



## **APPENDIX A**

### **Community Development Block Grant - Coronavirus**

#### **SHELTER CONSTRUCTION PROGRAM For Rural Areas**

## SECTION I

### **FUNDING OPPORTUNITY INFORMATION**

This Application is for the use of federal Community Development Block Grant-Coronavirus (CDBG-CV) Funds through the State of Illinois' Department of Commerce and Economic Opportunity (DCEO), Office of Community Development.

CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBER: 14.228

CFDA TITLE: COMMUNITY DEVELOPMENT BLOCK GRANT-CORONAVIRUS PROGRAM

CATALOG OF STATE FINANCIAL ASSISTANCE (CSFA) NUMBER: 420-75-3432

CSFA TITLE: COMMUNITY DEVELOPMENT BLOCK GRANT-CORONAVIRUS SHELTER CONSTRUCTION PROGRAM

DCEO FUNDING OPPORTUNITY NUMBER: 30-1

DCEO FUNDING OPPORTUNITY TITLE: CDBG-CV SHELTER CONSTRUCTION

Applications may be submitted based on the published Guidebook. The Guidebook and required supporting documentation for the application can be found at:

[Community Development - Community Development \(illinois.gov\)](#)

### **FEDERAL AND STATE PROGRAM OBJECTIVES**

On March 27th, 2020, Congress passed the Coronavirus Aid, Relief and Economic Security Act (CARES Act) to directly address the impacts of COVID-19. As part of the CARES Act, Congress appropriated \$5 billion to the U.S. Department of Housing and Rural Development (HUD) for allocation to cities and states through the Community Development Block Grant (CDBG) program. The State of Illinois has been allocated \$70,753,404 of these CARES Act CDBG funds (CDBG-CV funds). **CDBG-CV funds must be utilized to prevent, prepare for, and respond to COVID-19.**

HUD regulations provide that five percent (5%) of the allocation can be used for administration and two percent (2%) for technical assistance for the State-administered program. Within the statutory requirements of the Act, Illinois has the flexibility to design its own program objectives and procedures for program administration and to develop criteria for selection of grant recipients.

### **GENERAL APPLICANT INFORMATION**

#### **A. FUNDING AVAILABILITY**

Each program component has a maximum funding level or grant ceiling. The Department has allocated a minimum of \$5 million in CDBG-CV funds to the Shelter Construction component in Rural areas. A minimum grant award level of \$300,000 has been established; applications for less than the minimum grant will not be accepted. The maximum grant award for the Rural Shelter Construction program is \$2 million. The Department reserves the right to offer an award less than the application amount. Grants applications must be for amounts commensurate with requirements of the proposed project.

In case of unforeseen circumstances, the Department of Commerce and Economic Opportunity (Department) reserves the right to adjust allocations to address specific needs.

**B. APPLICATION MATERIALS**

**All applicants must attend the grant Application Workshop via Webex on Tuesday, August 27, 2024 at 2:00.** Information on registration is available on our website at: [Community Development - Community Development \(illinois.gov\)](https://www.illinois.gov/CommunityDevelopment)

**ALL ORIGINAL Application Forms and Materials as shown in the Guidebook must be utilized.**

The Department WILL designate an application “DO NOT FUND”, and not complete the rest of its’ scoring for the following reasons:

- Using self-created forms;
- Adding to or removing any language in forms.
- Forged, copied, taped, pasted or any alterations to original signatures or dates;

All Letters, Notices, Resolutions, Agreements or other communication provided as part of the application must be of the exact verbiage contained in the Guidebook, be on the applicant entity’s official letterhead and have original signatures where required.

All application forms and certifications requiring signature must be signed by the Chief Official of the applicant, unless otherwise noted.

**C. TECHNICAL ASSISTANCE**

If you have any questions concerning the application process, please email [ceo.ocd@illinois.gov](mailto:ceo.ocd@illinois.gov) or call the Department at (217) 558-4222, TDD 800/785-6055.

## SECTION II

**CDBG-CV PROGRAM INFORMATION AND POLICIES**

This section of the application guide contains a description of the general requirements and policies applicable to all CDBG-CV projects.

**A. REQUIREMENTS AND DISCLAIMERS**

The following requirements and disclaimers apply to all applications submitted for consideration under the CDBG-CV Program.

1. All projects awarded must tie back to the to the prevention, preparation, and response to coronavirus. Documentation is essential to ensure that all activities comply with the CARES Act. The rationale for connection to addressing coronavirus will vary by jurisdiction and activity, but your application should tell a story about how the activities, if implemented, will address the purpose of this funding.
2. Costs previously incurred (such as design) as well as costs incurred in preparation of applications are not reimbursable under this grant program.
3. The Department reserves the right to reject any or all applications received and/or negotiate or cancel in part or in entirety grants resulting from application awards if it is in the Department's best interest to do so.
4. **The Department reserves the right to withdraw a commitment for CDBG-CV funds where special grant conditions have not been satisfied 90 days after the date of the Notice of State Award Finalist**, or at the discretion of the Department if it is determined the project will not progress.
5. The Department reserves the right to establish the amount of grant funds awarded, raise the individual grant ceilings, and to shift funds from one CDBG-CV component funding area to another. The Department further reserves the right to award funds to the next highest rated applicant(s) for any component should funds become available due to de-obligations, etc.
6. The Department reserves the right to deny funding when submitted applications involve eligible entities with serious unresolved audit or monitoring findings related to performance, and/or owe funds to any State Agency that may be collected through offsets of grant funds by the State Comptroller.
7. On an annual basis, the Department may re-evaluate the timely distribution of funds under all program components, as well as the availability of unspent and recaptured funds. Unspent and recaptured funds will be awarded to fund additional CDBG-CV-eligible projects.
8. The Department reserves the right to consider an outside technical review by an appropriate agency or agencies.
9. Any additional non-CDBG-CV resources must be firmly committed and demonstrated by appropriate documentation in the application. If documentation is not evident, clear or firmly in place, the Department will consider the documentation insufficient and the application will be deemed DNF (Do Not Fund) and not reviewed further.

10. A grant agreement will be issued for a contract period of twenty-four months for Rural Shelter Construction grants. Extensions are not guaranteed, and no more than one twelve-month extension will be considered.
11. Proposed projects (including the fund source, cost estimates, benefit, project area, and/or construction activities) supplied in the grant application submitted for funding must not be changed or modified prior to grant award or at the time the project is bid. If extenuating circumstances exist, the Grantee may submit a modification request after the receipt of its executed Grant Agreement.
12. Requests for Modifications must be presented to the Department prior to any changes being made to the project area, beneficiaries, cost estimates, or funded activities. All modifications must be within the original and environmentally-cleared project area. Requests for activities outside the original project area will not be considered. Modifications to decrease or increase the scope of work due to greater than or less than estimated costs will not be considered.
13. **No environmental review activities can take place until the applicant has received the Notice of State Award Finalist.** Once this Notice is received, the grantee will initiate the required early warning contacts (with the up to four state environmental clearance agencies) in accordance with Federal NEPA requirements and State law.
14. In accordance with the Interagency Wetland Policy Act of 1989, an applicant whose proposed project site is located on or within 250 feet of a wetland site listed on the National Wetlands Inventory will be required to comply with the requirements of the Act. This includes: developing a plan to minimize adverse impacts on wetlands, or providing written evidence that the proposed project will not have an adverse impact on a wetland. Project must also comply with Federal Wetlands Protection regulations at 24-CFR 58.5(b)(2) and Executive Order 11990, which may require preparation of an Eight-Step Wetlands Review.
15. A FEMA issued Floodplain Map must be included in the application. You can obtain this map by calling FEMA at 1(800) 358-9616 or by using their website: <https://msc.fema.gov>. The project area must be clearly drawn on the map prior to submission. The most current version available on <https://msc.fema.gov> must be used.
16. CDBG-CV grant funds may not be used for any activity in an area delineated as a special flood hazard area in FEMA's most current flood advisory maps unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain in accordance with Executive Order 11988 and 24 CFR 55. In accordance with 24 CFR 55, CDBG grant funds must not be committed in a FEMA-designated floodway.
17. CDBG-CV grant funds may not be used for any activity that would duplicate other benefits received. A duplication of benefits (DOB) occurs when a person, household, business, government, or other entity receives financial assistance from multiple sources for the same purpose within the same time period, and the total assistance received for that purpose is more than the total need for assistance. Within the CDBG-CV program, all grantees are bound by Section 312 of the Stafford Act, as amended by the Disaster Recovery Reform Act, and the OMB Cost Principles within 2 CFR part 200 that require all costs to be “necessary and reasonable for the performance of the Federal award.”

**B. STATE AND FEDERAL COMPLIANCE AREAS**

Each applicant must agree to comply with all applicable federal and state requirements. **This includes 2 CFR 200, 24 CFR 570, Part 85, and the Grantee Accountability & Transparency Act (GATA).** These can have a significant impact on the costs and complexity of a project. Applicants who receive a grant award will be expected to submit signed assurances that they will comply with all federal mandates. Some areas which applicants must comply with include:

1. The National Environmental Policy Act (NEPA) which establishes procedures for protecting the environment. In order to use the CDBG-CV funds awarded to a local government, the grantee has to comply with environmental procedures, standards and guidelines mandated by NEPA and all other applicable environmental regulations (e.g., prime farmland protection, historic preservation, floodplain hazards, etc.).
2. The Interagency Wetland Policy Act of 1989 requires applicants to certify that the proposed project is compatible with established State of Illinois policy regarding wetlands (i.e., to minimize the destruction of existing wetlands in Illinois as a result of State and State-supported activity). The Federal Wetlands Protection regulations at 24 CFR 58.5(b)(2) and Executive Order 11990 also apply.
3. The Illinois Endangered Species Protection Act and the Illinois Natural Area Preservation Act & Federal Endangered Species Act of 1973 Compliance requires consultation with the Endangered Species Consultation Program of the Illinois Department of Natural Resources to assure compliance. The consultation process must be implemented to avoid or minimize adverse impacts to State-listed species and their essential habitats that may result from the actions of State and local units of government. Applicants must certify the completion of the consultation process, as well as Federal Endangered Species Compliance under 24 CFR 58.5(e). This process can be initiated through the U.S. Fish & Wildlife Service Endangered Species website (<https://www.fws.gov/endangered/>).
4. **The Davis-Bacon Prevailing Wage Act** requires the payment of prevailing wages for all **construction** funded in whole or in part with Federal funds, including funds passed through to private firms. If your project involves construction and/or equipment installation, go to <https://beta.sam.gov/help/wage-determinations> for information concerning the applicability of federal labor standards.
5. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1987 applies to federally assisted activities that involve the acquisition of real property or the displacement of persons, including displacement caused by rehabilitation and demolition activities. Any person or business displaced as a direct result of federal assistance must be provided with Uniform Relocation benefits.
6. Equal Opportunity and Fair Housing Accessibility Laws require that CDBG grantees administer their project in a manner that affirmatively furthers equal opportunity and fair housing. All CDBG grantees will be required to undertake specific activities to further fair housing. CDBG grantees must assure all activities and services are accessible to persons with disabilities.
7. Section 3 under the Housing and Rural Development Act of 1968 requires recipients to give, to the greatest extent feasible and consistent with the existing federal, state, and local laws and regulations, job training, employment, contracting and other economic opportunities to Section 3 residents and Section 3 business concerns.

