# Table of Contents

## Introduction

### Chapter 1 – Project Start-up

1) Overview 1.2  
2) Start-Up Conditions 1.3  
3) Special Contract Conditions 1.6  
4) Additional Information 1.8  
5) Chapter 1 – Exhibits 1.12  

### Chapter 2 – Environmental Review

1) Overview 2.2  
2) Applicable Requirements 2.7  
   a. Federal 2.7  
   b. State 2.10  
3) Grantee Responsibilities 2.11  
4) Environmental Finding Level A 2.15  
5) Environmental Finding Level B 2.17  
6) Environmental Finding Level C 2.24  
7) Environmental Finding Level D 2.29  
8) Environmental Finding Level E 2.35  
9) Other Environmental Issues 2.36  
   a. Lead-Based Paint 2.36  
   b. Asbestos 2.37  
   c. Radon 2.38  
10) Exhibits 2.40  

### Chapter 3 – Procurement Standards

1) Overview 3.2  
   a. Procurement Standards 3.2  
   b. Requirements 3.2  
2) Applicable Requirements 3.2  
   a. Federal 3.2  
   b. State 3.3  
3) Grantee Responsibilities 3.4  
   a. Code of Ethics 3.4  
   b. Conflicts of Interest 3.4  
   c. General Procurement Policies 3.6  
   d. Contracting with Disadvantaged Business Enterprises 3.7  
   e. Procurement Procedures 3.7  
   f. Selecting the Method of Procurement 3.8  
   g. Soliciting Proposals 3.14  
   h. Prior Commitments to Consultants 3.15  
   i. Reviewing Proposals and Selecting the Consultant 3.15  
   j. Checking References 3.16  
   k. MDOC Debarment Check and Review of Procurement Procedures 3.17
### Chapter 4 – Financial Management

1. Overview 4.2
2. Applicable Federal and State Requirements 4.2
   a. Federal Requirements 4.2
   b. State Requirements 4.3
3. Program Requirements 4.3
   a. Project Budget 4.3
   b. Project Administration Costs 4.4
   c. Local Depository Account 4.4
   d. Project Drawdowns 4.4
   e. Reporting Requirements 4.7
   f. Two Percent Retainage 4.7
   g. Interim Financing 4.8
   h. Property Management and Disposition 4.8
   i. Retention – Documents/Records/Reports 4.8
4. Program Income and Revolving Loans 4.9
5. Exhibits 4.10

### Chapter 5 – Civil Rights

1. Overview 5.2
2. Applicable Requirements 5.5
3. Federal Civil Rights Requirements 5.5
   a. The Federal Hatch Act 5.5
   b. Title VII of the Civil Rights Act of 1964 5.6
   c. Cranston-Gonzalez National Affordable Housing Act of 1990 5.6
   d. Section 504 of the Rehabilitation Act of 1973 5.6
   e. Americans with Disabilities Act (ADA) of 1990 5.8
   f. Architectural Barriers Act of 1968 5.8
   g. Fire Administration Authorization Act of 1992 5.8
   h. The Age Discrimination Act of 1975 5.8
   i. Equal Employment Opportunities under HUD Assisted Contracts 5.8
   j. Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 5.9
   k. Fair Housing Act 5.9
   l. Section 3 of the Housing and Urban Development Act of 1968 5.9
   m. Women’s Business Enterprises and Minority Business Enterprises 5.10
   n. EEOC Compliance Manual, National Origin Discrimination 5.11
4. State Civil Rights Requirements 5.12
5. Grantee Civil Rights Responsibilities 5.13
6. Program Benefits 5.13
7. Grantee Hiring and Employment Practices 5.15
8) Contractor Affirmative Action 5.16
9) Fair Housing 5.19
10) Actions to Affirmatively Further Fair Housing 5.20
11) Disabled Accessibility Requirements 5.22
   a. Accessible Communication 5.24
   b. Access to Employment 5.27
   c. Access to Program Benefits 5.28
   d. Physical Accessibility to Programs 5.29
   e. Data and Documentation 5.31
12) Record Keeping Requirements for Civil Rights 5.32
   a. Local Project Civil Rights File 5.32
   b. Data Collection Requirements for Ethnicity and Race 5.33
13) Exhibits 5.35

