

Capital Fund Projects

- The business has to be included
- Use the Phase I ESA (Environmental Site Assessment)
- Use information the city / county has already obtained
- **DON'T JUST REFERENCE**
- Make copies and reference
- Watch letters to agencies: applicability
- Nothing can be done until the ROF
- Functionally and Geographically related.

Exempt Projects 58.34(a)(10)

- This category has essentially been eliminated
- HUD Memo from 2012 requires a review of Floodplain, Critical habitat, Hazardous Chemicals, change in footprint and Historical
- Here is the link to the memo:
<http://www.texasagriculture.gov/Portals/0/Publications/RED/CDBG/Environmenta/1%20Review%20-%20HUD%20Memo%2012-11-12.pdf>

Geographically Related

- Previous guidance
- Current guidance: If they touch then they are geographically related.
- Utilize Functionally Related to limit the number of RROFs done (water is water, sewer is sewer, streets are streets)

CHAPTER 4

Contract Special Conditions

Pre-Construction

Permit and Approval Certification Form A401

This form is used to list all permits, authorizations, or other written approvals required by state or federal regulations other than TxCDBG requirements. Examples of these approvals include:

Certification of Pre-Construction Approvals - Form A401		
Grant Recipient: _____		Contract No.: _____
List all pre-construction approvals or permits required by state or federal agencies other than TDA.		
Common permits and approvals are listed below. If a permit type is not available from the list, please type in the appropriate permit name.		Date Permit Received
		TDA Monitor Approval Date
Permit Type		+ -
I, _____, a licensed professional engineer certify that the above reflect all applicable permits or approvals required by any federal, state or local entity or regulatory agency applicable to over TxCDBG contract # _____.		Signed Engineer's Seal
Engineer's Printed Name	Engineering Firm Name	
Engineer's Signature		Date
Additional Comments (If Necessary):		
Chief Local Official's Printed Name	Chief Local Official's Signature	Date
Form required as of October 21, 2013.		

Pre-Construction – (Cont.)

Direct Benefit Guidelines

- Projects that provide direct benefit to homeowners selected through an application process must receive approval for the proposed program guidelines prior to the selection of program recipients and prior to TDA's release of funds for such activities.

Colonia Street Lighting Funds

- TxCDBG grants that include street improvements in Colonia areas are required to include adequate street lighting in the project.
- If current street lighting in the target area is determined to be absent or inadequate, must demonstrate that between 5% and 15% of the TxCDBG grant funds allocated for street improvements are designated for street lighting.

Projects Involving Model Subdivision Rules/Ordinances (Colonia Fund Only)

- Certain communities are considered “economically distressed areas” and are subject to comprehensive platting requirements known as Model Subdivision Rules.

Temporary Signage

Temporary Project Signage

All construction projects utilizing TxCDBG funding must have temporary signage erected in a prominent location at the construction project site.

Project Requiring Permanent Signage

Permanent signage is required for any TxCDBG funded public structure or project that is located above ground and enclosed by a fence.

Examples include:

- Water pump stations
- Water wells
- Water storage tanks
- Wastewater treatment facilities
- Lift stations
- Community centers
- Fire stations
- Significant improvements to existing facilities.

Project signage is an eligible construction cost.

Project Completion

Water Well Projects

- Must submit a letter from TCEQ that the constructed well is approved for interim use and may be temporarily placed into service

Septic System Replacement Projects

- Must provide documentation that final plans, specifications, and installation of its sewer system improvements (septic systems) have been reviewed and approved by the City or County Health Department through authority granted by TCEQ.

Building Projects

- Must submit documentation that the building is in compliance with TDLR requirements concerning the elimination of architectural barriers

Required Designs/Plans/Specs

Project Specific:

The Grant Recipient shall receive and maintain a copy of the final project record drawing(s) and/or engineering schematic(s), as constructed using funds under this contract.

- ✓ Digital format
- ✓ The accompanying documentation from the engineer shall include a signed statement of when the map was authorized and that the digital map is a true representation of the original sealed document.

