Contract Purchase Agreement : 6006535

Date : 08/12/2024

To :

Company	SMITHGROUP INC
Contact	Brian Charlton
Address	500 GRISWOLD STREET SUITE 1700 DETROIT, MI 48226

From :

Company	City of Detroit
Contact	ELIZABETH JOHNSON
Address	2 WOODWARD AVENUE STE 1100 DETROIT, MI 48226 UNITED STATES
Phone	1-313-224-4616
Fax	
E-mail	

This agreement between the City of Detroit and SMITHGROUP INC is authorized for binding commitment. This agreement will be effective from **10/01/2024** to**10/01/2026**.

Chief Procurement Officer

Sandra Yu Stahl

Contract Purchase Agreement : 6006535

Date : 08/12/2024

CITY of DETROIT

Contract Agreement	**6006535**
Contract Agreement Date	**08/12/2024**
Change Order	**0**
Revision	**0**
Agreement Amount	**500,000.00 USD**

Procurement BU
City of Detroit
2 WOODWARD AVENUE
STE 1100
DETROIT, MI 48226
UNITED STATES

Supplier
SMITHGROUP INC
Brian Charlton
500 GRISWOLD STREET
SUITE 1700
DETROIT, MI 48226
+1 (734) 669-2759

Notes USD = US Dollar

Procurement Specialist	Supplier Number	Payment Terms	Freight Terms	FOB	Shipping Method
ELIZABETH JOHNSON	**2014968**	**Net 30**	**None**	**None**	**As Arranged**

Phone
1-313-224-4616

Start Date	End Date
10/01/2024	**10/01/2026**

Terms and Conditions :

Please see below for general conditions.

Special Terms :

Contract Purchase Agreement : 6006535
Date : 08/12/2024

TERMS AND CONDITIONS

Last Updated August 26, 2022

Acceptance of this Purchase Order constitutes acceptance of the City of Detroit's Non-Technology General Terms and Conditions or Technology General Terms and Conditions, as applicable. The applicable general terms and conditions are located on the City's website at the URL below:
https://detroitmi.gov/departments/office-chief-financial-officer/ocfo-divisions/office-contracting-and-procurement/city-general-terms-and-conditions

Contract Terms and Conditions

Contract Signatures

PROFESSIONAL SERVICES CONTRACT

BETWEEN

CITY OF DETROIT, MICHIGAN

AND

SMITHGROUP, INC.

CONTRACT NO. 6006535

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CITY OF DETROIT
PROFESSIONAL SERVICES CONTRACT

This Professional Services Contract (“Contract”) is entered into by and between the City of Detroit, a Michigan municipal corporation, acting by and through its Planning and Development Department ("City"), and SmithGroup, Inc., a Michigan Domestic Profit Corporation, with its principal place of business located at 500 Griswold, Suite 1700, Detroit, Michigan 48226 ("Contractor").

Recitals:

Whereas, the City desires to engage the Contractor to render certain technical or professional services ("Services") as set forth in this Contract; and

Whereas, the Contractor desires to perform the Services as set forth in this Contract; and
Accordingly, the parties agree as follows:

Article 1: Definitions

1.01 The following words and expressions or pronouns used in their stead shall be construed as follows:

"Additional Services" shall mean any services in addition to the services set forth in Exhibit A that are related to fulfilling the objectives of this Contract and are agreed upon by the parties by written Amendment.

"Amendment" shall mean modifications or changes in this Contract that have been mutually agreed upon by the City and the Contractor in writing and approved by the City Council.

“Associates" shall mean the personnel, employees, consultants, subcontractors, agents, and parent company of the Contractor or of any Subcontractor, now existing or subsequently created, and their agents and employees, and any entities associated, affiliated, or subsidiary to the Contractor or to any subcontractor, now existing or subsequently created, and their agents and employees.
"City" shall mean the City of Detroit, a municipal corporation, acting through the office or department named in the Contract as contracting for the Services on behalf of the City.

"City Council" shall mean the legislative body of the City of Detroit.

"Contract" shall mean each of the various provisions and parts of this document, including all attached Exhibits and all Amendments, as executed and approved by the appropriate City departments or offices and by the City Council.

"Contractor" shall mean the party that contracts with the City by way of this Contract, whether an individual, sole proprietorship, partnership, corporation, or other form of business organization, and its heirs, successors, personnel, agents, employees, representatives, executors, administrators and assigns.

"Exhibit A" is the Scope of Services for this Contract and sets forth all pertinent data relating to performance of the Services.

