before the final payment can be authorized
3. Reimbursement requests must be for incurred costs not projected costs
4. All subrecipients shall utilize the attached revised CDBG, ESG, and HOME Financial Report for all reimbursement requests. Additional documentation may be required, depending on program. No alterations or deletions may be made to the form. Reimbursement requests must be accompanied by appropriate supporting documentation, including (but not limited to) invoices, bills, and receipts. HOME reimbursement requests must also be accompanied by project tracking report information (for project cost only) which lists the HUD project number, bid amount, bid adjustments, bid balance and total monthly expenditures. Eligible project-related soft costs **must** be appropriately allocated to each project
5. The subrecipient shall submit regular monthly Financial Reports and Performance and Evaluation Reports in the form and content required by the City. These reports shall be submitted to the City by the 15th day of the following month, for the previous month's activities. A Financial Report/request for reimbursement is still required even if no expenses

were incurred during the covered time period. This report would have a \$0.00 amount reimbursement request, and the Performance and Evaluation Reports would provide a status update as to why expenses were not incurred, along with an estimated timeline for when activities will resume.

6. Requests for reimbursement of direct payroll costs must include appropriately completed time sheets, activity logs, and mileage logs, signed by the employee and supervisor. Time sheets, activity logs, and mileage logs, must be tracked for the employee's entire work day, and by pay period. The amount being charged to the grant, as well as all other funding sources, must be clearly identified. Incomplete time sheets, activity sheets and mileage logs will result in denial of reimbursement of staff costs, until such time that complete time sheets, activity sheets, and mileage logs are submitted. Direct staff time must be appropriately allocated among all cost centers (grants) if other funds are available. Sick and vacation time must also be appropriately allocated among available funding sources.
7. Documentation of compliance with all of the procurement requirements contained in 2 CFR 200 Subpart D 200. 317-326, must be provided for all contracts for goods and services, and submitted with the appropriate Financial and Activity Report (Request for Payment).
8. Subrecipients must directly solicit small and minority-owned firms, women's business enterprises and labor surplus area firms as part of the procurement process and submit evidence of this solicitation with its payment requests.
9. All subrecipients must complete monthly Section 3 and MBE/WBE reports, and include them in monthly payment requests. Each month the Subrecipient will add the new month's information to the prior month's report, so that the final report, with the final payment request, will show the aggregated information from all months. Report templates are provided in attachments C-F.

Recordkeeping and Access to Records:

The City (and HUD) shall have access to all records, reports, and other documents or items of the recipient that are maintained to demonstrate compliance with the requirements of this part, or that are maintained in accordance with the regulations governing the specific HUD program under which federal funds are provided or otherwise made available to the recipient or contractor. These records shall be available for access at any time by City of Flint or HUD representatives.

Section 3:

In all local efforts, HUD regulations relating to the Section 3 program will be increasingly prioritized. These efforts aim to promote expending federal funds with agencies/business who

are Section 3 certified, as they hire local low-to-moderate income residents, are owned by local low-to-moderate income residents, or subcontract with agencies/businesses who are Section 3 certified.

As a CDBG or HOME funding recipient of a construction-related contract, our goal is for you to award 10% of your construction subcontracts to agencies/business that are Section 3 certified, and 3% of your non-construction subcontracts (ex. Architectural, etc.). Attached is the application for agencies to become Section 3 certified as well as the application for a resident who has some job skills but would benefit from on-the-job training to become a Section 3 certified resident.

For Contracts: all section 3 covered contracts and subcontracts shall include the following clause (referred to as the section 3 clause) in its entirety:

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

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

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

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

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

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

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

Equal Employment Opportunity/Affirmative Action (EEO/AA) Statement:

The Subrecipient will, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that it is a Federally Regulated Equal Employment Opportunity or Affirmative Action employer.

The applicant hereby agrees that it will incorporate or cause to be incorporated into any contract for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor at 41 CFR Chapter 60, which is paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant, contract, loan, insurance, or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance, or guarantee, the following equal opportunity clause:

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, 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, sexual orientation, gender identity, 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.

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

(3) The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.

(4) 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 advising the said labor union or workers' representatives of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(5) 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.