Common Pitfalls

1. Fail to erect permanent signage when required
2. Failure to submit the final RAS (Registered Accessibility Specialist) Report to TDA.

CHAPTER 5

Procurement Procedures

Procurement Standards

- As of December 26, 2014, new federal regulations govern procurement standards in the TxCDBG Program.
- New standards are at 2 CFR §200.317 – 200.326.
- Replaced HUD regulations at 24 CFR §85.36.
- Generally, all procurement transactions must be conducted in a manner providing full and open competition (2 CFR §200.319).

Methods of Procurement

- Competitive Proposal
 - Used for procurement of professional and administration services.
- Formal Sealed Bids
- Small Purchase (estimated cost is less than \$50,000)
- Micro-purchase (New - \$2,000 or less for construction, supplies, or services)
- Non-competitive Procurement

Competitive Proposal

- All professional and administrative services related to TxCDBG projects must be procured competitively, regardless of the source of funds.
- If any part of a contract is paid for with TxCDBG funds, the Grant Recipient must follow the competitive negotiation procedure in Chapter 5.
- Failure to competitively procure professional or administrative services could result in ineligible costs for grant funding or match credit.

Competitive Proposal

- 2 CFR 200.319 (a)
- Contractors that develop or draft specifications, requirements, statements of work or invitations for bids or request for proposals must be excluded from competing for such procurements
- Key – Open & full competition

Procurement of Recovered Materials

- Pursuant to 2 CFR 200.322, grantees & contractors must comply with section 6002 of the Solid Waste Act
- For purchases > \$10K of designated recovered materials identified by the EPA at 40 CFR Part 247
- Highest % of recovered material “practicable, while adhering to competitive bidding processes”
- Examples:
 - Construction materials (cement)
 - Concrete

Step-by-Step Selection Procedures

- Establish local Selection Review Committee
- Determine the Scope of Services
- Establish written selection criteria
- Develop RFP package
- Advertise and distribute the RFPs for Professional Services
- Rate proposals and document process
- Select the Professional Service Provider
 - Architect, Engineer, and Surveyor must be selected based on qualifications, then may negotiate price.
- Award contract

Construction Contracts: Formal Bidding

- Procurement of construction, materials, or equipment contracts whose total cost is **more than \$50,000**
- Sealed bids are publicly solicited and a firm, fixed-price is awarded to the responsible respondent whose bid, conforming with all the material terms/conditions of the invitation for bids, is lowest and best in price

Formal Sealed Bidding

- Prepare bid package
- Comply with Davis-Bacon Act requirements
 - ✓ Confirm wage decision within ten days but not less than five days before bid opening.
- Advertise invitation for bids
 - ✓ Publish once a week in a newspaper for 2 consecutive weeks prior to bid opening
 - ✓ Advertising the invitation for bids in the Dodge Report is recommended
- Hold the bid opening
- Clear the contractor on SAM prior to award
- Award the contract
- Execute the contract

Formal Sealed Bidding

- The Grant Recipient must obtain acknowledgement of receipt from all bidders for any bid addenda issued prior to bid opening.
- The Texas Local Government Code requires that invitation for bids must be published at least once a week for two consecutive weeks in a newspaper published locally. The date of the first publication must be before the 14th day before the date set to publicly open the bids.

DATE OF FIRST PUBLICATION 9-1-15	DAY 1 (Fourteenth day before the date set to publicly open bids.) 9-2-15	DAY 2 9-3-15	DAY 3 9-4-15	DAY 4 9-5-15	DAY 5 9-6-15	DAY 6 9-7-15
DAY 7 9--8-15	DAY 8 9-9-15	DAY 9 9-10-15	DAY 10 9-11-15	DAY 11 9-12-15	DAY 12 9-13-15	DAY 13 9-14-15
DAY 14 9-15-15	BID OPENING 9-16-15					

Financial Interest Report – Form A503

FINANCIAL INTEREST REPORT
Form A503

Grant Recipient Name: _____ Contract Number: _____ Region:

Contact Information	
Name of Company	<input type="text"/>
Tax ID Number	<input type="text"/>
Name of Owner	<input type="text"/>
Point of Contact	<input type="text"/>
Phone No.	<input type="text"/>
Email	<input type="text"/>
Mailing Address	<input type="text"/>
Type of Procurement	<input type="text"/>
Trade	<input type="text"/>
Service Provided	<input type="text"/>

Financial Interest Disclosure Report		
TxCDBG Funds	Other Funds	Total Dollars
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Prime Contractor <input type="checkbox"/> Subcontractor		
If a subcontractor, list Prime		
<input type="text"/>		

Section 3 Report	
<input type="checkbox"/>	The company reported qualifies as a Section 3 Business Concern.
<input type="checkbox"/>	The contract reported is for \$100,000 or more. (Company is subject to Section 3 reporting requirements if checked).

Clearances	
Environmental Clearance Date (for activity)	<input type="text"/>
Excluded Party List System Clearance Date (Contractor Verification/Clearance at SAM.gov)	<input type="text"/>
Contract Executed Date	<input type="text"/>

Minority Business Enterprise Report	
<input type="checkbox"/>	The company reported is a business with a contract for at least \$10,000. (Report MBE info below if checked.)
Race of Owner	<input type="text"/>
Ethnicity of Owner	<input type="text"/>
Gender of Owner	<input type="text"/>

Describe the work to be completed:
(if more than one business will be procured for similar work, indicate the specific work included in this contract)

Tax ID Number Instructions: TDA is now required to report to HUD the Tax Identification Number for all contractors and subcontractors procured each year.
Please enter:
-Tax ID issued by Texas Comptroller's Office
-Sales Tax Permit number (sole proprietorships providing taxable service)
-Sole Proprietor, no ID available (sole proprietor providing no taxable services)
Do not provide a Social Security Number of a sole proprietor or other person associated with the business.

This form must be submitted to TxCDBG for all contracts of \$2,000 or more within 30 days of executing the contract
This form is required as of October 1, 2015 - all previous versions no longer valid.

- Submit for all contracts of \$2,000 or more within 30 days of executing the contract:
 - ✓ A503
 - ✓ Bid Tabulation
 - ✓ Bid Schedule

Small Purchase Procurement

- The Small Purchase procurement method uses relatively simple and informal procurement methods to secure construction services, supplies, equipment, or non-professional services that cost, in the aggregate, **less than \$50,000** in accordance with state law.
- The Local Government Code prohibits separate, sequential, or component small purchases to avoid the competitive bidding requirements.
- Aggregate purchases exceeding \$50,000 for items that in normal practices would be procured in one contract may result in disallowed costs.

Construction Contract: Small Purchase Procurement (Cont.)

A504

Small Purchase Procurement Record

Scope of Service/Item Description:

Contacts Made:

1.	_____ Name of Firm/Supplier (No. 1)	_____ Date Contacted
	_____ Name of Person Contacted	_____ Quoted Price
2.	_____ Name of Firm/Supplier (No. 2)	_____ Date Contacted
	_____ Name of Person Contacted	_____ Quoted Price
3.	_____ Name of Firm/Supplier (No. 3)	_____ Date Contacted
	_____ Name of Person Contacted	_____ Quoted Price

Based on the contacts made concerning the above-referenced scope of services/item description, I authorize _____ on _____, 20____ to begin work or to supply the item(s) for the quoted price.

Signature of Authorized Person _____ Date _____

2009 TXCDBG Project Implementation Manual SECTION A - Chapter 5 Procurement Procedures 22

- Obtain Wage Decision
 - Complete **Wage Rate Issuance Notice - Form A702** (If under \$2,000 not required)
- Confirm Wage Decision
 - Complete **Ten Day Confirmation (Form A703)**
- Contact three vendors
 - Submit **Small Purchase Procurement Record (Form A504)** to assigned Regional Coordinator
- Verify Eligibility Status
 - Record on **Labor Standards Record (Form A706)**
- Submit **Labor Standards Record (Form A706)** to **labor@TexasAgricultre.gov**

Micro-Purchases

- Micro-purchases is non-competitive procurement which may be used for supplies or services valued at \$2,000 or less.
- Purchase orders may be awarded without soliciting any competitive quotations if the Grant Recipient considers the costs to be reasonable and local laws and policies do not prohibit this method of procurement.
- Grant Recipient must verify that contractor is not debarred under the System for Award Management (www.SAM.gov).
- TDA will monitor the use of micro-purchases to ensure that they are not being used to circumvent competitive procurement.