"Exhibit B" is the Fee Schedule for this Contract and sets forth the amount of compensation to be paid to the Contractor, including any Reimbursable Expenses, and any applicable hourly rate information.

"Exhibit C" is the Contractor's Statement of Political Contributions and Expenditures.

"Exhibit D" are the Federal Requirements related to U. S. Department of Housing and Urban Development, Community Development Block Grant, Disaster Recovery funding.

"Public Servant" means the Mayor, members of City Council, City Clerk, appointive officers, any member of a board, commission or other voting body established by either branch of City government or the City Charter, and any appointee, employee or individual who provides services to the City within or outside of its offices or facilities pursuant to a personal services con-
tract."

"Records" shall mean all books, ledgers, journals, accounts, documents, and other collected data in which information is kept regarding the performance of this Contract.

"Reimbursable Expenses" shall mean only those costs incurred by the Contractor in the performance of the Services, such as travel costs and document reproduction costs that are identified in Exhibit B as reimbursable.

"Services" shall mean all work that is expressly set forth in Exhibit A, the Scope of Services, and all work expressly or impliedly required to be performed by the Contractor in order to achieve the objectives of this Contract.

"Subcontractor" shall mean any person, firm or corporation, other than employees of the Contractor, that contracts with the Contractor, directly or indirectly, to perform in part or assist the Contractor in achieving the objectives of this Contract.

"Technology" shall mean any and all computer-related components and systems, including but not limited to computer software, computer code, computer programs, computer hardware, embedded integrated cir-cuits, computer memory and data storage systems, whether in the form of read-only memory chips, ran-dom access memory chips, CD-ROMs, floppy disks, magnetic tape, or some other form, and the data re-tained or stored in said computer memory and data storage systems.

"Unauthorized Acts" shall mean any acts by a City employee, agent or representative that are not set forth in this Contract and have not been approved by City Council as part of this Contract.

"Work Product" shall mean the originals, or copies when originals are unavailable, of all materials prepared by the Contractor under this Contract or in anticipation of this Contract, including but not limited to Technology, data, studies, briefs, drawings, maps, models, photographs, files, records, computer printouts, estimates, memoranda, computations, papers, supplies, notes, recordings, and videotapes,

whether such materials are reduced to writing, magnetically or optically stored, or kept in some other form.

Article 2: Engagement of Contractor

2.01 By this Contract, the City engages the Contractor and the Contractor hereby agrees to faithfully and diligently perform the Services set forth in Exhibit A, in accordance with the terms and conditions contained in this Contract.

2.02 The Contractor shall perform in a satisfactory manner as shall be determined within the sole and reasonable discretion of the City. In the event that there shall be any dispute between the parties with regard to the extent, character and progress of the Services to be performed or the quality of performance under this Contract, the interpretation and determination of the City shall govern.

2.03 The Contractor shall confer as necessary and cooperate with the City in order that the Services may proceed in an efficient and satisfactory manner. The Services are deemed to include all conferences, consultations and public hearings or appearances deemed necessary by the City to ensure that the Contractor will be able to properly and fully perform the objectives as set forth in this Contract.

2.04 All Services are subject to review and approval of the City for completeness and fulfillment of the requirements of this Contract. Neither the City's review, approval nor payment for any of the Services shall be construed to operate as a waiver of any rights under this Contract, and the Contractor shall be and will remain liable in accordance with applicable law for all damages to the City caused by the Contrac-tor's negligent performance or nonperformance of any of the Services furnished under this Contract.

2.05 The Services shall be performed as set forth in Exhibit A, or at such other locations as are deemed appropriate by the City and the Contractor for the proper performance of the Services.

2.06 The City and the Contractor expressly acknowledge their mutual understanding and agreement that there are no third party beneficiaries to this Contract and that this Contract shall not be construed to benefit any persons other than the City and the Contractor.

2.07 It is understood that this Contract is not an exclusive services contract, that during the term of this Contract the City may contract with other firms, and that the Contractor is free to render the same or similar services to other clients, provided the rendering of such services does not affect the Contractor’s obligations to the City in any way.

Article 3: Contractor's Representations and Warranties

3.01 To induce the City to enter into this Contract, the Contractor represents and warrants that the Contractor is authorized to do business under the laws of the State of Michigan and is duly qualified to perform the Services as set forth in this Contract, and that the execution of this Contract is within the Contractor's authorized powers and is not in contravention of federal, state or local law.