8. The National Emission Standards for Hazardous Air Pollutants (NESHAP) of the U.S. Clean Air Act assures that, when existing buildings are demolished and/or renovated, people outside of those buildings (i.e., passers-by or neighborhood residents) are protected from airborne asbestos. If asbestos materials are involved in the rehabilitation work, the applicant must contact the Field Operations Section, Bureau of Air of the Illinois Environmental Protection Agency to ensure compliance with Asbestos NESHAP.
9. Steel Products Procurement Act (30 ILCS 565 et seq.). The Grantee, if applicable, hereby certifies that any steel products used or supplied in accordance with this Award for a public works project shall be manufactured or produced in the United States per the requirements of the Steel Products Procurement Act (30 ILCS 565 et seq.).

### C. **APPLICANT COMMITMENT and CITIZEN PARTICIPATION**

**A public hearing must be held prior to submission of an application and prior to passage of a local council resolution of support by the local governing body.**

#### Public Participation

- All applicants must provide for public participation. All citizens must be given reasonable access to the community's application and reasonable time to review the application prior to the public hearing.

#### Public Notice

- A Notice of Public Hearing must be published at least once in a newspaper of general circulation at least seven calendar days (excluding the date of publication *and* excluding the date of the hearing) prior to the public hearing.
- The Notice of Public Hearing must include the address of where project information is available for viewing.
- All project information must be available for viewing on the first business day (not Saturday, Sunday, a holiday, or day the office is not open) after date of publication at an easily accessible location within the community applying for the grant.
- The Public Comment Period must coincide with the time period between Notice and Hearing; concluding after the Hearing has been completed. The address for submission of written comments must be included in the Public Notice.

#### Conducting the Public Hearing

- Public Hearings must be facilitated by the applicant's governing body chief elected official or authorized official and certified by the chief elected official, authorized official or clerk.
- Efforts must be made to assure reasonable access to the public hearing by persons with disabilities; as well as be conducted in a manner to meet the needs of non-English speaking residents where a significant number of non-English speaking residents can reasonably be expected to participate.
- Those attending the public hearing must be informed of where and how to access the applicant's CDBG records.
- The Hearing must allow for public comments on the application and project.

- A sign-in sheet must be provided to document attendance. It is suggested that each person attending the public hearing provide his address and identify his role of participation (e.g., citizen, elected or appointed official, municipal employee, contractor, grant writer or administrator, business owner, etc.).
- The public hearing must cover:
  1. The amount of funds available;
  2. The project activities that will be undertaken with CDBG funding, including amount;
  3. The project activities that will be undertaken with additional project funding, including amount;
  4. The estimated amount proposed for activities that will benefit LMI individuals;
  5. Plans for minimizing displacement as a result of the CDBG grant-assisted activities and to assist persons actually displaced, if applicable;
  6. A detailed, prioritized list of community development and housing needs; and
  7. A narrative discussion of the scope of the project including the proposed improvements, costs, benefit area, impact on community finances, etc.
- The minutes of the public hearing must be certified by the chief elected official or other authorized local officials, such as county clerk, city clerk, etc.
- Following the Public Hearing, a Resolution of Support from the local governing body must be passed that authorizes the local government to apply for funds. The date of the Resolution must be on or after the date of the Public Hearing.

#### Documenting Citizen Participation

The following documents verifying 7-day notice and citizen participation must be submitted with the application.

- Complete Newspaper Clipping of Notice of Public Hearing that contains all published verbiage
- Publisher's Certification (cannot be an e-mail)
- Certified Minutes
- Attendance Sheet, (original sign-in sheet; not type-written, not roll call from minutes)

**If the publication guideline or public hearing requirements are not met, the application will not be reviewed further nor considered for funding.**

#### **D. ACTIVITY DELIVERY COSTS and ASSOCIATED COSTS**

Community Development Block Grants are federally funded and must comply with extensive federal regulations including procurement, environmental, Davis-Bacon labor standards and others. Failure to comply could result in grant funds being repaid by the Grantee. It is important that Grantees seek out an experienced Grant Administrator to manage all the details of the grant, provide oversight and coordination of the project. This management process is called "Activity Delivery".

**All Grantees must use an Administrator experienced with oversight, administration and requirements of Community Development Block Grants, including Environmentals and Davis Bacon federal Labor Standards provisions.** A resume may be requested from the proposed Administrator.

**The Administrating Entity must be named in the application.** Contracts for the purpose of securing services for activity delivery and/or rehabilitation administration (Inspector) must be competitively

procured under 2 CFR 200 prior to application unless the contract is with an Intergovernmental Agreement Agency or an Inter-Entity Agreement Agency. The grantee's procurement process must be documented and kept with the grant files. **All contracts for provision of Activity Delivery and/or Rehabilitation Administration (Inspector) must be provided to DCEO with the application. In addition, if Activity Delivery is procured, a completed Exempt-CENST-ER-Format form must be included with the application.** Please see Section V, Attachments, for the Illinois CDBG Procurement Policy.

The amount of CDBG-CV funds that may be allowed for reasonable activity delivery costs is 7% of the grant request, but no more than \$50,000; and must be included in the total grant award. Activity delivery costs above that amount must be contracted separately and not included in the application.

**Activity Delivery:** Includes such costs as (but are not limited to) salaries, travel costs, services performed under third party contracts, including legal and audit services, environmental record review preparation, additional fidelity bonding costs or other services required for the delivery of grant activities.

Activity delivery costs may include the estimated cost of an audit to be conducted in accordance with the Comptroller General's Governmental Auditing Standards, and 2 CFR 200.501, if applicable. However, be advised that CDBG-CV funds can only be used to pay for its portion of the costs of an audit when a "single audit" is required. If a grantee expends less than \$750,000 of federal funds in one fiscal year, a single audit is not required. The grantee may still have to conduct an annual audit as required by State statute, but CDBG-CV funds may not be used to reimburse for any portion of the audit costs.

All Activity Delivery costs must be substantiated with complete invoices that include the work that was completed, when and where it was completed, who completed it, associated wages and attributable costs. Invoices without sufficient detail are not eligible for reimbursement.

#### E. **INITIAL GRANTEE RESPONSIBILITY**

**If awarded a grant, all staff related to fiscal and performance requirements as well as the grant administrators must attend the Grant Administrator's Workshop to be scheduled at a future date. Failure to attend will result in forfeiture of the grant award.**

Successful applicants will receive a **Notice of State Award Finalist (NOSAF)** specifying terms and conditions of the grant. This will include completion of a Uniform GATA Budget, completion of Environmental Review and and completion of any other outstanding requirements. **Grantees must complete all requirements identified on the Notice of State Award Finalist within 90 days of the NOSAF date. If not completed, the Chief Elected Official and Grant Administrator will be notified and a two-week extension provided. Failure to complete outstanding requirements within 104 days of the NOSAF date will result in forfeiture of the grant award. In addition, any FEIN lock that occurs as a result of an audit deficiency prior to grant execution will result in denial of the award.**

Once terms are accepted, and the conditions met, the Grantee will receive a **Notice of State Award (NOSA)** through the GATA Grantee Portal. The NOSA includes information regarding your entity, grant funding, grant terms and conditions, and specific conditions assigned to the grant based on the risk assessments. In order to receive the formal Grant Agreement, the Grantee must indicate agreement to

the contents of the NOSA by remitting its acceptance through Grantee Portal (<https://grants.illinois.gov/portal>).

After the Grantee has submitted all applicable documents, they will receive a formal **Grant Agreement** with further instructions. Grantees will be expected to sign and return the agreement within 30 days for formal execution by the Department.

**F. REPORTING**

The Grantee will be required to complete quarterly financial and performance reports, Notice of Contract Award, and other reports or documentation as requested.

## SECTION III

## COMPETITIVE SHELTER CONSTRUCTION PROGRAM

The objective of this program component is to fund construction, reconstruction, rehabilitation, or acquisition of property for Homeless (as defined by the U.S. Department of Housing and Rural Development (HUD) Shelters dedicated to the provision of stable, safe and adequate housing.

The Department has allocated a minimum of \$10 million in CDBG-CV funds to the Shelter Construction component in Rural “entitlement” areas.

**A. ELIGIBLE APPLICANTS**

Only units of general local government (i.e., cities, villages, townships and counties) may apply for funding. Municipalities may submit “on behalf of” applications for local entities that otherwise would not be eligible to apply, for example, a not-for-profit shelter. Municipalities must not be a HUD direct Entitlement community or be located in an urban county that receives "entitlement" funds.

The following Units of Local Government receiving an annual allocation directly from HUD on an entitlement (formula) basis are “Entitlements”, and **not eligible for this grant**.

**Urban Counties**

|               |                  |
|---------------|------------------|
| Cook County   | Madison County   |
| DuPage County | McHenry County   |
| Kane County   | St. Clair County |
| Lake County   | Will County      |

**Metropolitan Cities**

|                   |                 |                |             |
|-------------------|-----------------|----------------|-------------|
| Arlington Heights | DeKalb          | Mount Prospect | Rantoul     |
| Aurora            | Des Plaines     | Naperville     | Rockford    |
| Berwyn            | Elgin           | Normal         | Rock Island |
| Bloomington       | Evanston        | Oak Lawn       | Schaumburg  |
| Champaign         | Hoffman Estates | Oak Park       | Skokie      |
| Chicago           | Joliet          | Palatine       | Springfield |
| Cicero            | Kankakee        | Pekin          | Rurala      |
| Danville          | Moline          | Peoria         | Waukegan    |
| Decatur           |                 |                |             |

All applicants must:

- Have a current Shelter Funding Strategy identifying needs, and plans to meet the needs.
- Have a strong collaborative relationship with all relevant local entities (service providers, community organizations, etc.) and have letters of support from a minimum of 5 community homelessness support services;
- Remain compliant with all applicable provisions of State and Federal laws and regulations pertaining to nondiscrimination, sexual harassment and equal employment opportunity including, but not limited to: The Illinois Human Rights Act (775 ILCS 5/1-101 et seq.), The Public Works Employment Discrimination Act (775 ILCS 10/1 et seq.), The United States Civil Rights Act of

1964 (as amended) (42 USC 2000a-and 2000H-6), Section 504 of the Rehabilitation Act of 1973 (29 USC 794), The Americans with Disabilities Act of 1990 (42 USC 12101 et seq.), and The Age Discrimination Act (42 USC 6101 et seq.).