Non-Competitive Procurement

- Grant Recipient **must** obtain written permission from TDA prior to using the Non-Competitive Procurement method.
- All requests for exceptions to competitive procurement requirements must be submitted in writing by the Grant Recipient
- Must qualify according to one of the following exceptions under 2 CFR §200.320(f):
 - (1) The item is available only from a single source;
 - (2) Public exigency or emergency will not permit a delay resulting from competitive solicitation;
 - (3) TDA expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
 - (4) After solicitation of a number of sources, competition is determined inadequate.

Construction Contract - Bonding

- Bid Bond – Required by 2 CFR §200.325 (a). Must be for 5% of bid price.

In addition Texas Government Code 2253.021 requires:

- Performance Bond
 - ❖ Required on **all** public works projects costing more than \$100,000 for counties and cities
- Payment Bond
 - ❖ Required on **all** public works projects costing more than \$25,000 for counties and \$50,000 for cities
 - ❖ If a locality fails to obtain a bond from the prime contractor, they become liable for paying workers, subcontractors and material suppliers

Change Orders

- The Grant Recipient must have sufficient grant or local funds available to meet any increased costs
- Change orders may not:
 1. Increase the original contract price by more (25%)
 2. Decrease the original contract price by more than (25%) for municipalities and (18%) for counties without the consent of the contractor

Change Orders (Cont.)

A505

**Texas Department of Agriculture
Construction Contract Change Order**

Owner (Contractor Locality): (Name & Address)		Contract For (project description): Project Location:		Region TxCDBG Contract No. Change Order No.		
Contractor: (Name & Address)			Engineer: (Name & Address)			
Owner is requesting TDA review to determine eligibility of change order expenses.						
Changes to Existing Line Items (Items from original bid or added in previous change order only)						
Item No.	Item Description	Current Quantity	Unit	Unit Price	Change in Quantity (+/-)	Change in Contract Price
New Items Requested (Items without a unit price in the original bid) Provide Explanation (attach separate documentation if necessary):						
Item No.	Item Description	Unit	Unit Price	Change in Quantity (+/-)	Change in Contract Price	
Change in Contract Price			Change in Contract Time			
Original Contract Price:	\$	Original Contract Time:	days			
Previous Change Order(s) No. to No.	\$	Net Change From Previous Change Orders	days			
Contract Price Prior to this Change Order	\$	Contract Time Prior to this Change Order	days			
Net Increase/Decrease of this Change Order	\$	Net Increase/Decrease of this Change Order	days			
Contract Price With all Approved Change Orders	\$	Contract Time With all Approved Change	days			
Cumulative % Change in Contract Price:	%					

Notice: * Generally, a cumulative change in the contract price in excess of 25% cannot be approved.
* Reimbursement of costs submitted in this change order are subject to approval by the Department.
See TxCDBG Project Implementation Manual Section 5.2.5.

To request approval, submit:

- ✓ *Construction Contract Change Order Approval Request (Form A505 – both pages)*
- ✓ Chief local elected official's signature on either Form A505 or a cover letter
- ✓ Any necessary supporting documentation
- ✓ Explanation of any unusual items

Change Orders (Cont.)

- **ALL** Change Orders must be submitted for review, whether or not the work will be paid with grant or matching funds, so that we have a complete record of the construction contract.
- TxCDBG recommends that the Grant Recipient submit a Change Order **prior** to fully executing it.
- If executed without TxCDBG approval, the Grant Recipient is obligated to pay for any changes that are not approved.
- Change Orders may also trigger an amendment or modification to the Performance Statement and/or Budget and should be submitted together
- Any difference in price from the Labor Standards Record (Form A706-rev) to the Certificate of Construction Completion (Form A709) must be accounted for on the Change Order.

