

## COMMUNITY DEVELOPMENT BLOCK GRANT INFRASTRUCTURE AND RESILIENCY Q&A

All questions received by COB Thursday every week should have answers posted to the CDBG page on [miplace.org](http://miplace.org) by the following Monday. Answers will be found in red below the corresponding question.

---

**NOTE:** Following the Q&A held on December 19, 2019, the following changes were made to the Infrastructure and Resiliency Application and Instructions:

- In the Instructions the following changes:
    - Page 6, UGLG Committed 10% Cash Match, revision to remove potential eligibility exemption to bring 10% match for UGLG.
    - Page 9, Section F: Soft Costs has been clarified.
    - Page 7, Section 7: Administration Costs, CGA cost has been clarified.
  - In the Application the following change was made:
    - Page 11, Attachment C, revision to state "Preliminary cost estimates"
- 

**THE FOLLOWING QUESTIONS WERE SUBMITTED BY 1/17/20** *(no additional questions will be answered prior to the February 14<sup>th</sup> submittal date):*

**(Q-1) Regarding the MEDC IR Grant. A certain municipality wishing to apply for the grant has received Cat. B LAP funding through MDOT for roadway improvements. This project is currently scheduled to be on the September 2020 bid letting, and construction is set to be complete by the end of summer 2021. The project is a roadway resurfacing with possible underground sewer and water improvements. MDOT will only be providing funds for participating items (related directly to the reconstruction of the roadway, not improvement of underground utilities). The municipality will be providing a 20% match to MDOT funds for participating items.**

- 1. Is the municipality allowed to leverage MEDC funds to cover the underground utility (sewer/water) improvements? MEDC grant money would not be used to cover the cost of roadway removal and reconstruction associated with these underground improvements, as MDOT is already providing the funds towards this portion of the project. All MEDC money would go directly towards the cost of the water/sewer improvements.**

**(A)** The community would be able to apply for IR funding to address health and safety needs related to water/sewer. Another State agency is a part of the project would not affect eligibility. The community will need to verify that the timing will work for all parties.

- 2. Would the 20% match the municipality is already planning to provide as part of the LAP project count toward MEDC's local match requirements?**

**(A)** The community is required to have a 10% match for all project activities. It is up to the community to identify if the 20% identified meets that requirement when including water/sewer repairs/improvements.

**(Q-2) It is the understanding of the community that the CGA will be funded by MEDC. The UGLG does not have a CGA on staff and chooses to engage with a third party CGA. Are those costs eligible for reimbursement? If so, should those costs be included in Attachment A, Project Budget?**

(A) CDBG Staff will advise the applicant once approved for funding, how to engage a CDBG CGA for their project. Only administration costs incurred by a properly procured CDBG CGA can be reimbursed with CDBG funds. The UGLG can select a 3<sup>rd</sup> party administrator, but it will not be reimbursed or counted towards the 10% match requirement.

**(Q-3) How much weight does the engineering cost carry in the RFQ process? How much freedom does the Municipality have to approve or reject the RFQs?**

(A) The RFQ process requires an engineer to submit material related to their qualifications to complete the project task and does require cost estimate. Once the most qualified party has been identified, the community works directly with them to negotiate price.

---

**THE FOLLOWING QUESTIONS WERE SUBMITTED BY 1/6/20:**

**(Q-1) I understand that receipt of a 2016 ICE Grant, a 2017 ICE Grant or a 2018 Frozen Water Grant restricts a community from obtaining a grant through this round of CDBG IR funding. If a community has accepted or will be accepting funding through a different MEDC program, such as the Public Spaces Community Places program, are they restricted from accepting CDBG IR funds?**

(A) Receipt of CDBG funding in the form of a 2016 ICE Grant, a 2017 ICE Grant or a 2018 Frozen Water Grant restricts a community from obtaining a grant through this round of CDBG IR funding. Other MEDC, and even CDBG, assistance would not preclude a community to applying for IR funding.