All applicants must be registered at: <https://grants.illinois.gov/portal/> prior to application submission. Applications submitted by entities who have not registered **will not be considered for review**. In addition, the Internal Control Questionnaire (ICQ) for the current year must be completed prior to grant execution.

## B. **ELIGIBLE ACTIVITIES**

All grant funds must relate to one of the following HUD-defined activity codes:

**01 Acquisition** if CDBG-CV funds will be used only for the acquisition of property for a public purpose. This code is frequently used for acquisition of property on which a public facility or improvement will be constructed using other funds.

**03C Homeless Facilities (not operating costs)** for construction, conversion, renovation or rehabilitation of shelters for the homeless, including shelters for domestic violence victims.. This code should also be used for transitional housing and SROs (single room occupancy units) for the homeless that are funded by CDBG-CV.

**03Q Abused and Neglected Children's Facilities (not operating costs)** for construction, conversion, renovation or rehabilitation of shelters providing temporary housing for abused and neglected children.

In addition, activities must be germane, connected in purpose, and address the same threat to health and safety.

## C. **INELIGIBLE ACTIVITIES**

The following are specifically identified as ineligible.

1. All Engineering costs associated with the planning, design or management of construction activities.
2. Construction of buildings, or portions thereof, used predominantly for the general conduct of government (e.g., city halls, courthouses, jails, police stations).
3. General government expenses. Costs of operating and maintaining public infrastructure and services (e.g., mowing parks, replacing street light bulbs).
4. Servicing or refinancing of existing debt.

## D. **ELIGIBILITY THRESHOLDS**

All applications must include:

- A copy of the local government's current Shelter Funding Strategy
- A minimum of five (5) Letters of Support for the grant application from community homelessness support services;

## E. FUNDING SOURCES

Applications must provide written evidence that necessary, additional funding for the project is firmly committed. **If proper documentation is not provided, the application will be deemed Do Not Fund (DNF) and not reviewed further.** Applicants are strongly cautioned to investigate all funding sources and make a firm decision as to the source prior to submitting a CDBG-CV application. **Changes in additional funding sources after the award will not be accepted, and the grant award will be withdrawn.** Documentation necessary to provide evidence of additional funding includes:

- A current firm commitment letter from a FINANCIAL INSTITUTION must include: language which indicates that the loan will be approved and that the institution will lend subject to certain conditions; the specific dollar amount of the loan; the specific term of the loan (**not to exceed 10 years, and no balloon or adjustable rate language**); and the projected interest rate of the loan. The date of the commitment letter cannot be more than 12 months prior to application date.
- For projects which intend to secure bonds through the ILLINOIS FINANCE AUTHORITY (IFA), a copy of the Preliminary Resolution issued by IFA to indicate approval of the community's application for bond funds must be submitted.
- A firm commitment of funding from the UNITED STATES DEPARTMENT OF AGRICULTURE RURAL DEVELOPMENT (RD) must include all pages of an approved Form RD 1940-1, "Request for Obligation of Funds." Loan and grant funds are available with loans up to 38 years with interest rates generally 5 percent or lower.
- Entities proposing to use local sources (cash-on-hand, bonds, in-kind labor), must submit the following documentation, per source:
  - LOCAL CASH ON HAND – The applicant's council or board resolution committing a specific dollar amount to the project, which identifies where the monies will be paid from, as well as financial documentation indicating the amount is on hand (certified Treasurer's report, Audit, Bank Statement) must be included.
  - ISSUE REVENUE OR GENERAL OBLIGATION BONDS – The applicant's council/board resolution approving the intent to issue bonds and specify a dollar amount.
- Applicants proposing to use funds from any other Federal Source must provide written confirmation from the Source that funds are available for this purpose, and the amount is sufficient and being committed for the project.
- For Applicants identifying IL CAPITAL PROJECTS as the fund source, an internal review will be conducted by the Department to verify that the project is fully-approved; including an executed Grant Agreement; all conditions have been met; final Business Enterprise Program clearance has been obtained (if applicable); and that the initial sanctioned-percentage of funds has been disbursed.

## F. APPLICATION NARRATIVE RESPONSES and INCLUSIONS

All applications must include the following narrative responses and complete the requested forms included in Section IV. See the Application Checklist contained in Section IV for placement in the application.

1. **Letter of Transmittal** – must be on applicant’s official letterhead, dated, include the amount requested, a brief project description, and additional funding amount and source; and certify that the application meets the eligibility thresholds of Benefit to Low-to-Moderate Income Persons.
2. **State of Illinois-DCEO Uniform Grant Application** The Uniform Grant Application can be found as part of the Notice of Funding Opportunity (NOFO) at: [Apply for Funding - Grant Opportunities \(illinois.gov\)](https://www.illinois.gov/apply-for-funding-grant-opportunities)
3. **Project Summary** – should consist of a narrative covering all key points of the proposed project *to be funded, in part or in full, with CDBG-CV grant funds*. This summary should include the following:
  - Describe the project – What is being proposed (i.e. what specific construction, reconstruction or acquisition activities and at what locations will they occur) and why? Applicants may also submit blueprints as a supplement to their submission, if they deem necessary in order to show project details sufficiently.
  - Describe the project location and surrounding area, its attributes and challenges. Include information on nearby public transportation or agency shuttle services, and location of nearby entities that may serve the homeless population.
  - The degree to which present conditions affect public health and safety, and the severity and immediacy of the problem.
  - Whether the project is necessary to comply with state or federal regulations.
4. **Project Readiness Information** – Each application must demonstrate that the proposed project is appropriate and achievable and that all actions have been completed to ensure timely implementation of the project. Each item below must be SPECIFICALLY addressed. **If the item is not applicable, explain why.**
  - Status of required permit(s) from the local, state and or federal agencies.
  - Option To Purchase/Property Ownership - Identify the ownership of any property needed to complete the project (including option to purchase); and verify that the project will be shovel-ready; Agreements should be in place and included as documentation in the grant application.
  - Additional funding commitment(s) – Address all additional funding commitments in narrative form.
  - If a "phased project," indicate the status of all pertinent readiness issues. In addition, the application should include supporting documentation of council/board-approved phases, as appropriate.

5. **Zoning** - The Project Application must include evidence that all Sites are either currently zoned for the proposed use or the rezoning process has been initiated and will be completed in a timeframe compatible with the project.
- **Zoned Project Sites** Evidence that Sites are currently zoned for the proposed use can only be demonstrated through:
    - A valid building permit; or
    - A letter from the local zoning administrator (or chief elected official in localities without a zoning administrator) identifying the Project and containing all of the following:
      - The location of the Site(s) (i.e., address or street crossings); and
      - The current zoning and any special use designations; and
      - A description of the Project (including number of units, proposed use, and whether it is new construction, rehabilitation, or both); and
      - A statement that the current zoning will permit the proposed Project
  - **Sites with Pending Re-Zoning, Variance, or Special Use Applications** The State recognizes that a sponsor may need a re-zoning, a variance to existing zoning that does not require a full re-zoning, or a special use permit and will allow for the above as follows. As evidence of the pending re-zoning, variance, or special use permit application, the application must include a letter from the local zoning administrator (or chief elected official in localities without a zoning administrator) identifying the Project and containing all of the following:
    - The location of the Site(s) (i.e., address or street crossings); and
    - A description of the Project (including number of units, proposed use, and whether it is new construction, rehabilitation, or both); and
    - A written explanation of the re-zoning, variance, or special use permit approval process; and
    - Evidence the re-zoning, variance, or special use permit process has been initiated; and
    - Evidence of which stage in the re-zoning, variance, or special use permit approval process the Project has reached; and
    - Evidence that the re-zoning, variance, or special use permitting will be reviewed in a timely manner, including any available dates.
6. **Project Maps** - The following maps must be included in the application submission.
- **A project location map** must be included in the application. It is expected to be sufficiently detailed to show the following information: 1) specific boundaries of the area the Shelter serves; 2) adjacent public transportation routes/stops; 3) Location of nearby entities that may serve the homeless population (e.g. food services, employment and training services).
  - **A FEMA issued Floodplain map with exact project locations marked must** be included in the application. You can obtain this map by calling FEMA at 1(800) 358-9616 or by using the website <https://msc.fema.gov>. The project location must be clearly drawn on the FEMA map prior to submission.

7. **Architect or Engineer Cost Estimate for Construction, Reconstruction or Rehabilitation ONLY.** (See Submission Checklist in Section IV for placement.)

- Must be on company letterhead, include a detailed breakdown of costs, the date and the architect or engineer's name and signature.
- Must not be dated more than one year prior to the application due date.
- Must match the costs contained in the CDBG-CV Working Cost Estimate and GATA Budget. Do not include any contract costs for which CDBG-CV funds are not used.
- DO NOT include any miscellaneous, contingency, or otherwise ineligible costs.

**The Department reserves the right to designate an application “DO NOT FUND”, and not complete the rest of its’ scoring for the following reasons:**

- Architect or Engineer's cost estimate is not included in the application;
- Architect or Engineer's cost estimate is not on company letterhead, does not have the architect/engineer's name and signature, is not dated or is dated more than one year prior to application due date;
- Architect or Engineer's cost estimate does not include a detailed breakdown of costs;
- Architect or Engineer's cost estimate contains grossly-inflated costs and/or contingencies.

8. **ACQUISITION ONLY** Copy of Real Estate Listing, Appraisal, or other verification of potential purchase price

- If acquisition is part of your project and will be paid by grant funds, a copy of the real estate listing, appraisal, or other verification of the potential purchase price must be included. If funded, grant funds will not be released until closing, and verification of all real estate transaction requirements are confirmed.

G. **APPLICATION REVIEW AND EVALUATION PROCESS**

The screening and review process for the program is designed to ensure that limited CDBG-CV funds are awarded to entities that demonstrate the need for financial assistance and have a well-designed project. The actual number and types of awards will be subject to funding availability and the amount of each applicant's request. **Applications must be received by 5:00 p.m. on Thursday, November 14, 2024.** Applications will be funded from the highest score to the lowest score while ensuring funding touches a broad geography of the State. The Department reserves the right to perform a site visit.