Common Pitfalls

- Make sure that the Grant Recipient has properly executed the Determination of Exemption for Activities Listed at 24 CFR §58.34 prior to execution of engineering and grant management contracts.
 - ∞ Failure to comply could result in sanctions.
- Ensure that invitations for bids are published during two consecutive weeks in accordance with state law.
 - ∞ TDA cannot waive statutory requirements for published notices.
- Ensure that all required contract provisions and inserts are included in bid packets and contracts.
- Recordkeeping – maintain copies of bids and proposals received.

What's New

- Micro-purchases – new procurement category.
- Contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements (2 CFR §200.319(a))
- Grant Recipients must negotiate profit as separate element of price for contracts not competitively procured or for contracts greater than \$50,000 (2 CFR §200.323(b)).
- Appendix II of 2 CFR §200 provides required contract provisions (replaces 24 CFR §85.36(i)).
 - New table arranges required provisions according to contract type and cost.
- Procurement of recovered materials - For purchases greater than \$10,000 in a fiscal year, the Grant Recipients and their contractors must procure materials that contain the highest level of recovered materials practicable, while adhering to competitive bidding processes (2 CFR §200.322 and 40 CFR §247).

CHAPTER 6

Acquisition

Acquisition Laws & Rules

- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)
- 49 CFR Part 24
- HUD Handbook 1378 - Tenant Assistance, Relocation & Real Property Acquisition
- Section 104(d) of the Housing & Community Development Act

URA Purpose

- ✓ To ensure that owners of real property acquired for federal and federally assisted projects are treated fairly and consistently,
- ✓ To encourage and expedite acquisition by agreements with such owners and to minimize litigation
- ✓ To ensure that persons displaced as a direct result of federal or federally assisted projects are treated fairly, consistently and equitably

Acquisition of Real Property

- Acquisition procedures apply to any acquisition of real property for programs and projects where there is Federal financial assistance in any part of project costs.
- Applies to:
 - ✓ Parcels of private or public property acquired for the project
 - ✓ Permanent and temporary easements
 - ✓ Property leased for a period of 50 years or more

Types of Acquisition - Voluntary

Voluntary Acquisition

- No specific site is needed; other properties could be acquired.
- The property is not part of an intended, planned or designated project area where other properties will be acquired within specific time limits.
- Acquiring entity informs the owner in writing that property will not be acquired through eminent domain authority.
- Acquiring entity informs the owner in writing of the property's market value.

Types of Acquisition – Voluntary (Cont.)

Acquiring entity does not have eminent domain authority, for instance:

- Property owner is a governmental entity, such as a school district.
- Economic Development project - The acquiring entity's eminent domain authority is limited by law.

Types of Acquisition – Involuntary (Cont.)

- Acquiring entity has eminent domain authority which could potentially be invoked.
- Specific site is required for the project.
- Acquiring entity must provide the landowner with owner rights brochures:
 - When a Public Entity Acquires Your Property
 - Landowner's Bill of Rights (Required under the Texas Property Code)
- Appraisal of Property may be required.

Methods of Acquiring Property

- Donation
- Just Compensation
- Negotiated Purchase
- Condemnation
 - Proceeding with acquisition through seizure of property using eminent domain authority requires TDA authorization.

Eminent Domain

- Who has Eminent Domain authority?
 - Municipalities and Counties – conferred under the Local Government Code.
 - Water Supply Corporations and Water Districts – conferred by the Texas Water Code.
 - Political Subdivisions and various governmental entities.

Acquisition Steps - Involuntary

1. Determine parcels needed for project and submit Initial Acquisition Report (Form A600) to TDA.
 - Requires TDA approval.
 - If estimated value is \$10,000 or less, request TDA approval for waiver valuation.
2. Notify property owner of interest in property and provide owner rights brochures.
3. If an appraisal of property is required, notify owner of right to accompany the appraiser.