**(Q-2) If a community received CDBG IR funds will they be restricted from other MEDC grant opportunities in the future?**

(A) If a community receives CDBG IR funds it will not be restricted for applying for other CDBG or MEDC assistance, however it may not be eligible to apply for funding from next year's CDBG infrastructure round.

**(Q-3) Does an applicant have to have existing infrastructure to be repaired, or can funding be utilized to build new facilities?**

(A) The IR round allows for the upgrading of a public infrastructure system, not just the repair of. New construction would be allowed if it is necessary to eliminate a health or safety concern that is identified, with back-up documentation, within the existing system.

**(Q-4) For hard copy submittals of the MEDC IR grant, do they need to be delivered by the deadline of February 14th at 5:00 p.m. or just postmarked by this date.**

(A) Electronic Submissions need to be received by 5:00 p.m. on February 14<sup>th</sup>. Hard copies need to be postmarked by that same date/time.

---

**THE FOLLOWING QUESTIONS WERE SUBMITTED BY 12/20/19:**

**(Q-1) Can the planned Engineer for the project also provide the 3<sup>rd</sup> Party Cost Estimate required during the application process or is an actual other party needed?**

(A) Yes, the UGLG will be completing an RFQ/RFP/Bidding for other professional or construction services after the Letter of Intent is received.

**(Q-2) We are very interested in applying for this new grant opportunity, but fear that the timelines that you have set are unachievable. Being a disadvantaged community, we have not had funds available to pay an engineer up front to have designed a \$1.5-\$2M project to have sit on the shelf just in case a grant opportunity comes up.**

We would greatly appreciate consideration of revising the time between the “Authorization to Incur Costs” and “Advertise for Construction Bids” dates. Based on the final completion date of December 31, 2021 it would be still very practical to meet this date with an early 2021 Advertise for Construction Bids date.

We do not have a problem paying for schematic design engineering plans to meet the grant application requirements, but having bid ready plans including permits, etc., by June 23, 2020 is not practical based on your “Offer Letter” and “Authorization to Incur Costs” dates.

(A) As discussed on the conference call, 12/19/19, the State expects preliminary plans with the application submission. If the project is selected to move forward with a Letter of Intent/Offer Letter, CDBG staff will work with the UGLG on their timeline. The project MUST be completed by December 31, 2021, this is a firm date.

**(Q-3) Will the replacement of Lead or Galvanized residential water services from the main up to the house be considered an eligible project given the potential for work on private property.**

(A) On page 2 of the Instructions are examples of ineligible activities for this funding round: “Water/sewer laterals that cross onto private property and provide a direct benefit to the private property owner”

**(Q-4) What is acceptable as a CIP? If a community has separate studies / plans for water and sewer infrastructure can these be used to satisfy this requirement?**

(A) The UGLG must have a locally approved CIP, covering 6 years of improvements for all types of public structures and improvements to be undertaken over the next 6 years.

- i. Capital projects identified in the CIP must include details such as project descriptions, plans, estimate of time and cost of the improvements.

- ii. Capital projects identified in the CIP must be prioritized as determined by the UGLG.
- iii. The proposed project must be specifically identified within the 6-year CIP and highlighted for ease of locating within the plan.

The plan should be locally approved, annually adopted and covering at least 6 years as outlined in the Michigan Planning Enabling Act (reference MCL Public Act 33 of 2008, Section 125.3865)

**(Q-5) With respect to the 6 year Capital Improvement Plan (CIP), If a UGLG has completed a 20 year Wastewater Capital Improvement Plan as part of their SAW project, and has already submitted this CIP to EGLE with their Certification of Completeness, will this documentation satisfy the 6 year CIP requirements?**

(A) A 20-year wastewater capital improvement plan is a component of a comprehensive 6-year CIP, but as a standalone document does not satisfy the 6-year CIP requirement.

**(Q-6) A community we work with is considering a project that is partially funded by MDOT LAP funds. Is the MDOT funding allowed to be included as part of the community matching funds?**

(A) This type of funding would be considered “Leveraged Funds” not the minimum 10% local match.