All recommendations are forwarded to the Director of the Department who makes the final funding decisions. However, all decisions will be based on the general distribution of funds in Section I of this CDBG-CV Guidebook.

## H. RANKING CRITERIA

Projects will be evaluated according to the criteria noted below. .

### 1. Project Needs Assessment – Total Possible = 55 points

The following criteria indicate the need for the project and will be eligible for up to 55 pts.

- Percentage of county population contracting COVID (all time); calculated by data from [Illinois coronavirus cases and deaths | USAFacts](#) divided by the population of the county as estimated by the U.S. Census Bureau on July 1, 2023.
  - 25% or more = 15 points
  - 20% - 24.99% = 14 points
  - 15% - 19.9% = 12 points
  - 10% - 14.9% = 10 points
  - 5% - 9.9% = 8 points
  - 4% - 4.9% = 6 points
  - 3% - 3.9% = 4 points
  - 2% - 2.9% = 2 point
  - 1% - 1.9% = 1 point
  - Less than 1% = 0 points
- Homeless Rate – people per 10,000 calculated by dividing the number of homeless persons from the most recent Point in Time Counts for each Continuum of Care (CoC) by the total population estimates from Census Bureau.
  - Homeless Rate of at least 10 = 15 points;
  - Homeless Rate of 8 - 9.9 = 12 points;
  - Homeless Rate of 6-7.9 = 8 points;
  - Homeless Rate of 4-5.9 = 4 points;
  - Homeless Rate of 2-3.9 = 2 points;
  - Homeless Rate a rate less than 2 per 10,000 = 0 points
- Unsheltered Homeless Rate – basic percentage calculated by dividing the number of unsheltered persons by the total number of homeless persons from the most recent Point in Time Counts for each Continuum of Care (CoC).
  - Unsheltered Homeless Rate of 25% or greater = 15 points;
  - CoCs with a rate between 20 and 24.9% = 12 points;
  - CoCs with a rate between 15 and 19.9% = 9 points;
  - CoCs with a rate between 10 and 14.9% = 6 points;
  - CoCs with a rate between 5 and 9.9% = 3 points;
  - CoCs with a rate less than 5% = 0 points
- Project location in a DCEO Underserved Area (5 points) An “underserved area” is a census tract which meets one of the following four tests.
  - Poverty rate of at least 20%; or
  - 35% or more of the families with children in the area are living below 130% of the poverty line according to the latest American Community Survey; or
  - At least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program (SNAP); or

- Average unemployment rate that is more than 120% of the national unemployment average, for a period of at least two (2) consecutive calendar years preceding the date of the application.
- For more information and to identify an underserved area, please see: <https://dceo.illinois.gov/expandrelocate/incentives/underservedareas.html>
- Project location in an Opportunity Zones (5 points)  
Illinois has 327 designated opportunity zones, all of which are low-income communities. To further encourage the investment in and vitality of these communities, four (4) points will be given to applicant communities within opportunity zones. For more information on Opportunity Zones, please see: <https://dceo.illinois.gov/oppzn.html>

## 2. **Project Impact** – Total Possible = 20 points

The following criteria measure the outcome of the project and will be eligible for up to 20 pts.

- Percentage of pre-COVID shelter capacity that the project will make possible – calculated based on the capacity of the shelter on January 1, 2020 and the capacity that will be available after the project.

Points will be assigned as follows:

- Increased capacity over pre-COVID = 20 points
- 100% of pre-COVID capacity = 15
- 75% of pre-COVID capacity = 10
- 50% of pre-COVID capacity = 5 points

Example: Pre-COVID capacity was 100. This project will allow a capacity of 80. Score would be 10 points.

## 3. **Project Readiness** – Total Possible = 20 points

Each application must demonstrate that the proposed project is appropriate and achievable and that all actions required have been completed to ensure timely implementation of the project. If the application is funded, any action not completed at the time of application will be included in the Notice of State Award Finalist (NOSAF) as a special grant condition. All applicants will start with the **maximum 20 points**. If not completed, deductions will be made on the following requirements:

- If applicable, documentation of ownership of the property to be improved. If applicable and not submitted, -5 points
- If applicable, a copy of the current lease for the location. If applicable and not submitted, -5 points
- If applicable, a copy of an option to purchase property. (Option must include price, date option expires and seller's signature). If not submitted; not addressed; or unclear, -5 points.
- If applicable, a copy of rezoning status information. If not submitted; not addressed; or unclear, -5 points.
- Copy of Project Location Map. If not submitted or if the project activities are not clearly drawn on the project map, -5 points.
- Copy of Floodplain Map indicating project location. If not submitted, or the project is not drawn on the map, -5 points.
- Working Cost Estimate must add correctly and match the Architect or Engineer's Cost Estimate and GATA Budget. If addition errors, or contains ineligible costs, -5 points.

- Forms are not completed in their entirety, i.e., missing dates, signatures, general contact information, etc., - 5 points
- The FEIN, CAGE #, or other identifying codes contained in the application are not assigned to the applicant or responsible entity., -5 points
- The “Copy” file required for application submission does not contain all documents as the “Original.” -5 points

#### 4. **Additional Funding** – Total Possible = 5 points

Additional points will be assessed for applicants contributing other funding toward the completion of the proposed project. A maximum of 5 points will be assigned to projects contributing 80% or more of the total project costs. No points will be assigned to projects contributing less than 10% of the total project costs. The breakout is as follows:

- 5 points - 80% or more of project cost contributed
- 4 points – 60.0 – 79.9% of project cost contributed
- 3 points - 40 – 59.9% of project cost contributed
- 2 points - 20 – 39.9% of project cost contributed
- 1 point - 10 – 19.9% of project cost contributed
- 0 points - Less than 10% of project cost contributed

No points will be assessed if the funding is not firmly committed.

**IF FUNDING IS NECESSARY TO COMPLETE THE PROJECT above the grant request, additional funding must be committed, firmly in place and properly documented. If proper documentation is not provided, the application will be deemed Do Not Fund (DNF) and not reviewed further**

## I. **SUBMISSION INFORMATION**

Under the Grant Accountability & Transparency Act (GATA), all applicants must register with the State of Illinois via the “Grantee Portal” at [www.grants.illinois.gov](http://www.grants.illinois.gov) and be pre-qualified prior to submitting an application. Applications submitted by entities who have not registered or completed the ICQ for the current year **will not be considered for review**.

In cooperation with GATA, please submit the following as part of your CDBG grant application package:

- ◆ **State of Illinois Uniform Grant Application** can be found as part of the Notice of Funding Opportunity (NOFO) at: [Apply for Funding - Grant Opportunities \(illinois.gov\)](http://www.grants.illinois.gov)
- ◆ **State of Illinois GATA Budget** can be found as part of the Notice of Funding Opportunity (NOFO) at: [Apply for Funding - Grant Opportunities \(illinois.gov\)](http://www.grants.illinois.gov)
- ◆ **IRS Certification Letter:** Include in the application “Letter 147c” or “Letter 4158c” provided by the IRS to verify the Taxpayer Identification Number (TIN) or Federal Employer Identification Number (FEIN) for the applicant. If you do not have a current (dated within five years) copy of an IRS certification letter on file, please call the IRS Business line, **1-800-829-0115**, to request a “**Letter 147C**”, or call **1-877-829-5500** to request a “**Letter 4158c.**” Only the applicant is authorized to request a copy of this letter.

- ♦ **W-9 Form:** Include a completed W-9 form. The name of the entity must exactly match the name indicated on the IRS certification letter, and the W-9 must be the most current issued (<https://www.irs.gov/pub/irs-pdf/fw9.pdf>).
- ♦ **SAM Registration/CAGE#:** All grantees, sub-recipients and contractors participating in the CDBG Program are required to be registered in the System for Award Management (SAM) at [www.sam.gov](http://www.sam.gov) for the purpose of obtaining a Commercial or Government Entity (CAGE) Code. The CAGE Code is a unique identifier assigned to government agencies and various organizations. **CAGE codes provide a standardized method of identifying a given facility at a specific location. This documentation, for the grantee, must be submitted with the application.**

All applicants should complete the application package and submit an original and copy of all requested material to the Department's **Springfield** Office at:

**Mailed to:**

Illinois Department of Commerce and Economic Opportunity  
Office of Community Development  
1011 South 2<sup>nd</sup> Street  
Springfield, IL 62704

**If you would like to hand deliver your application, please contact 217/558-4222 to assure staff will be available.**

**Applications must be received by Thursday, November 14, 2024 no later than 5:00 p.m.** Facsimile and e-mailed submissions will **not** be accepted.

### **PACKAGING YOUR APPLICATION**

All grant application materials **must** be:

- Typed (except for signatures and maps)
- Clipped together with a large binder clip on the top. Any oversize pages such as maps should be placed at the end of the application.
- Contained in two brown legal-size, open-top (no foldovers with cords or ties) expandable folders (One marked "original," and one marked "copy")
- Brown legal size folders are to be labeled with a 2"x 4" white label, placed in the top right-hand corner of the folder with the following information:
  - Name of Applicant
  - Rural Shelter Construction Application
  - Original or Copy

For Example:

City of Charleston  
Rural Shelter Construction Application  
Original

**DO NOT USE:** dividers, staples, binders, folders or other methods of containment.

## **SECTION IV**

### **APPLICATION FORMS**

### CDBG Shelter Construction Application Submission Checklist

All applications will be screened for completeness. Applicants must complete and submit this checklist with the application. **All pages of the application must be sequentially numbered.** Use the right-hand column, labeled "Page Number" to indicate the page for each item.