Acquisition Steps – Involuntary (Cont.)

4. Have property appraised, if required.
 - Appraiser must be licensed/certified by state law (Occupations Code)
 - Fee appraiser must be competitively procured according to TxCDBG policy and Professional Services Procurement Act.
5. Appraisal **must** be reviewed by a Review Appraiser.
6. Make just compensation offer based on appraisal or according to market value if waiver valuation.
 - Provide owner basis for the offer of just compensation.

Acquisition Steps – Involuntary (Cont.)

Involuntary Acquisition – (Cont.)

7. Parties may negotiate the purchase price.
 - If negotiated price exceeds just compensation amount, prepare an Administrative Settlement statement (submit to TDA).

8. Ensure environmental review is completed and that TDA has authorized use of grant funds.
 - Failure to comply with HUD regulations could result in disallowed costs.

9. Execute sale, lease, or donation agreement and record the deed with the county.

Acquisition Steps - Voluntary

Voluntary Acquisition

1. Determine parcels needed for project and submit Initial Acquisition Report (Form A600) to TDA.
 - Chief local official must certify that acquisition meets all conditions qualifying it as Voluntary per 49 CFR 24.101(b)(i)-(iv).
 - Appraisal requirement not applicable.
2. Notify owner in writing of interest in property and that eminent domain authority will not be used to acquire land.
3. Notify owner in writing of estimated market value.

Acquisition Steps – Voluntary (Cont.)

Voluntary Acquisition

4. Parties may negotiate the purchase price.
5. Ensure environmental review is completed and that TDA has authorized use of grant funds.
 - Failure to comply with HUD regulations could result in disallowed costs.
6. Execute sale, lease, or donation agreement and record the deed with the county.

Donation of Real Property

When notifying the property owner of interest in acquiring land, the Acquiring Entity may invite an owner to donate property.

- Applies to Voluntary and Involuntary procedures.
- All applicable notices are still required, including notice of just compensation value.
- Owner must waive right to an appraisal in writing.

Relocation

- Section 104(d) of the *Housing and Community Development Act of 1974* provide for relocation requirements for CDBG funded project.
- Relocation assistance may be required for displaced persons.
 - Displaced Person - Lower-income person(s) who must move as a direct result of the conversion or demolition of his/her dwelling unit for a project in which HUD funds are used.
- Procedural regulations found at 49 CFR 24 Subsection C.
- Relocation requirements generally do not apply to Voluntary Acquisition unless there are displaced tenants.

Common Pitfalls

- Do not assume that owner's willingness to donate/sell land automatically constitutes Voluntary acquisition.
 - Voluntary or Involuntary determined by potential use of eminent domain authority and whether land is site specific.
- Complete an appropriate level of environmental review and obtain TDA approval to use grant funds before finalizing agreement (see 24 CFR §58.22).
- Acquiring Entity should consult with their legal counsel to ensure compliance with federal and state policies.

Common Pitfalls – (Cont.)

- Ensure that a complete Initial Acquisition Report (Form A600) has been filed with TDA.
 - Include description and map.
 - Form must be certified by the Chief Elected Official or designee.
 - File updated report with TDA if acquisition is later necessary for the project.
- Include acquisition in the scope of activities of TxCDBG Contract Performance Statement.
- Accurately determine if Acquiring Entity has eminent domain authority.

What's New!

- Chapter has been re-organized to better explain the basic step-by-step procedures for Voluntary and Involuntary acquisition.
- The Initial Acquisition Report (Form A600) and Acquisition Report (Form A601) have been revised to better align with Voluntary and Involuntary steps.
- Sample HUD Guide forms and former TxCDBG sample acquisition documents will now be published on TDA's website.
- Compliance monitoring checklist has been revised.