**(Q-7) Application Question 10-E. What is the square footage of the public space being improved? How does this apply to a water, sewer and/or storm sewer project? Are you looking for the area of the ROW in which the work is taking place?**

(A) **Square footage:** This is a required field that must be reported as square feet. Convert the linear feet of water/sewer lines to square feet when appropriate.

**(Q-8) Is the grant being awarded based on the bid amount or the Application amount?**

(A) The grant will be awarded on the “application” amount. This amount should be backed up by preliminary plans/specs and estimates.

**(Q-9) In the Q&A conference call, someone asked a question regarding the ‘3<sup>rd</sup> Party Environmental’ activity listed on Attachment A. Was it stated that CDBG would pay to have a third party complete this environmental work? Does an estimate for this work need to be included in the budget at the time of the application, or is it like the CGA process in which we would leave that line blank?**

(A) It was stated on the conference call that the UGLG will be working with CDBG staff if sent a Letter of Intent/Offer Letter regarding any environmental review compliance. The environmental cost does not have to be on the application budget. The CGA cost also does not have to be on the application budget.

**(Q-10) Has the MEDC committed to accepting new applications from communities that are not able to apply in this funding round in the subsequent funding years 2 and 3?**

- (A) The MEDC will assess the needs of the State at the time of our 2020 and 2021 funding rounds to determine eligibility and priorities prior to the announcements.

**(Q-11) How much total funding is available for this funding round?**

- (A) The CDBG program has \$10 million appropriated for this funding round.

**(Q-12) Related to question Q-5 from 12/13/19: Is QBS a requirement for CDBG procurement process for the IR Grant?**

- (A) At the time of grant agreement, awarded municipalities will procure engineering services by way of a Request for Qualifications (RFQ). Unlike a QBS, an RFQ does consider the cost of the services being sought by the municipality.

If the municipality is currently in a contract with an engineer that has been procured specific to the proposed project and is provided a Letter of Intent/Offer Letter, the community will need to end the current specific contract and engage in an RFQ. CDBG staff will work with community through this process.

**(Q-13) Related to question Q-6 from 12/13/19: What happens if the project does go past the Dec 2021 deadline? What is the penalty to the Applicant?**

- (A) If construction cannot be completed by December 31, 2021, the community should consider downsizing the project scope. The penalty to the Applicant - repayment of CDBG funds disbursed to date.

**(Q-14) Related to question Q-9 from 12/13/19: Where is the "Exempt" request form / letter located on MEDC's website? If not on the website, can MEDC make accessible to applicant?**

- (A) Information regarding the Environmental Review is currently posted in the CDBG Grant Administration Manual (GAM) on our website: [mplace.org](http://mplace.org)

**(Q-15) Related to question Q-4 from 12/05/19: Shouldn't the applicant include the CGA costs in the project even if it's an estimate? The grant administration may be an eligible expense and should be captured for project cost purposes.**

- (A) The proposed project with a CDBG Program's Certified Grant Administrator (CGA), should not include the amount in the budget. The CDBG Program will only pay for an approved CDBG CGA. This activity will be procured after a community receives a Letter of Intent/Offer Letter and collaborating with a CDBG Program Specialist.

**(Q-16) Will MEDC allow applicant to submit for multiple projects in a single IR grant if it can be shown that they can benefit the entire community and are tied/related to the same objective? If multiple projects are allowed by MEDC for a single IR grant, can multiple construction contracts be awarded for the work?**

- (A) The proposed project may encompass multiple activities, noting that the activities must be ancillary and connected to the proposed project area. There can be separate construction contracts for defined activities. This situation will be addressed when working with a CDBG Program Specialist after a Letter of Interest/Offer Letter.

---

**THE FOLLOWING QUESTIONS WERE SUBMITTED BY 12/13/19:**

**(Q-1) Are photographs or other imported graphics allowed to augment narratives?**

- (A) Yes, photographs or other imported graphics are allowed to augment narratives.