(6) 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 administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(7) 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 canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided 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.

(8) The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

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 administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

The applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: Provided, That if the applicant so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings

The Subrecipient shall comply with Executive Order 11246 of September 24, 1965, entitled Equal Employment Opportunity, as amended by Executive Order 11375 of October 13, 1967, and as supplemented by regulations at 41 CFR 60, Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor and take affirmative action in hiring, training, and promoting minority group persons and women to bring about reasonably representative integration of their employees. For purposes of this Agreement, a "minority group person" includes one of the following:

- 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 and South American, 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 of community identification).

The equal opportunity clause published at 41 CFR 60-1.4(b) is required to be included in, and is a part of, all nonexempt federally assisted construction contracts and subcontracts. In addition to the clauses described above, all Federal contracting officers, all applicants and all non-construction contractors, as applicable, shall include the specifications set forth in this section in all Federal and federally assisted construction contracts in excess of \$10,000.

The Subrecipient further agrees to review or examine with the City relevant employment data and other information pertaining to its hiring practices.

Lead Reduction and Hazardous Materials Guidelines:

1. The level of lead hazard reduction is determined by the level of federal assistance a project receives. For work up to and including \$5,000, lead safe work practices must be used for all rehabilitation activities, and paint disturbed during the work must be repaired. For work over \$5,000 up to and including risk assessment, paint disturbed during the rehabilitation must be repaired or standard treatments must be carried out for the entire unit. For work over \$25,000, surfaces painted with lead-based paint that are disturbed during rehabilitation and hazards identified by the risk assessment all must be abated. Interim controls may be performed on exterior surfaces if those surfaces are not undergoing rehabilitation.
2. A subrecipient must ensure that all lead-based paint activities performed by it or its contractors, including waste disposal, are in accordance with applicable Federal, State, or

local laws, ordinances, codes or regulations governing evaluation and hazard reduction. For lead abatements in excess of \$25,000, the contractor must have a certified Lead Supervisor on the site, during abatement activities. In the event of discrepancies, the most protective requirements prevail.

3. The subrecipient must obtain an Environmental Asbestos Risk Assessment Inspection Report which identifies confirmed asbestos-containing materials and recommends management measures for abatement. This report is required to be completed by a certified environmental firm on all rehabilitation projects prior to commencing the rehabilitation construction.
4. The subrecipient must obtain a hazardous materials inspection to comply with the requirements of 24 CFR 58.5, including but not limited to the following: (1) identification of above-ground explosive or flammable fuels or chemicals containers, thermal radiation hazards, hazardous materials, contamination, toxic chemicals, gases and radioactive substances which could affect the health or safety of occupants or conflict with the intended use of the subject property. Particular attention should be given to nearby dumps, landfills, industrial sites and other operations with hazardous wastes. (2) Management Mitigation plan for the property if hazardous materials are identified. This report is required to be completed by a certified environmental firm on all rehabilitation projects prior to commencing the rehabilitation construction.
5. The subrecipient shall ensure compliance with OSHA 29 CFR 1926 – Construction Industry Standards, 29 CFR 1926.62 – Construction Industry Lead Standards, 29 CFR 1910.1200 – Hazard Communication, 40 CFR Part 261 – EPA Regulations, and HUD Title X parts 1012-1013.

PERFORMANCE MONITORING

The City will monitor the performance of the subrecipient against goals and performance standards as required. Substandard performance as determined by the City will constitute non-compliance with the subrecipient’s contractual agreement. If action to correct such substandard performance is not taken by the subrecipient within a reasonable period of time after being notified by the city, contract suspension or termination procedures will be initiated. These may include:

1. Temporarily withhold cash payments pending correction of the deficiency by the agency or more severe enforcement action by The City 2 CFR 200 Subpart D 200.338 (a)
2. Disallow (to deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance 2 CFR 200 Subpart D 200.338 (b)

3. Wholly or partly suspend or terminate the Federal award 2 CFR 200 Subpart D 200.338 (c)
4. Initiate suspension or debarment proceedings as authorized under 2 CFR 180 and Federal awarding agency regulations 2 CFR 200 Subpart D 200.338 (d)
5. Withhold further Federal awards for the project of program 2 CFR 200 Subpart D 200.338 (e)
6. Take other remedies that may be legally available 2 CFR 200 Subpart D 200.338 (f)

Obligated funds are defined as those funds which the subrecipient has committed by placing orders, awarding contracts, receiving goods and services, or completing similar documented transactions that require payment in the future. (For purposes of housing rehabilitation activities, funds become obligated when the contract related to new construction, housing rehabilitation, or any other rehab activity is signed between the owner or sponsor and the contractor).