| <b><u>PROJECT INFORMATION</u></b>                                                         | <b><u>PAGE NUMBER</u></b> |
|-------------------------------------------------------------------------------------------|---------------------------|
| _____ Letter of Transmittal from Chief Official                                           | _____                     |
| _____ Completed Submission Checklist (This Page)                                          | _____                     |
| _____ State of Illinois DCEO Uniform Grant Application (See Section III F)                | _____                     |
| _____ CDBG Applicant Project Information                                                  | _____                     |
| _____ Project Summary (See Section III F)                                                 | _____                     |
| _____ Project Readiness Summary (See Section III F)                                       | _____                     |
| _____ Documentation of Property Ownership (if applicable)                                 | _____                     |
| _____ Current Lease for the Location (if applicable)                                      | _____                     |
| _____ Copy of Option to Purchase (if applicable)                                          | _____                     |
| _____ Zoning Documents (See Section III F)                                                | _____                     |
| _____ Project Location Map (See Section III F)                                            | _____                     |
| _____ FEMA Issued Floodplain Map (See Section III F)                                      | _____                     |
| _____ Working Cost Estimate                                                               | _____                     |
| _____ Architect or Engineer's Cost Estimate (See Section III F )                          | _____                     |
| _____ GATA Budget (See Section III I )                                                    | _____                     |
| _____ Real Estate Listing or Appraisal (if applicable)                                    | _____                     |
| _____ Firm documentation of commitment from other funding source(s) (See Section III E)   | _____                     |
| _____ Minority Benefit/Affirmative Housing Statement                                      | _____                     |
| <b><u>DOCUMENTATION, CERTIFICATIONS, RESOLUTIONS</u></b>                                  |                           |
| _____ Letter(s) of Support from 5 community homelessness support services;                | _____                     |
| _____ Resolution of Support <b>or</b> Resolution of Support and Commitment of Local Funds | _____                     |
| _____ Certified Minutes of the Meeting authorizing application and Attendance Sheet(s)    | _____                     |
| _____ Documentation of Meeting Notice                                                     | _____                     |
| _____ Local Government Certifications                                                     | _____                     |
| _____ Mandatory Disclosures                                                               | _____                     |
| _____ Conflict of Interest Disclosure                                                     | _____                     |
| _____ Signed Contract for provision of Activity Delivery, (In Section II)                 | _____                     |
| _____ Completed Exempt-CENST-ER-Format form, if applicable (In Section II)                | _____                     |
| <b><u>ATTACHMENTS</u></b>                                                                 |                           |
| _____ W-9                                                                                 | _____                     |
| _____ SAM Registration (CAGE #)                                                           | _____                     |
| _____ IRS Certification Letter                                                            | _____                     |
| _____ GATA Registration Printout                                                          | _____                     |
| _____ Copy of Current Shelter Funding Strategy                                            | _____                     |

**Letter of Transmittal**

*This information must be transferred to the Applicant's Official Letterhead*

Date

Director's Office  
Illinois Department of Commerce and Economic Opportunity  
1011 S. 2<sup>nd</sup> Street  
Springfield, Illinois 62704

Dear Director:

(Name) is submitting an application for a Shelter Construction grant under the Community Development Block Grant-Coronavirus program (CDBG-CV). The grant request is in the amount of \$(dollars) to be used to (use of funds). Based upon the U.S. Department of Housing and Rural Development's definition of "limited clientele" the benefit to low-to-moderate income individuals is 100%. (Name) will contribute \$(dollars) from (source of funds) toward the completion of the project.

I certify that this application will address the purpose of CDBG-CV funds by preventing, preparing for or responding to Coronavirus.

Very truly yours,

(Signature of Official)

**STATE OF ILLINOIS – DCEO UNIFORM GRANT APPLICATION**

The Uniform Grant Application can be found as part of the Notice of Funding Opportunity (NOFO) at: [Apply for Funding - Grant Opportunities \(illinois.gov\)](https://www.illinois.gov/apply)

*Insert Here*

**NOTES on the UNIFORM APPLICATION FOR STATE GRANT ASSISTANCE:**

- The name and contact information for Program/Project Matters (lines 23-30) should be the person who wrote the application.
- The name and contact information for the Business/Administrative Office (lines 31-38) should be the financial representative for the local government (City Treasurer, Clerk or other person responsible for financial accuracy of local government accounts).
- The authorized representative (lines 45-53) must be the Chief Elected Official.

**CDBG-CV APPLICANT PROJECT INFORMATION****I. PROJECT BENEFIT INFORMATION** - Provide the following:**PROJECT LOCATION (Address):**

Street: \_\_\_\_\_

City: \_\_\_\_\_, IL Zip Code: \_\_\_\_\_

The project location will be utilized to verify inclusion in an opportunity zone and/or DCEO underserved area.**CENSUS TRACT(s) and /BLOCK GROUP NUMBER(s) of project area**

|  |  |  |  |  |
|--|--|--|--|--|
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

TOTAL SHELTER CAPACITY ON  
JANUARY 1, 2020:

|  |
|--|
|  |
|--|

TOTAL ANTICIPATED CAPACITY AS A  
RESULT OF THIS PROJECT:

|  |
|--|
|  |
|--|

**II. APPLICANT INFORMATION**

|                      |  |
|----------------------|--|
| Applicant Phone      |  |
| Applicant E-Mail     |  |
| Fiscal Year End Date |  |
| Applicant UEI #      |  |

**III. GRANT ADMINSTRATOR FOR THIS PROJECT**

|                                                              |  |       |  |
|--------------------------------------------------------------|--|-------|--|
| First Name                                                   |  |       |  |
| Last Name                                                    |  |       |  |
| Title                                                        |  |       |  |
| Agency Name                                                  |  |       |  |
| Agency Type                                                  |  |       |  |
| Mailing Address                                              |  |       |  |
| Telephone                                                    |  | Email |  |
| Federal Employer Identification Number of Application Writer |  |       |  |
| RACF ID Number (if applicable)                               |  |       |  |

**IV. PROJECT ENGINEER or ARCHITECT**

|                                                                 |  |       |  |
|-----------------------------------------------------------------|--|-------|--|
| First Name                                                      |  |       |  |
| Last Name                                                       |  |       |  |
| Title                                                           |  |       |  |
| Agency Name                                                     |  |       |  |
| Agency Type                                                     |  |       |  |
| Mailing Address                                                 |  |       |  |
| Telephone                                                       |  | Email |  |
| Federal Employer Identification Number of Engineer or Architect |  |       |  |

## PROJECT SUMMARY

See Section III F-3

*Insert Here*

## PROJECT READINESS SUMMARY

See Section III F-4

*Insert Here*

**DOCUMENTATION of PROPERTY OWNERSHIP (if applicable)**

See Section III F-4

*Insert Here*

**CURRENT LEASE (if applicable)**

See Section III F-4

*Insert Here*

**COPY OF OPTION TO PURCHASE (if applicable)**

See Section III F-4

*Insert Here*

## ZONING DOCUMENTS

See Section III F-5

*Insert Here*

## PROJECT LOCATION MAP

See Section III F-6

*Insert Here*

**FEMA ISSUED FLOODPLAIN MAP**

See Section III F-6

*Insert Here*

**WORKING COST ESTIMATE**

*The CDBG-CV Working Cost Estimate should include all funding used to complete the eligible HUD-defined construction activity. The CDBG-CV Working Cost Estimate should include any contract that is paid, in part or in full, with CDBG-CV grant funds. Do not include any contracts for which CDBG-CV funds are not used.*

If other funds are necessary to finance the construction contract, identify all activities included within the project and the amount and source of financing. Each activity included in the project must contribute to the benefit of low-to-moderate income persons. CDBG-CV funds can be used only to finance activities related to the HUD-defined activity codes indicated in the table below.

| Activity Budget                                                                       | Total Amount | CDBG-CV Request | Other Funds | Identify Other Source(s) |
|---------------------------------------------------------------------------------------|--------------|-----------------|-------------|--------------------------|
| <b>01 Acquisition</b>                                                                 |              |                 |             |                          |
| <b>03C Homeless Facilities Construction, Conversion, Renovation or Rehabilitation</b> |              |                 |             |                          |
| <b>03Q Abused and Neglected Children's Facilities</b>                                 |              |                 |             |                          |
| Activity Delivery (up to \$50,000)                                                    |              |                 |             |                          |
| Other                                                                                 |              |                 |             |                          |
| Other                                                                                 |              |                 |             |                          |
| Other                                                                                 |              |                 |             |                          |
| <b>TOTAL</b>                                                                          |              |                 |             |                          |

An Architect or Engineer's Cost estimate must be submitted and support the numbers above (to be funded in part or in full with CDBG-CV funds) in the working cost estimate; and should include detailed specifications of the project. Do not include any contracts for activities ineligible for CDBG-CV funding. Amounts in the Working Cost Estimate, GATA Budget and Architect or Engineer's Cost Estimate must align.

**ARCHITECT or ENGINEER'S COST ESTIMATE**

See Section III F-7

*Insert Here*

## GATA BUDGET

The GATA Budget can be found as part of the Notice of Funding Opportunity (NOFO) at:  
[Apply for Funding - Grant Opportunities \(illinois.gov\)](#)

See Section III I

*Insert Here*

**DOCUMENTATION OF FUNDING SOURCES (if applicable)**

See Section III E

*Insert Here*

### MINORITY BENEFIT/AFFIRMATIVE HOUSING STATEMENT

|                                                                                                                                                                                                                                                                                                                              |   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
| a. What is the percentage of the minority group(s) population residing in the Census Block geography (i.e. community wide or census tract block group(s).                                                                                                                                                                    | % |
| Identify the characteristics of the population of the project area by specific ethnic group. This information may be obtained from the most recent Census Data for the “applicant community.” If submitting an “on behalf of” application for a project in an unincorporated area, use Census Data for the project’s County. |   |

| Racial Group                                              | Total Persons | # of Hispanic / Latino Ethnicity |
|-----------------------------------------------------------|---------------|----------------------------------|
| White                                                     |               |                                  |
| Black/African American                                    |               |                                  |
| Asian                                                     |               |                                  |
| American Indian/Alaskan Native                            |               |                                  |
| Native Hawaiian/Other Pacific Islander                    |               |                                  |
| American Indian/Alaskan Native and White                  |               |                                  |
| Asian and White                                           |               |                                  |
| Black/African American and White                          |               |                                  |
| American Indian/Alaskan Native and Black/African American |               |                                  |
| Other Individuals Reporting more than One Race            |               |                                  |
| # of Female Headed Households                             |               |                                  |

|                                                                                                                                                                 |   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
| With the <u>exception</u> of "Female Heads of Households", the above numbers should equal the total number of persons to benefit from the project service area. |   |
| b. What is the goal for the percentage of CDBG-CV funded contracts to be awarded to minority contractors?                                                       | % |
| c. If the percentage goal in <i>b</i> is <u>substantially less</u> than the percentage of minorities residing in the community, please explain. _____           |   |

NOTE: This form is utilized to establish the Minority Business Enterprise (MBE) goal for contracting.

**Signature of Chief Official:** \_\_\_\_\_

**Date** \_\_\_\_\_

A minimum of 5 **LETTER(S) OF SUPPORT FROM**  
from Community Homelessness Support Services  
(service providers, community organizations, local governments, etc.)