CHAPTER 7

Labor Standards

Labor Standards – Basic Process

- Type of construction - Does DBRA Apply?
- Appoint a LSO
- Obtain the proper wage decision (WD):
www.wdol.gov
- Issue the Wage Rate Notice
- Include the Wage Decision in the bid documents
- Complete the 10 Day Call
- Check contractor for Eligibility (SAMs)
- Award / Execute the Contract
- Pre-Con conference
- Submit the LSR
- Review Payrolls during construction
- Submit construction Completion reports/ FWCR

Labor Standards - Exemptions

- Construction contracts of \$2,000 or less;
- Construction contracts of \$100,000 or less are exempt from CWHSSA only;
- Single-family homeowner residences (Making Davis Bacon Work-2006. (Exhibit 2))
- Rehabilitation of residential property designed for fewer than eight families; (Making Davis Bacon Work-2006. (Exhibit 2))
- Demolition and/or clearance activities (for example, debris removal), unless related to construction (demolition and clearance as independent functions are not considered construction);
- Labor/installation charges on equipment or materials purchases, if that portion of the contract is less than 20% of the total cost of the item(s) purchased.
- Construction work performed by the employees of the Grant Recipient (force account) that are engaged on an otherwise covered project; and
- Construction work performed by a public utility extending its own utility system

Construction Types

- **HIGHWAY CONSTRUCTION** -- Highway projects include the construction, alteration or repair of roads, streets, highways, runways, taxiways, alleys, trails, sidewalks, paths, parking areas, and other similar projects not incidental to building or heavy construction.
- **BUILDING CONSTRUCTION** -- Building construction generally is the construction of sheltered enclosures with walk-in access for the purpose of housing persons, machinery, equipment, or supplies. It includes all construction such as structures, residential structures greater than four(4) stories, the installation of utilities and the installation of equipment, both above and below grade level, as well as incidental grading, utilities and paving. Additionally, such structures need not be “habitable” to be building construction. The installation of heavy machinery and/or equipment does not generally change the project’s character as a building.

Construction Types

- **RESIDENTIAL CONSTRUCTION** -- Residential projects for Davis-Bacon purposes are those involving the construction, alteration, or repair of single family houses or apartment buildings of no more than four (4) stories in height. This includes all incidental items such as site work, parking areas, utilities, streets and sidewalks.
- **HEAVY CONSTRUCTION** -- Heavy projects are those projects that are not properly classified as either building, highway or residential. Unlike these classifications, heavy construction is not a consistent classification. Because of this catch-all nature, projects within the heavy classification may sometimes be distinguished on the basis of their particular project characteristics, and separate schedules issued. For example, separate schedules may be issued for dredging projects, water and sewer line projects, dams, major bridges, and flood control projects.

Labor Standards – Implementation Procedures

- Submit the LSO Appt. Form: A701
- Send in the 10 DC PRIOR TO BID OPEN: A703
- Complete the Labor Standards Record: A706
- Additional Wage Classification as needed A705
- Certificate of Construction Completion A709
- Final Wage Compliance Report A710
- SEND TO LABORS INBOX

Labor Standards – Common Pitfalls

- LSO Appt. Form – Before anything
- 10 Day Call being done AFTER bid open
- No Bid Open / RFQ Date for 10 DC
- LSR for Non DBRA No Bid Open Date / RFQ
- No 10 DC / LSR for Non open Bidding
- Bid Opening Date change between 10 DC and LSR
- Additional Wage Classification (AWC) requests – issues
- COCC and Award vs. Executed Dates
- Signatures

Common Pitfalls

- Dollar amounts on LSR/ COCC/ FWCR
- Dates for LSR/ COCC/ FWCR: Award vs. Execute
- Sub Contractor Clearance
- Employee Interviews – You have to do them
- Payrolls not submitted and not in order (use no-work week too)
- Change Orders – send them in

What's New!

- AWC Requests: Employee does not have to sign
- Multiple Wage Decisions: 20% and 2 AWC Requests
- Sub Contactors: Owners vs. Owners and their employees.
 - ✓ Owner working for themselves
 - ✓ Owner working for themselves and has employees
 - ✓ Taxes

CHAPTER 8

Force Account