COMPLAINT PROCEDURE

A Subrecipient's client complaint procedure must:

1. Be outlined in Subrecipient's Program Guidelines. Clients and contractors must be informed of the complaint procedure when they are selected to participate in the program or upon receipt of a written complaint.
2. Establish a timely response. Ensure that a client's initial complaint is responded to by the program administrator within 15 working days of the date of the complaint.
3. Require that the Chief Executive Officer (CEO) or Executive Director of the Subrecipient be informed of any complaint the program administrator fails to resolve. The Subrecipient (at its option) may also ask the CEO to review the case and recommend a resolution.
4. Provide for the establishment of a review committee, to be comprised of at least three people, which must hear all cases that cannot be successfully resolved by the program administrator (and CEO if he/she is part of the complaint procedure). It is recommended that the committee members serve a specified number of years.

The review committee should be comprised of:

- A person with building/construction expertise (completely separate from the contractor who is part of the complaint);
- A local community representative; and

- A representative of the Subrecipient (but should not be administrator or staff member of housing program)

The claimant may choose to make a presentation or submit a written description (including documentation) to the committee for review.

5. Establish process to notify the client in writing of the review committee's decision within 15 working days of the date of the hearing.

REFERRAL TO DISPUTE RESOLUTION SERVICES REQUIRED IF CONFLICT NOT SATISFACTORILY RESOLVED

Should the above-listed efforts fail to resolve all outstanding issues, Subrecipients must seek the services of the closest Dispute Resolution/Mediation Program. The costs, if any, for using mediation to seek resolution of the dispute are often eligible administrative costs under Community and Economic Development's (CED's) contract agreements as an activity delivery cost; contact CED for details. A list of Community Dispute Resolution Program (CDRP) Mediation Centers may be found at:

<http://courts.mi.gov/administration/scao/officesprograms/odr/pages/community-dispute-resolutionprogram.aspx>

As of 5/25/16, the CDRP Mediation Center for Flint and Genesee County is:

Community Resolution Center
315 East Court Street, Suite 200 Flint, Michigan 48502
Phone (810) 249-2619
Fax (810) 239-9545
E-Mail Jane.Odell@comcast.net
Website www.mediation-crc.org
Contact Jane O'Dell

Attached is a process map for a typical complaint procedure (Attachment A, Client Complaint Procedure).

CED will review complaints only after the above process is complete and dispute is still unresolved.

In the event that CED is contacted directly by a complainant, he/she will be referred to the Subrecipient for implementation of policy procedures. After all previously outlined steps have failed to resolve the complaint, the Subrecipient may contact CED in writing, detailing the complaint and verifying its compliance with the above listed steps.

NOTE: All liability to third parties, loss or damage as a result of claims, demands, costs, or judgments arising out of activities, such as direct service delivery, to be carried out by the Subrecipient in the performance of its CED-funded grant agreement shall be the responsibility of the Subrecipient, and not the responsibility of the CED, if the liability, loss, or damage is caused by, or arises out of, the actions or failure to act on the part of the Subrecipient, any subcontractor, anyone directly or indirectly employed by the Subrecipient, provided that nothing herein shall be construed as a waiver of any governmental immunity that has been provided to the Subrecipient or its employees by statute or court decisions.

WAIVERS: In some cases, CED may, in its discretion, determine that the establishment of a complaint procedure is not necessary, based on the nature of the activities being undertaken by a Subrecipient. In such cases the City may determine that this requirement may be waived. If so, CED will advise the Subrecipient in writing.

CLIENT COMPLAINT PROCEDURE