3.02 The Contractor makes the following representations and warranties as to any Technology it may provide under this Contract:

a) That all Technology provided to the City under this Contact shall perform according to the specifications and representations set forth in Exhibit A and according to any other specifications and repre-sentations, including any manuals, provided by the Contractor to the City;

b) That the Contractor shall correct all errors in the Technology provided under this Contract so that such technology will perform according to Contractor's published specifications;

c) That the Contractor has the full right and power to grant the City a license to use the Technology provided pursuant to this Contract;

d) That any Technology provided by Contractor under this Contract is free of any software, programs or routines, commonly known as "disabling code," that are designed to cause such Technology to be destroyed, damaged, or otherwise made inoperable in the course of the use of the Technology;

e) That any Technology containing computer code and provided under this Contract is free of any known or reasonably discoverable computer program, code or set of instructions, commonly known as a "computer virus," that is not designed to be a part of the Work Product and that, when inserted into the computer's memory: (i) duplicates all or part of itself without specific user instructions to do so, or (ii) erases, alters or renders unusable any Technology with or without specific user instructions to do so, or (iii) that provide unauthorized access to the Technology and

3.03 That all Technology shall be delivered new and in original manufacturer's packaging and shall be fully warranted for repair or replacement during the term of this Contract as amended or extended.

3.04 That any Technology that it is provided to the City shall:

a) Accurately recognize and process all time and date data including, but not limited to, daylight savings time and leap year data, and

b) Use accurate same-century, multi-century, and similar date value formulas in its calculations, and use date data interface values that accurately reflect the correct time, date and century.

Article 4: Contract Effective Date and Time of Performance

4.01 This Contract shall be approved by the required City departments, approved by the City Council, and signed by the City's Chief Procurement Officer. The effective date of this Contract shall be the date upon which the Contract has been authorized by resolution of the City Council. The term of this Contract shall terminate on «Original_Expiraton_Date».

4.02 Prior to the approvals set forth in Section 4.01, the Contractor shall have no authority to begin work on this Contract. The Chief Procurement Officer shall not authorize any payments to the Contractor, nor shall the

City incur any liability to pay for any services rendered or to reimburse the Contractor for any expenditure, prior to such award and approvals.

4.03 The City and the Contractor agree that the commencement and duration of the Contractor's performance under this Contract shall be determined as set forth in Exhibit A.

Article 5: Data To Be Furnished Contractor

5.01 Copies of all information, reports, records, and data as are existing, available, and deemed necessary by the City for the performance of the Services shall be furnished to the Contractor upon the Contractor's request. With the prior approval of the City, the Contractor will be permitted access to City offices during regular business hours to obtain any necessary data. In addition, the City will schedule appropriate con-ferences at convenient times with administrative personnel of the City for the purpose of gathering such data.

Article 6: Contractor Personnel and Contract Administration

6.01 The Contractor represents that, at its own expense, it has obtained or will obtain all personnel and equipment required to perform the Services. It warrants that all such personnel are qualified and possess the requisite licenses or other such legal qualifications to perform the services assigned. If requested, the Contractor shall supply a résumé of the managerial staff or consultants it proposes to assign to this Con-tract, as well as a dossier on the Contractor's professional activities and major undertakings.

6.02 The City may interview the Contractor's managerial staff and other employees assigned to this Contract. The Contractor shall not use any managerial staff or other employees to whom the City objects and shall replace in an expedient manner those rejected by the City. The Contractor shall not replace any of the personnel working on this Contract with new personnel without the prior written consent of the City.

6.03 When the City deems it reasonable to do so, it may assign qualified City employees or others to work with the Contractor to complete the Services. Nevertheless, it is expressly understood and agreed by the parties that the Contractor shall remain ultimately responsible for the proper completion of the Services.

6.04 The relationship of the Contractor to the City is and shall continue to be that of an independent contractor and no liability or benefits, such as workers' compensation, pension rights or liabilities, insurance rights or liabilities, or other rights or liabilities arising out of or related to a contract for hire or employer/employee relationship shall arise or accrue to either party or either party's agent, Subcontractor or em-ployee as a result of the performance of this Contract. No relationship other than that of independent contractor shall be implied between the parties or between either party’s agents, employees or Subcontractors. The Contractor agrees to indemnify, defend, and hold the City harmless against any claim based in whole or in part on an allegation that the Contractor or any of its Associates qualify as employees of the City, and any related costs or expenses, including but not limited to legal fees and defense costs.

6.05 The Contractor warrants and represents that all persons assigned to the performance of this Contract shall be regular employees or independent contractors of the Contractor, unless otherwise authorized by the

City. The Contractor's employees' daily working hours while working in or about a City of Detroit facility shall be the same as those worked by City employees working in the facility, unless otherwise directed by the City.