Chapter 6 – Labor Standards

1) Overview 6.2
2) Application Requirements 6.2
      i. Contract Work Hours and Safety Standards Act 6.3
      ii. Copeland "Anti-Kickback" Act 6.4
      iii. Davis - Bacon Related Acts 6.4
      iv. For More Information About Davis - Bacon Act Compliance (website) 6.6
   b. State Labor Standards Requirements 6.8
      i. Public Construction Contracts: Special Labor Conditions 6.8
         ii. Workers’ Compensation Act 6.8
3) Grantee Labor Standards Requirements 6.9
   a. Step 1 - Designate a Person to Monitor Prevailing Wage Compliance (Compliance with federal Davis - Bacon wage provisions) 6.9
   b. Step 2 - Include Labor Standards Provisions in Bid Documents 6.9
   c. Step 3 - Request the Wage Rate Determination 6.10
      i. Zone Hourly Rate Pay 6.11
      ii. Overtime Pay 6.12
      iii. Unclassified Workers 6.13
   d. Step 4 - Re-verify the Wage Rate in the Solicitation for Bids 6.13
   e. Step 5 - Verify Bidder Eligibility 6.14
   f. Step 6 - Inform Contractor of Federal Requirements by Conducting A Pre - construction Conference 6.15
   g. Step 7 - Monitor Contractor Performance 6.17
      i. Use of Volunteers 6.18
   h. Step 8 - Investigate Labor Standards Violations 6.18
   i. Step 9 - Maintain Labor Standards Files 6.19
4) Exhibits 6.20
### Chapter 7 – Acquisition and Relocation

1) Overview 7.2

2) Applicable Requirements 7.2
   a. Federal 7.2
      i. Title IV of the Surface Transportation and Uniform Relocation Assistance Act of 1987 7.2
      ii. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 7.2
      iii. Title VI of the Civil Rights Act of 1964 7.3
   b. State 7.3
      i. Relocation Assistance/Fair Treatment of Condemnees, Title 70, Chapter 31, Montana Code Annotated (MCA) 7.3

3) Grantee Responsibilities 7.3
   a. Voluntary Acquisitions 7.4
   b. Non-Voluntary Acquisitions 7.5
      i. Obtain a Copy of HUD Handbook 1378 7.5
      ii. Send Preliminary Acquisition Notice 7.6
      iii. Have Property Appraised to Determine Fair Market Value 7.6
      iv. Have Appraisal Reviewed 7.7
      v. Determine Just Compensation for the Property 7.7
      vi. Make a Written Offer to the Owner 7.7
      vii. Review Any Additional Materials Related to Determination of the Purchase Price 7.7
      viii. Administrative Settlement 7.7
     ix. Make Payment or Make a Final Offer Before Initiating Condemnation Procedures 7.8
   c. Final Offer Before Initiating Condemnations Procedures – Administrative Settlement 7.9
   d. Condemnation Proceedings 7.9
   e. Other Acquisitions Considerations 7.9
      i. Donations 7.9
      ii. Decision Not to Acquire 7.9
      iii. Uneconomic Remnant 7.9
      iv. Tenant-Owned Improvements 7.9
     v. Owner Retention of Improvements 7.9
     vi. Rental Payments 7.9

4) Recordkeeping Requirements 7.10

5) Relocation 7.11

6) Exhibits 7.12

### Chapter 8 – Economic Development

1) Overview 8.1

2) Applicable Requirements 8.2
   a. Chapter 1 – Project Start-up 8.2
   b. Chapter 2 – Environmental Review 8.2
   c. Chapter 3 – Procurement Standards 8.2
   d. Chapter 4 – Financial Management 8.3
   e. Chapter 5 – Civil Rights 8.3
3) Local Government Responsibilities 8.6
   a. Prepare the MDOC Grant Contract 8.6
   b. Prepare a Grant Assistance Agreement and/or Loan Agreement 8.6
   c. Obtain Final Approval of the Hiring and Training Plan 8.7
   d. Obtain Final Approval of the Hiring and Training Plan for Customized Training of Employees 8.8
   e. Revolving Loan Fund Plan 8.9
      i. State and Federal Requirements for Program Income Plans or Revolving Loan Fund Plans 8.9
      ii. State Guidance for CDBG-ED Revolving Loan Funds Administered by a Local Government 8.11
         1. Before Project Closeout – All Years 8.11
         2. After Project Closeout -- For the years of 1992 and prior 8.11
         3. After Project Closeout -- For the years of 1993 and Later 8.11
      iii. State Guidance for CDBG-ED Revolving Loan Funds Administered by a Local Development Organization (LDO) 8.12
   f. Show Benefit to Low and Moderate Income (LMI) Persons 8.13
   g. Documenting LMI Jobs Created or Retained 8.15
   h. Submit Requests for Drawdown of CDBG-ED Funds 8.16
      i. Submit Applicable Reports 8.17
   j. Review Quarterly Financial Statements 8.18
   k. Monitor the Business 8.20
4) Exhibits 8.21