See Section III D

*Insert Here*

**RESOLUTION OF SUPPORT**

Resolution No. \_\_\_\_\_

**(The Resolution CANNOT be dated prior to the date of the Applicant's Governing Body's Meeting)**

WHEREAS, Applicant) is applying to the State of Illinois for a Community Development Block – Coronavirus Grant, and

WHEREAS, it is necessary that an application be made and agreements entered into with the State of Illinois.

NOW, THEREFORE, BE IT RESOLVED as follows:

- 1) that Applicant apply for a grant under the terms and conditions of the State of Illinois and shall enter into and agree to the understandings and assurances contained in said application.
- 2) that the Chief Official and Treasurer on behalf of Applicant's Name execute such documents and all other documents necessary for the carrying out of said application.
- 3) that the Chief Official and Treasurer are authorized to provide such additional information as may be required to accomplish the obtaining of such grant.

Passed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_. (date required)

ATTEST: \_\_\_\_\_  
Chief Official (Title)                      Treasurer

**RESOLUTION OF SUPPORT AND COMMITMENT OF LOCAL FUNDS**

(The Resolution **CANNOT** be dated prior to the date of the Applicant's Governing Body's Meeting)

WHEREAS, the Applicant (name), is applying to the State of Illinois for a Community Development Block Grant (CDBG-CV) grant,

WHEREAS, it is necessary that an application be made and agreements be entered into with the State of Illinois, and

WHEREAS, cost of the project are such that financial participation by the grantee is necessary in conjunction with CDBG-CV funds.

NOW, THEREFORE, BE IT RESOLVED as follows:

- 1) that the Applicant (Name) apply for a grant under the terms and conditions of the State of Illinois and shall enter into and agree to the understandings and assurances contained in said application.
- 2) that the Chief Official and Treasurer on behalf of the Applicant execute such documents and all other documents necessary for the carrying out of said application.
- 3) that the Chief Official and Treasurer are authorized to provide such additional information as may be required to accomplish the obtaining of such grant.
- 4) that (Applicant's Name) does hereby commit funds from (**account/fund/source**) in the amount of \$(dollars) for use in conjunction with an Illinois Community Development Block Grant, for an estimated total project cost of \$(dollars).

Passed this (x) day of (month), (year) (date required)

\_\_\_\_\_  
Chief Official (Title)

ATTEST:

\_\_\_\_\_  
Treasurer

**CERTIFIED MEETING MINUTES AUTHORIZING APPLICATION and  
ATTENDANCE SHEETS**

See Section II C

*Insert Here*

## DOCUMENTATION OF MEETING NOTICE

See Section II C

*Insert Here*

## CERTIFICATIONS

On this (date) of (month), (year), the (title and name of the Chief Official) of (Applicant's name) hereby certifies to the Department of Commerce and Economic Opportunity in regard to an application and award of funds through the Community Development Block Grant – Coronavirus that:

1. It will comply with the National Environmental Policy Act (NEPA) with the submission of this application and it further certifies that no aspect of the project for assistance has or shall commence prior to the award of funds to the community and the receipt of an environmental clearance.
2. It will comply with the Interagency Wetland Policy Act of 1989 including the development of a plan to minimize adverse impacts on wetlands, or providing written evidence that the proposed project will not have an adverse impact on a wetland.
3. It will comply with the Illinois Endangered Species Protection Act and the Illinois Natural Area Preservation Act by completing the consultation process with the Endangered Species Consultation Program of the Illinois Department of Natural Resources, or providing written evidence that the proposed project is exempt.
4. It will identify and document all appropriate permits necessary to the proposed project, including, but not limited to: building, construction, zoning, subdivision, IEPA and IDOT.
5. No legal actions are underway or being contemplated that would significantly impact the capacity of the (Applicant's name) to effectively administer the program, and to fulfill the requirements of the CDBG-CV program.
6. It will coordinate with the County Soil and Water Conservation District regarding standards for surface and sub-surface (tile) drainage restoration and erosion control in the fulfillment of any project utilizing CDBG-CV funds and involving construction.
7. It is understood that the obligation of the State will cease immediately without penalty of further payment being required if in any fiscal year the Illinois General Assembly or federal funding source fails to appropriate or otherwise make available sufficient funds for this agreement.
8. It acknowledges the applicability of Davis-Bacon prevailing wage rate requirements to construction projects; a wage rate determination must be obtained prior to commencement of any construction or equipment installation; and, it shall discuss these requirements with the contractor.
9. It will comply with Section 3 of the Housing and Rural Development Act of 1968 to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing federal, state, and local laws and regulations, be directed to low and very low income persons and businesses.
10. It certifies that no occupied or vacant occupiable low-to-moderate income dwellings will be demolished or converted to a use other than low-to-moderate income housing as a direct result of activities assisted with funds provided under the Housing and Community Development Act of 1974, as amended.
11. It will conduct a Section 504 self-evaluation of its policies and practices to determine whether its employment opportunities and services are accessible to persons with disabilities.
12. It will comply with 2 CFR 200, 24 CFR 570, Part 85, and the Illinois' Grant Accountability and Transparency Act (GATA).
13. The area, in whole or in part, in which project activities will take place, **IS** or **IS NOT** (circle one) located in a floodplain.

**A FEMA Floodplain map is included in the application (as required) and is located on Page**

---

Signature of Chief Official

Date

## MANDATORY DISCLOSURES

Award applicants and recipients of awards from the State of Illinois (collectively referred to herein as “Grantee”) must disclose, in a timely manner and in writing to the State awarding agency, all violations of State or federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the award. See 30 ILCS 708/40; 44 Ill. Admin Code § 7000.40(b)(4); 2 CFR § 200.113. Failure to make the required disclosures may result in remedial action.

Please describe all violations of State or federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the awarding of a grant to your organization:

Grantee has a continuing duty to disclose to the Department of Commerce and Economic Opportunity (the “Department”) all violations of criminal law involving fraud, bribery or gratuity violations potentially affecting this grant award.

By signing this document, below, as the duly authorized representative of the Grantee, I hereby certify that:

- All of the statements in this Mandatory Disclosure form are true, complete and accurate to the best of my knowledge. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil or administrative penalties. (U.S. Code, Title 18, Section 1001).
- There is no action, suit or proceeding at law or in equity pending, nor to the best of Grantee’s knowledge, threatened, against or affecting the Grantee, before any court or before any governmental or administrative agency, which will have a material adverse effect on the performance required by the grant award.
- Grantee is not currently operating under or subject to any cease and desist order, or subject to any informal or formal regulatory action, and, to the best of the Grantee’s knowledge, it is not currently the subject of any investigation by any state or federal regulatory, law enforcement or legal authority.
- If Grantee becomes the subject of an action, suit or proceeding at law or in equity that would have a material adverse effect on the performance required by an award, or an investigation by any state or federal regulatory, law enforcement or legal authority, Grantee shall promptly notify the Department in writing.

Grantee Organization: **Company Name**

By: \_\_\_\_\_  
Signature of Authorized Representative

Printed Name: **Authorized Signator Name**

Printed Title: **Authorized Signator Title**

Date:

## CONFLICT OF INTEREST DISCLOSURE

Award applicants and recipients of awards from the State of Illinois (collectively referred to herein as “Grantee”) must disclose in writing to the awarding State agency any actual or potential conflict of interest that could affect the State award for which the Grantee has applied or has received. See 30 ILCS 708/35; 44 Ill. Admin Code § 7000.40(b)(3); 2 CFR § 200.112. A conflict of interest exists if an organization’s officers, directors, agents, employees and/or their spouses or immediate family members use their position(s) for a purpose that is, or gives the appearance of, being motivated by a desire for a personal gain, financial or nonfinancial, whether direct or indirect, for themselves or others, particularly those with whom they have a family business or other close associations. In addition, the following conflict of interest standards apply to governmental and non-governmental entities.

- a. Governmental Entity.** If the Grantee is a governmental entity, no officer or employee of the Grantee, member of its governing body or any other public official of the locality in which the award objectives will be carried out shall participate in any decision relating to a State award which affects his/her personal interest or the interest of any corporation, partnership or association in which he/she is directly or indirectly interested, or which affects the personal interest of a spouse or immediate family member, or has any financial interest, direct or indirect, in the work to be performed under the State award.
- b. Non-governmental Entity.** If the Grantee is a non-governmental entity, no officer or employee of the Grantee shall participate in any decision relating to a State award which affects his/her personal interest or the interest of any corporation, partnership or association in which he/she is directly or indirectly interested, or which affects the personal interest of a spouse or immediate family member, or has any financial interest, direct or indirect, in the work to be performed under the State award.

The Grantee shall also establish safeguards, evidenced by policies, rules and/or bylaws, to prohibit employees or officers of Grantee from engaging in actions, which create or which appear to create a conflict of interest as described herein.

**The Grantee has a continuing duty to immediately notify the Department of Commerce and Economic Opportunity (the “Department”) in writing of any actual or potential conflict of interest, as well as any actions that create or which appear to create a conflict of interest.**

*Please describe all current potential conflict(s) of interest, as well as, any actions that create or which appear to create a conflict of interest related to the State award for which your organization has applied.*

If the Grantee provided information above regarding a current potential conflict of interest or any actions that create or appear to create a conflict of interest, the Grantee must immediately provide documentation to the applicable Department grant manager to support that the potential conflict of interest was appropriately handled by the Grantee’s organization. If at any later time, the Grantee becomes aware of any actual or potential conflict of interest, the Grantee must notify the Department’s grant manager immediately, and provide the same type of supporting documentation that describes how the conflict situation was or is being resolved.

Supporting documentation should include, but is not limited to, the following: the organization’s bylaws; a list of board members; board meeting minutes; procedures to safeguard against the appearance of personal gain by the organization’s officers, directors, agents, and family members; procedures detailing the proper internal controls in place; timesheets

documenting time spent on the award; and bid documents supporting the selection of the contractor involved in the conflict, if applicable.

By signing this document, below, as the duly authorized representative of Grantee, I hereby certify that:

- All of the statements in this Conflict of Interest Disclosure form are true, complete and accurate to the best of my knowledge. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil or administrative penalties. (U.S. Code, Title 18, Section 1001).
- If I become aware of any situation that conflicts with any of the representations herein, or that might indicate a potential conflict of interest or create the appearance of a conflict of interest, I or another representative from my organization will immediately notify the Department's grant manager for this award.
- I have read and I understand the requirements for the Conflict of Interest Disclosure set forth herein, and I acknowledge that my organization is bound by these requirements.