**(Q-2) The Community Development Plan appears to be information not relevant to the type of projects being funded. Many smaller and poorer communities do not even have a plan. How briefly or informally can we respond to this question?**

- (A) If a community does not have an approved Community Development Plan, the community may complete the “**Community Development Narrative**” document located with the application materials for the funding round on [miplace.org](http://miplace.org)

**(Q-3) Attachment K: What do we include as Attachment K if there are no displacements or relocations associated with the project submitted?**

- (A) If there are no displacements or relocations associated with the project, answer “No” and explain “not applicable”

**(Q-4) If a community plans to use an installment loan to augment its match amount, can it show those funds as on-hand if the applicant produces a bank letter committing to loan the amount needed for the match?**

- (A) Yes, the committed bank letter will work, but the funds must be available prior to MSF board approval for grant awards.

**(Q-5) If a community has gone through their QBS procurement to choose a wastewater/stormwater systems engineer (was driven by a current Michigan SRF funded wastewater project and recently completed Michigan SAW funded wastewater/stormwater asset management plan development), do they need to do a separate procurement process to apply for your CDBG-IR program?**

- (A) If a community procured an engineering firm for a previous project, it would not necessarily meet the procurement standards required for the IR Funding Round. For the IR Funding Round, a community will need to have a separate engineering contract entered into once the Offer Letter has been accepted and executed in order for the contract amount to be considered as match.

**(Q-6) The IR Application specifically denotes the construction must start in September 2020 and must be completed by December 31, 2021. Can the construction start date be completed in a traditional Michigan construction season of March of 2021 to December of 2021? This will provide**

a more competitive bidding atmosphere. If project were to bid in the middle of summer 2020, the chances of getting reasonable contractor bids is unlikely.

(A) The community should provide their project timeline in the application and explain the start date reason. The concern is that the project is completed no later than December 2021. We are aware that some projects will take a shorter construction period, but others will need the full time allotted.

**(Q-7) Question on the Score Sheet. The second item reads: "The UGLG did not receive a 2016 or 2017 ICE Grant or a 2018 Frozen Water Grant". If a community received a 2016 ICE grant, does this criteria preclude the community from applying for IR?**

(A) Yes, the CDBG Program has limited funds for this round and is trying to reach out to those communities with need that have not received past competitive funding from CDBG. This does not mean that future funding rounds will include the same eligibility requirement.

**(Q-8) It is my understanding that contingency can be funded, as long as it is a bid item. Should the community include contingency in their application cost estimate as a bid item? If so, what is the max amount for contingency (on a percentage basis)?**

(A) Yes, construction contingency should be included in total project costs and on the project budget. A contingency of 10% has been typical for this type of project previously.

**(Q-9) It was stated in the recent Q & A list "Projects are expected to be presented to the Michigan Strategic Fund (MSF) Board for approval on June 23, 2020. CDBG costs can be incurred after approval and with written release from CDBG staff." "Plans and specifications need to be completed to the level of detail necessary for initial estimates to be provided in order to substantiate project costs, and to identify what type and where project activities will take place. They do not need to be the final stamped and sealed necessary to bid the project." If the proposed schedule is to be held, how can the community spend money to complete the work necessary to have stamped plans and specifications and publication of the advertisement for construction bids complete by June 23, 2020, if they don't have an agreement (approval) in place yet?**

(A) While the project will not receive final MSF approval until the June 23, 2020 board meeting, a community can request the ability to incur "Exempt" engineering costs after it has been identified as a grant awardee and executed the CDBG Offer Letter that will be sent on 3/20/2020. The 90 day timeframe has been used in previous infrastructure rounds to complete the remaining engineering necessary for the project.

**(Q-10) The community recently became a low/mod community and is considering applying for the IR program. However, the City's current Capital Improvement Plan does not meet the required 6-year standard listed in the RFP. Three Rivers is engaged in the RRC program and will adopt a 6-year CIP as part of the budgeting process for our next fiscal year (July). At the time of the IR application due date, we will have a draft 6-year CIP but it will not be adopted yet in Feb. Will this eliminate the City as an eligible applicant?**

(A) In order to qualify for the 2019 IR Funding Round a community must have a 6-year CIP in place at the time of application. While not having a 6-year CIP in place would prevent

the community form applying for this year's round, the community would be eligible to apply for the next IR funding round that is anticipated to be announce in the Fall of 2020.