6.06 The Contractor shall comply with and shall require its Associates to comply with all security regulations and procedures in effect on the City's premises.

Article 7: Compensation

7.01 Compensation for Services provided shall not exceed the amount of Five Hundred Thousand and 00/100 Dollars ($500,000.00), inclusive of expenses, and will be paid in the manner set forth in Exhibit B. Unless this Contract is amended pursuant to Article 18, this amount shall be the entire compensation to which the Contractor is entitled for the performance of Services under this Contract.

7.02 Payment for Services provided under this Contract is governed by the terms of Ordinance No. 42-98, entitled "Prompt Payment of Vendors," being Sections 17-5-281 through 17-5-288 of the 2019 Detroit City Code.

The City employee responsible for accepting performance under this Contract is:

Julie Connochie, Senior Planner
Planning and Development Department
2 Woodward Avenue, Suite 808
Detroit, Michigan 48226
Telephone: (313) 628-2211
Email: julie.connochie@detroitmi.gov

The City employee from whom payment should be requested is:

Office of Departmental Financial Services
Eunice Braxton Williams, Agency Chief Financial Officer
Neighborhood, Community & Economic Development Division
2 Woodward Avenue, Suite 1006
Detroit, Michigan 48226
Telephone: (313) 224-1905
Email: williamseu@detroitmi.gov

Article 8: Maintenance and Audit of Records

8.01 The Contractor shall maintain full and complete Records reflecting all of its operations related to this Contract. The Records shall be kept in accordance with generally accepted accounting principles and maintained for a minimum of three (3) years after the Contract completion date.

8.02 The City and any government-grantor agency providing funding under this Contract shall have the right at any time without notice to examine and audit all Records and other supporting data of the Contractor as the City or any agency deems necessary.

a) The Contractor shall make all Records available for examination during normal business hours at its Detroit offices, if any, or alternatively at its facility nearest Detroit. The City and any government-grantor agency providing funds for the Contract shall have this right of inspection. The Contractor shall provide copies of all Records to the City or to any such government-grantor agency upon request.

b) If in the course of such inspection the representative of the City or of another government-grantor agency should note any deficiencies in the performance of the Contractor's agreed upon performance or record-keeping practices, such deficiencies will be reported to the Contractor in writing. The Contractor agrees to promptly remedy and correct any such reported deficiencies within ten (10) days of notification.

c) Any costs disallowed as a result of an audit of the Records shall be repaid to the City by the Contractor within thirty (30) days of notification or may be set off by the City against any funds due and ow-ing the Contractor, provided, however, that the Contractor shall remain liable for any disallowed costs exceeding the amount of the setoff.

d) Each party shall pay its own audit costs. However, if the dollar amount of the total disallowed costs, if any, exceeds three percent (3%) of the dollar amount of this Contract, the Contractor shall pay the City's audit costs.

e) Nothing contained in this Contract shall be construed or permitted to operate as any restriction upon the powers granted to the Auditor General by the City Charter, including but not limited to the powers to audit all accounts chargeable against the City and to settle disputed claims.

8.03 The Contractor agrees to include the covenants contained in Sections 8.01 and 8.02 in any contract it has with any Subcontractor, consultant or agent whose services will be charged directly or indirectly to the City for Services performed pursuant to this Contract.

Article 9: Indemnity

9.01 The Contractor agrees to indemnify, defend, and hold the City harmless against and from any and all liabilities, obligations, damages, penalties, claims, costs, charges, losses and expenses (including, without limitation, fees and expenses for attorneys, expert witnesses and other consultants) that may be imposed upon, incurred by, or asserted against the City or its departments, officers, employees, or agents by reason of any of the following occurring during the term of this Contract:

a) Any negligent or tortious act, error, or omission attributable in whole or in part to the Contractor or any of its Associates; and

b) Any failure by the Contractor or any of its Associates to perform their obligations, either express or implied, under this Contract; and

c) Any and all injury to the person or property of an employee of the City where such injury arises out of the Contractor's or any of its Associates performance of this Contract.

9.02 The Contractor shall examine all places where it will perform the Services in order to determine whether such places are safe for the performance of the Services. The Contractor undertakes and assumes all risk of dangerous conditions when not performing Services inside City offices. The Contractor also agrees to waive and release any claim or liability against the City for personal injury or property damage sustained by it or its Associates while performing under this Contract on premises that are not owned by the City.

9.03 In the event any action shall be brought against the City by reason of any claim covered under this Article 9, the Contractor, upon notice from the City, shall at its sole cost and expense defend the same.