Chapter 9 – Construction Management: Public Facilities and Housing
  1) Overview 9.2
  2) Requirements for Selecting/Awarding Construction Contracts 9.3
     a. Federal Requirements (HUD Administrative Requirements) 9.4
        i. Bonding and Insurance 9.4
        ii. Procurement Standards 9.4
     b. State Requirements 9.5
        i. Bid Security 9.5
        ii. Contractor Licensing Fee (1% Tax on Gross Contractor Receipts) 9.5
        iii. Municipal Contracts and Franchises 9.5
        iv. County Contracts 9.6
        v. Performance, Labor and Material Bonds 9.6
        vi. Construction Contractor Registration is Required for All Bidders 9.6
        vii. Montana Contractor Preference -- NOT applicable to 9.8
3) Responsibilities of CDBG Grant Recipients 9.9
   a. Step 1 – Select Engineering and/or Architectural Service 9.9
   b. Step 2 – Prepare a Bid Package 9.10
   c. Step 3 - Obtain Bid Document Review and Approval 9.12
   d. Step 4 - Advertise a Bid Solicitation 9.13
   e. Step 5 - Log Each Bid Received 9.16
   f. Step 6 - Conduct the Bid Opening 9.16
   g. Step 7 - Review the Low Bid 9.18
   h. Step 8 - Obtain Debarment Review of the Low Bidder 9.18
   i. Step 9 - Award the Contract 9.19
   j. Step 10 - Hold a Pre-Construction Conference 9.19
   k. Step 11 - Issue Notice to Proceed 9.20
   l. Step 12 - Monitor Contractor(s) Activities 9.21
      i. Monitoring of the Contractor(s) by the Grant Recipient 9.21
      ii. Contractor Retainage in the CDBG Program 9.22
   m. Step 13 - Conduct Final Inspection 9.23
   n. Step 14 - Maintain Records 9.24
4) Special Concerns/Requirements for Public Facilities Projects 9.25
   a. Water, Sewer, or Solid Waste Districts 9.25
   b. Non-Profit Organization or For-Profit Organizations as Subgrantees 9.26
   c. Paying System Assessments or Hook-ups Costs for LMI Rental Families 9.26
   d. Construction of (or Modifications to) Structures 9.27
   e. Other Special Conditions and Circumstances 9.28
5) Exhibits 9.30

Chapter 10 – CDBG Non-Competitive Housing Rehabilitation
1) Overview 10.2
   a. Chapter 1 Project Start-Up 10.2
   b. Chapter 2 Environmental Review 10.3
   c. Chapter 3 Procurement Standards 10.3
   d. Chapter 4 Financial Management 10.3
   e. Chapter 5 Civil Rights 10.3
   f. Chapter 6 Labor Standards 10.3
   g. Chapter 7 Acquisition & Relocation 10.4
   h. Chapter 8 Economic Development 10.6
   i. Chapter 9 Construction Management 10.6
   j. Chapter 10 Housing 10.6
   k. Chapter 11 Project Monitoring 10.9
   l. Chapter 12 Project Closeout 10.9
2) Exhibits 10.10

Chapter 11 – Project Monitoring
1) Overview 11.2
   a. Purpose of Project Monitoring 11.2
b. Monitoring Procedures 11.3

c. On-Site Project Monitoring 11.4

d. Monitoring Comments – Monitoring Letter/Report 11.5

2) Exhibits 11.7

Chapter 12 – Project Closeout

1) Overview 12.2

a. Grantee Project Closeout Responsibilities 12.2

b. Prepare a Project Completion Report 12.2

c. Determine Final Audit Requirements 12.3

d. Complete Closeout Forms and Certifications 12.3

i. Procedure if Organization-Wide Audits are Required 12.3

ii. Procedure if Separate Project Audits are Required 12.4

iii. Program Income 12.5

iv. Closeout Exhibits 12.6

2) Exhibits 12.7

Chapter 13 – Neighborhood Stabilization Program

1) Overview 13.2

a. Chapter 1 Start-Up 13.2

b. Chapter 2 Environmental Review 13.4

c. Chapter 3 Procurement Standards 13.4

d. Chapter 4 Financial Management 13.4

e. Chapter 5 Civil Rights 13.5

f. Chapter 6 Labor Standards 13.5

g. Chapter 7 Acquisition & Relocation 13.6

h. Chapter 8 Economic Development 13.9

i. Chapter 9 Construction Management 13.9

j. Chapter 10 Housing 13.9

k. Chapter 11 Project Monitoring 13.13

l. Chapter 12 Project Closeout 13.13

2) Exhibits 13.14