**(Q-11) If a project would include both an area on the eligible low-mod list and its adjacent community that is not on it, can it still apply for funds?**

(A) If the project includes activities located within the geographic boundary of an eligible community, and the municipal water/sewer system/treatment facility itself is owned by the eligible community then the project would be eligible for funding. In this instance, the non-eligible community does not own the municipal water/sewer system/treatment facility itself, and instead has a contract with the eligible community to provide service. The CDBG Program would consider any benefit to the non-eligible community as ancillary to the improvements and benefits realized by the eligible community that owns the municipal water/sewer system/treatment facility.

If the non-eligible community itself owns, or jointly owns, the municipal water/sewer system/treatment facility, or if the eligible activities are located outside the geographic boundary of the eligible community then the project would not be able to apply for funding.

---

**THE FOLLOWING QUESTIONS WERE SUBMITTED BY 12/5/2019:**

**(Q-1) Do Davis-Bacon wages apply to this grant program?**

(A) Yes, Davis Bacon will apply to construction contracts related to this funding round.

**(Q-2) I have a question on behalf of a potential municipality applying for the IR Program. They are currently on the Low and Moderate Community Customer list but are not yet a Redevelopment Ready Community (RRC). They are, however, in the final stages of becoming a RRC and will likely receive their status before the IR's Feb. 14 deadline.**

I am also wondering how the scoring works for those communities who are Redevelopment Ready. The amount of match they provide definitely plays into how many points they would receive for their application, so I'm curious as to how you will treat an RRC who will not be required to give any match.

I am wondering, when my client becomes Redevelopment Ready, if they would be waived of the 10% match requirement or if they had to be Redevelopment Ready before this grant program was announced on November 22.

(A) RRC status is not an eligibility requirement nor is it a part of the scoring considerations for this funding round. The eligibility and scoring information can be found on the CDBG web page at [www.mplace.org](http://www.mplace.org) in the application on page 3 and 4.

**(Q-3) Do you have a list of Certified Grant Administrators?**



(A) Yes, there is a list of Certified Grant Administrators located in Chapter 14 (Forms) in the Grant Administration Manual (GAM),  
<https://www.miplace.org/programs/community-development-block-grant/grant-administration-manual/>

**(Q-4) In total project cost, is there a percentage cost for Administrator?**

(A) There is not a specific percentage of project cost allocated for a Certified Grant Administrator (CGA). All CGA contracts are competitively bid. Procurement of a CGA will happen after projects are awarded funds. No need to include the cost of a CGA in the budget application.

**(Q-5) When would the grant agreement be executed allowing the UGLG to incur CDBG funded eligible engineering costs?**

(A) Projects are expected to be presented to the Michigan Strategic Fund (MSF) Board for approval on June 23, 2020. CDBG costs can be incurred after approval and with written release from CDBG staff.

**(Q-6) If construction does not have to be done until December 31, 2021 than construction on most, if not all, of these project would have more than ample time to be completed during the traditional construction season in Michigan in 2021 (April – November). This also allows more time for better engineering plans and specs which ultimately improves the quality of projects and reduces prices. Would it be possible to make the following changes to the printed schedule?**

- January 15, 2021 – Deadline for compete and stamped plans and specifications and publication of the advertisement for construction bids.
- No date – Construction start
- October 1, 2021 – Construction substantially complete – This provides MEDC the assurance that all work will be done by the desired end of year date.
- December 31, 2021 – Construction complete

(A) As of this time, there has not been conversation related to revising initial due dates.

**(Q-7) Can you define what preliminary plans and specification means? This is the Attachment M requirement within the funding round application.**

(A) Plans and specifications need to be completed to the level of detail necessary for initial estimates to be provided in order to substantiate project costs, and to identify what type and where project activities will take place. They do not need to be the final stamped and sealed necessary to bid the project.