Grantee Organization: **Community Name**

By: \_\_\_\_\_  
Signature of Authorized Representative

Printed Name: **Authorized Signator Name**

Printed Title: **Authorized Signator Title**

Date:

**SIGNED CONTRACT FOR PROVISION OF ACTIVITY DELIVERY**

See Section II D

*Insert Here*

**COMPLETED EXEMPT-CENST-ER-FORMAT FORM**  
*(for CDBG-funded Activity Delivery only, See Section II)*

See Section II D

*Insert Here*

**COPY OF W-9**

See Section III I

*Insert Here*

**COPY OF SAM REGISTRATION (CAGE#)**

See Section III I

*Insert Here*

**COPY OF IRS CERTIFICATION LETTER**

See Section III I

*Insert Here*

**COPY OF GATA REGISTRATION PRINTOUT**

See Section III I

*Insert Here*

**COPY OF CURRENT SHELTER FUNDING STRATEGY**

See Section III A

*Insert Here*

**SECTION V**

**ADDITIONAL INFORMATION**

## STATE OF ILLINOIS CDBG PROCUREMENT STANDARDS

### OVERVIEW

The primary goal of the rules and regulations governing procurement is to ensure open and free competition for federally assisted projects. The various procurement methods outlined in this chapter all attempt to promote open and free competition for contracts. Open and free competition by nature mandates contracting opportunity is equal opportunity. The goal of the State CDBG Program is to ensure that small firms along with women and minority owned firms have an equal opportunity to participate in contract opportunities provided by the program. Requirements related to Section 3 and Minority and Women Business Enterprise (MBE/WBE) participation are in place to ensure this opportunity.

Units of General Local Government (UGLG) may use their own procurement procedures, which reflect applicable state and local laws and regulations, provided that the procurement conforms to federal procurement regulations, 2 CFR Part 200. If a community does not have a written procurement policy, the CDBG policy must be adopted for all phases of the project.

In addition, the State of Illinois' Compiled Statutes must also be considered when establishing procurement procedures. Illinois Compiled Statutes that may apply can be found at: <http://www.ilga.gov/legislation/ilcs/ilcs.asp> in:

- Chapter 50 – Local Government
- Chapter 55 – Counties
- Chapter 60 – Townships
- Chapter 65 – Municipalities

UGLGs should follow the stricter regulation, whether Federal, State or Local Government.

The Grantee shall conduct all procurement transactions in a manner providing for full and open competition and comply with all applicable federal procurement regulations (2 CFR 200, Section 200.318 through Section 200.326). The Grantee shall also follow the federal conflict of interest provisions (24 CFR 570.489(h)) and/or Illinois' Procurement Ethics and Disclosure law (30 ILCS 500/50), whichever are more stringent. The Grantee must maintain all records and source documentation related to its purchase of services, supplies, materials, property, equipment or other acquisitions. Procurement records will include rationale for the method of procurement selection of contract type, contractor selection or rejection, and basis of contract price. The Grantee shall provide the Department with executed copies of all contracts along with documentation concerning the selection process as part of the grant reporting process. The Grantee agrees to abide by the provisions of 2 CFR 200; 24 CFR 570.609; and 24 CFR 570.611, which include, but are not limited to, the following:

- a. The Grantee shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.
- b. The Grantee shall comply with the requirements set forth in 24 CFR Part 5 concerning the use of debarred, suspended or ineligible contractors or subrecipients.
- c. No employee, officer or agent of the Grantee shall participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.

- d. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG assisted activities (Project/Scope of Work), or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG assisted activity, or with respect to the proceeds from the CDBG assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a “covered person” includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the Grantee, or any designated public agency.

### STANDARDS AND PROCEDURES

The standards and procedures for procurement and contracting are intended to ensure that supplies, equipment, construction, and other services are obtained as efficiently and economically as possible. Solicitations must explain all the requirements that the bidder/offeror has to meet for his or her bid/offer to be evaluated by the UGLG. Solicitations for goods and services must be based on a clear and accurate description of the material, product, or service to be procured and cannot contain features which unduly restrict competition. Some of the situations considered to be restrictive of competition include, but are not limited to:

- Placing unreasonable qualifying requirements on firms;
- Requiring unnecessary experience or excessive bonding;
- Specifying only brand name products, instead of allowing an equal product;
- Non-competitive pricing practices between firms or affiliated companies; and
- Non-competitive awards to consultants on retainer contracts.

Awards are to be made to the bidder/offeror whose bid/offer is responsive to the solicitation and is most advantageous to the UGLG, price and other factors considered. Any and all bids may be rejected when it is in the UGLG’s interest to do so. The UGLG must ensure that the award is made only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. Consideration should be given to such matters as contractor integrity, compliance with public policy, record of past performance, financial capabilities, and technical capabilities.

### USE OF LOCAL, SMALL, MINORITY-OWNED and/or WOMEN-OWNED BUSINESSES

Federal regulations make it very clear that UGLGs should make every effort to use local business firms and contract with small, minority-owned, and women-owned businesses in the procurement process. Specifically, the UGLG must take affirmative steps to use small firms, minority-owned firms, women-owned firms, or labor surplus area firms. For example, the UGLG should:

- Incorporate such businesses in solicitation lists whenever they are potential sources;
- Ensure that such businesses are solicited when identified as potential sources;
- Divide procurement requirements, when economically feasible, to permit maximum participation of such businesses; and
- Require prime contractors, when subcontracts are let, to take affirmative steps to select such firms.

### USE OF SECTION 3 BUSINESSES

In conformance with requirements of Section 3 of the Housing and Community Development Act of 1968, to the greatest extent feasible, the UGLG must award contracts for work to be performed to eligible businesses located in or owned by residents of the distribution area to ensure that employment and other economic opportunities generated by federal 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.

### DEBARRED & INELIGIBLE CONTRACTORS

The UGLG must ensure that awards are not made to any party which is debarred or suspended, or is otherwise excluded from or ineligible for, participation in federal assistance programs under Executive Order 12549 "Debarment and Suspension" UGLG must check the status of all contractors and sub-contractors on the System for Award Management (SAM) at <http://sam.gov/>.

### EXCEPTION FOR ACTIVITY DELIVERY CONTRACTS

As outlined under 2 CFR 200.318(e), to foster greater economy and efficiency and to promote the cost-effective use of shared services across the Federal government, the local governmental unit receiving CDBG funds may procure its sub-grant's Activity Delivery services from an intergovernmental agreement organization, such as a regional planning commission (RPC), or a governmental-private sector inter-entity agreement organization, such as a regional economic development corporation (EDC), without regard to the competitive procurement provisions outlined in 2 CFR 200.320.

A primary function of regional planning commissions and of regional economic development corporations is to assist units of local government, under the oversight and control, or partial control, of elected officials from the member units of local government. The public purpose served by regional planning commissions and regional economic development corporations, combined with the local control of each, lends itself to protection equal to those contemplated by the competitive provisions of 2 CFR 200.320. However, nothing prevents any UGLG from complying with the provisions of Subpart 320 when procuring administrative services if the UGLG deems compliance to be equitable and in their best interest.

### CONFLICTS OF INTEREST

Recipients must avoid conflicts of interest. In the procurement of property and services, 2 CFR 200.319 regarding conflicts of interest apply. In all cases not governed by those rules, conflicts of interest are not permitted. If a person is an employee, agent, consultant, elected official or appointed official of a recipient or subrecipient of CDBG funds and has project-related responsibilities or access to inside information, he or she may not obtain a financial benefit or interest from the project for himself or herself or those with whom he or she has family or business ties during his or her tenure or for one year thereafter.

### SELECTION

The lowest, most responsible and responsive bidder must be selected to provide the required supplies, equipment, or services, with the exception of engineering and architectural services. Only A/E professional services may use factors other than price as a selection factor. Responsive refers to a valid and correct bid. Examples of responsiveness include bids turned in prior to the deadline, bid forms filled out correctly, bids containing all required information (bonds), etc. UGLGs may discard a non-responsive construction bid. Responsible refers to financial standing, skill, facilities, capacity, experience, previous work record, or any default within the last 12-month period. Discarding a construction contractor solely based upon the factors of "responsibility" demands much more documentation and requires the written recommendation of the UGLG's own attorney.

### PROCUREMENT METHODS

2 CFR Part 200 allows five methods of procurement: micro-purchase, small purchase, competitive sealed bids, procurement by competitive proposals, and procurement by noncompetitive proposals. Each of these methods is described below. Again, if the UGLG has written procurement procedures or if a State statute applies, the stricter method shall be followed.

#### 1. Micro-Purchase

Procurement by micro-purchase is the procurement of supplies or services of which the aggregate dollar amount does not exceed \$1,000 (or \$2,000 in the case of procurement for construction, subject to the Davis-Bacon Act).

To the extent practicable, the grantee must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the grantee considers the price to be reasonable.

## **2. Small Purchase**

This method of procurement may be used for the procurement of services, supplies, and/or other property that has an estimated dollar value less than the threshold limits and restrictions determined by 2 CFR Part 200, State or Local statutes. The Small Purchases Method of procurement may not be used for professional services such as Architectural, Engineering, Grant Administration, etc.

**Step 1: Determine Threshold.** The UGLG must determine whether or not the estimated dollar amount of the product or service being procured is equal to or less than the applicable bidding limit. If the estimated amount is equal to or less than the amount prescribed, go to Step 2. If the estimated amount will exceed the prescribed limit, use another method of procurement.

**Step 2: Prepare Solicitation for Products/Services** By email, letter or fax, at least three vendors must be contacted for competitive quotes. There is no requirement to contact MBE/ WBE providers. At least seven days must be allowed for responses. The UGLG should be specific in describing the product or service being requested.

**Step 3: Document Responses.** All responses should be documented and records maintained. Verbal quotes are not valid.

**Step 4: Make Vendor Selection.** If the vendor with the lowest quote is not selected, the UGLG must document the justification as to why another vendor was selected. Issues such as poor past performance or bad references are typical reasons for selection denial. The UGLG's legal counsel should be consulted on all procurements awarded to vendors not having the lowest quote.

**Step 5: Execution of Contract(s).** The UGLG may execute contracts with the successful vendor after they have received the Environmental Release Letter from the State. If the UGLG only receives one quote, the consulting Engineer or Architect must validate that the price is reasonable. For record keeping purposes, a cost analysis must be performed. Making several separate small purchases from the same vendor or different vendors in order to stay under the formal bidding threshold is prohibited.

## **3. Competitive Sealed Bids**

The Competitive Sealed Bid method is also referred to as an Invitation for Bid (IFB). This method of procurement is much more formal than the others and does not allow for negotiation. It is the required procurement method for all CDBG construction work.

**Step 1: Prepare Invitation for Bid (IFB).** The grantee must develop an IFB that clearly identifies the services required including: all technical specifications required, any other requirements that apply to the contract, and instructions for preparing and submitting a bid. Bid specifications may not identify a specific name brand or provider except if required to identify a piece of equipment necessary for completion of the project. In this instance, the name brand or provider must be followed with the terminology, 'or approved equals'. Bid specifications are prepared by the professional services provider, either an Architect or Engineer and must include all parts of the project scope as outlined in the Grant Agreement. It is the responsibility of the UGLG to provide the bid specifications preparer with a copy of the Federal Construction Contract Provisions and the Davis Bacon Wage Decision applicable to the project. The bid specifications must include a statement that the Wage Decision is subject to change and the one that is in effect on the date of the bid opening will be applicable to the total project if the contract is awarded within 90 days of bid opening. If not, the applicable Wage Decision becomes the one that is in effect on the date that contracts are signed.

**Step 2: Publish Invitation for Bid (IFB).** The IFB must be published at least twice in a newspaper of general circulation, at least seven days apart. The last advertisement must be published at least seven days prior to the bid opening date. The IFB must state the date, time and location for submission of bids. The legal advertisement must provide information pertaining to where the project plans and specifications may be obtained or reviewed. In order to obtain the highest level of free and open competition, publishing the IFB in well-known

trade journals and/or sending a copy of the IFB to the area's local contractors may increase the number of responses received.

Step 3: Solicit MBE/WBE Responses.

Step 4: Receive Bids. As bid packets arrive, the time and date the bid was received from the vendor is written on the outside of the bid packet. Any bid received after the date and time due must be rejected and returned to submitter unopened.

Step 5: Open Bids. Bids must be opened and read aloud at a public meeting, at the date, time and location stated in the legal advertisement. The bidder's name and amount of bid must be read and recorded in the minutes of the bid opening meeting. No action should be taken at the bid opening meeting except by order of the CEO to take the bids under advisement. Bid opening meeting minutes and a sign in sheet of all attendees must be maintained for the project records. If all bids exceed the amount budgeted for construction costs, the UGLG has only two options. The local funds budget may be increased to cover the additional costs or all bids may be rejected and the CEO may instruct the Architect or Engineer to revise bid specifications and rebid the project in an attempt to bring construction costs to within the project budget. The project may not be altered or changed to eliminate any part of the original project scope.

Step 6: Make Vendor Selection. The Competitive Sealed Bid Method of procurement requires that the construction contract be awarded to the lowest bidder, provided that the lowest bidder is found to be a responsive and responsible bidder. If the bids received are within the project budget, the Architect or Engineer will review all bid packages to determine if each one is responsive and responsible and the Grantee's legal counsel will verify that the bonding and certification requirements outlined in the bid specifications have been included. Upon completion of these reviews, the Architect or Engineer will prepare a bid tabulation sheet and a written statement to the UGLG making a recommendation of the lowest responsive and responsible bidder. The bid tabulation must be certified (stamped) by the project Architect or Engineer. If the low bidder is found to be unresponsive or irresponsible and is not recommended by the project Architect or Engineer, the UGLG's legal counsel must be consulted prior to making the determination to reject the lowest bid and consider the second lowest bidder. A written legal opinion must accompany all procurement documents where the low bidder was not selected in case of a formal bid protest or possible litigation.

Step 7: All unsuccessful bidders must be notified in writing if not documented as present at the bid opening.

Step 8: Award Construction Contract. When the Grantee has received the Architect or Engineer's recommendation for award and certified bid tabulation, the UGLG may award a firm, fixed price contract to the recommended bidder.

#### 4. Procurement by Competitive Proposals (Request for Proposals (RFP's)/Request for Qualifications (RFQ's))

Competitive Proposals are generally used when sealed bids are not appropriate. The Competitive Proposal process is most typically used for the procurement of professional services, including, but not limited to administration, architecture, engineering, asbestos inspection, demolition inspection, and title search services.

When procuring the services of a licensed Architect or Engineer, and these services are to be paid for using federal funds, the UGLG should develop and distribute to a number of companies, a Request for Qualifications (RFQ) that may utilize the Architectural or Engineering Industries' Qualification Based Selection (QBS) procedures.

All RFPs and RFQs received must be evaluated. A written method for evaluation, which includes the significant factors used to determine the contract selection award, must be prepared and publicized along with the Request.

Step 1: Prepare RFP/RFQ. The Grantee must prepare a Request for Proposal or Request for Qualifications.

Step 2: Solicit Responses. Send the RFP/RFQ to at least five vendors.

Step 3: Publish RFP. The Grantee must advertise the RFP at least once in a newspaper of general circulation. A formal legal advertisement is required. Proposals are due no sooner than 15 days following the date of publication of the legal advertisement; OR Publish RFQ. The Grantee must publish the RFQ at least once

in a newspaper of general circulation a minimum of 30 days prior to the RFQ submission due date. A formal legal advertisement is required.

**Step 4: Establish Evaluation Committee.** Appoint an evaluation team of knowledgeable members (town council, board of public works members, etc.) and develop an evaluation plan to rank respondents and provide guidance during the selection process. Typically three to five people make up the Evaluation Committee. At least one of the committee members must be the Chief Elected Official (CEO) or designee.

**Step 5: Open Responses.** Responses must be received at the address stated in the legal advertisement, logged in and stamped with the date and time received prior to being opened and submitted to the Evaluation Committee for review. Any response not received by the date and time stated in the legal advertisement must be returned, unopened to the submitter.

**Step 6: Short List Vendors.** The purpose of the evaluation process is to select the responders whose proposals meet all of the criteria required in the solicitation. The committee must select two or more of the responders for interviews.

**Step 7: Conduct Interviews.** The UGLG is required to contact the firms selected, in writing with the time, date and location of the interview. The UGLG must also notify those who will not be interviewed. On occasion, the UGLG may receive only one proposal. That respondent must be interviewed before the scoring committee. The interview may be conducted via conference call.

**Step 8: Make Vendor Selection.** Each member of the Evaluation Committee must complete an Interview Evaluation and Score Sheet for each vendor short listed. Each scorer must use the same scoring and weighting criteria making their best effort to score each proposal fairly and without bias. The score sheets must be signed by each member of the Evaluation Committee and maintained in the project file. Following the Evaluation Committee's review, the vendor whose proposal is determined to be the most advantageous to the project, based upon qualifications, price (if applicable) and other factors may be selected.

If utilizing QBS Procedures, the vendor with the highest number of aggregate points should be selected for price negotiations. If unable to reach an agreement on the fees to be charged for the services required, the Statement of Qualifications may be rejected and the vendor with the second highest number of aggregate points may be approached for price negotiations. This process may continue until an agreement is reached, so long as the vendor selected is capable of providing the requested services based upon quality and other relevant factors.

**Step 9: Notify Successful and Unsuccessful Proposer(s).** The UGLG must notify all successful and unsuccessful vendors, in writing.

**Step 10: Execution of Contract.** The UGLG may execute contracts with the successful vendor.

## 5. Procurement by Noncompetitive Proposals

This method of procurement is used to solicit products or services from a single source and may only be used when the other three methods of procurement are not applicable. Generally, the State does not allow Procurement by Noncompetitive Proposals. The stipulations that would exclude the other methods of procurement include the following:

- The item or service can only be obtained from one source.
- A condition of public emergency or urgency exists and time does not permit the use of a competitive procurement method.
- Following solicitation of a number of service providers, competition was deemed to be inadequate.
- State expressly authorizes.
- Noncompetitive and Sole Source procurement is discouraged and must be well documented to avoid disallowance.

**Step 1: Justification for Use of Method.** The UGLG must prepare a written justification as to why this method of procurement is being utilized and allow the State to review this justification prior to proceeding to Step 2.

**Step 2: Specification of Products/Services.** Prepare a specific list of products or services to be acquired along with a cost price analysis that evaluates specific elements of cost and proposed profit.

Step 3: Verify Data. A licensed Architect or Engineer must verify the UGLG's data to certify the specifications and reasonableness of the estimated costs.

Step 4: Specification of Products/Services. The vendor should be provided with a specific listing of products or services required.

Step 5: Evaluate Bid. The bid is evaluated based upon responsiveness and price reasonability. For this method of procurement, the UGLG may negotiate with the vendor to assure the most advantageous offer is acquired.

Step 6: Execution of Contract. The Grantee may execute contracts with the successful vendor.

### BONDING AND INSURANCE

2 CFR Part 200 specifies bonding and insurance requirements for federally supported activities. In carrying out CDBG activities (except professional services contracts), CDBG recipients must establish bonding and insurance requirements that ensure completion of CDBG funded construction contracts in the event of contractor or subcontractor default.

For contracts exceeding \$25,000, recipients must require a bid guarantee from each bidder equivalent to 5% of the bid price. This may be secured through a bid bond or a certified check. Any contract with an amount over \$25,000 is required to produce documentation of performance bonding within two weeks of contract award. The contractor will obtain a performance bond for 100% of the contract price to ensure completion of the contract. Any contract with an amount over \$50,000 requires the contractor to produce documentation of a payment bond for 100% of the contract price to ensure payment to all persons supplying labor and materials.

In the event of the surety performing under a takeover agreement, the bonding company must produce evidence of participation in the E-Verify program.

Grantees are free to use their requirements relating to bid guarantees, performance bonds, and payment bonds for contracts of \$25,000 or less in value.

An irrevocable letter of credit from a federally insured financial institution may be used for contracts of less than \$25,000. The irrevocable letter of credit cannot have an expiration date and must remain in effect for the duration of the federally funded project.

### RECORDS AND FILES

The UGLG shall maintain records to detail the significant history of a procurement and contracting and monitor the contracts to assure that the contracts are completed in a satisfactory and timely manner.

The Procurement and Contracting files must contain:

- Description of method used to select consultants and contractors
- Request for Bids (RFB), Request of Qualifications (RFQ) and Request of Proposals (RFP) documents including advertisements, correspondence, and bids/qualifications/ proposals received evaluation method(s)
- Cost and pricing data
- Record of the approval by the governing body of the bid/qualifications/proposal accepted/selected
- Contract(s) for services
- Records of partial payments and supporting documentation (in financial management files)
- Contract amendments (if any) and rationale for the amendment
- Procurement Policy
- Conflict of Interest disclosure documents and records/Exemption Request documentation (if applicable)
- Evidence of debarment search

**PLAYING BY THE RULES**  
**A Handbook for Subrecipients on Administrative Systems**

**<https://files.hudexchange.info/resources/documents/Playing-By-the-Rules-a-Handbook-for-CDBG-Subrecipients-On-Administrative-Systems.pdf>**