9.04 The Contractor agrees that it is the Contractor's responsibility and not the responsibility of the City to safeguard the property that the Contractor or its Associates use while performing this Contract. Further, the Contractor agrees to hold the City harmless for any loss of such property used by any such person pursuant to the Contractor's performance under this Contract.

9.05 The indemnification obligation under this Article 9 shall not be limited by any limitation on the amount or type of damages, compensation, or benefits payable under workers' compensation acts or other employee benefit acts.

9.06 The Contractor agrees that this Article 9 shall apply to all claims, whether litigated or not, that may occur or arise between the Contractor or its Associates and the City and agrees to indemnify, defend and hold the City harmless against any such claims.

Article 10: Insurance

10.01 During the term of this Contract, the Contractor shall maintain the following insurance, at a minimum and at its expense:

TYPE	AMOUNT NOT LESS THAN
a. Workers' Compensation	Michigan Statutory minimum
b. Employers' Liability	$500,000.00 minimum each disease $500,000.00 minimum each person $500,000.00 minimum each accident
c. Commercial General Liability Insurance (Broad Form Comprehensive)	$1,000,000.00 each occurrence $2,000,000.00 aggregate

d. Automobile Liability Insurance (covering all owned, hired and non-owned vehicles with personal and property protection insurance, including residual liability insurance under Michigan no fault insurance law)	$1,000,000.00 combined single limit for bodily injury and property damage

10.02 The commercial general liability insurance policy shall include an endorsement naming the "City of Detroit" as an additional insured. The additional insured endorsement shall provide coverage to the additional insured with respect to liability arising out of the named insured's ongoing work or operations performed for the additional insured under the terms of this Contract. The commercial general liability policy shall state that the Contractor's insurance is primary and not excess over any insurance already carried by the City of Detroit and shall provide blanket contractual liability insurance for all written contracts.

10.03 Each such policy shall contain the following cross-liability wording: "In the event of a claim being made hereunder by one insured for which another insured is or may be liable, then this policy shall cover such insured against whom a claim is or may be made in the same manner as if separate policies had been issued to each insured hereunder."

10.04 All insurance required by this Contract shall be written on an occurrence-based policy form, if the same is commercially available.

10.05 The Commercial General Liability policy shall be endorsed to have the general aggregate apply to the Services provided under this Contract only.

10.06 If during the term of this Contract changed conditions or other pertinent factors should, in the reasonable judgment of the City, render inadequate the insurance limits, the Contractor shall furnish on demand such additional coverage or types of coverage as may reasonably be required under the circumstances. All such insurance shall be effected at the Contractor's expense, under valid and enforceable policies, issued by insurers licensed to conduct business in Michigan and are otherwise acceptable to the City.

10.07 All insurance policies shall name the Contractor as the insured. Certificates of insurance evidencing the coverage required by this Article 10 shall, in a form acceptable to the City, be submitted to the City prior to the commencement of the Services and at least fifteen (15) days prior to the expiration dates of expiring policies. In the event the Contractor receives notice of policy cancellation, the Contractor shall immediately notify the City in writing.

10.08 If any work is subcontracted in connection with this Contract, the Contractor shall require each Subcontractor to effect and maintain the types and limits of insurance set forth in this Article 10 and shall require documentation of same, copies of which documentation shall be promptly furnished the City.

10.09 The Contractor shall be responsible for payment of all deductibles contained in any insurance required under this Contract. The provisions requiring the Contractor to carry the insurance required under this Article 10 shall not be construed in any manner as waiving or restricting the liability of the Contractor under this Contract.

Article 11: Default and Termination

11.01 This Contract shall remain in full force and effect until the end of its term unless otherwise terminated for cause or convenience according to the provisions of this Article 11.

11.02 The City reserves the right to terminate this Contract for cause. Cause is an event of default.

a) An event of default shall occur if there is a material breach of this Contract, and shall include the following:

1) The Contractor fails to begin work in accordance with the terms of this Contract; or

2) The Contractor, in the judgment of the City, is unnecessarily, unreasonably, or willfully delaying the performance and completion of the Work Product or Services; or

3) The Contractor ceases to perform under the Contract; or

4) The City is of the opinion that the Services cannot be completed within the time provided and that the delay is attributable to conditions within the Contractor's control; or

5) The Contractor, without just cause, reduces its work force on this Contract to a number that would be insufficient, in the judgment of the City, to complete the Services within a reasonable time, and the Contractor fails to sufficiently increase such work force when directed to do so by the City; or

6) The Contractor assigns, transfers, conveys or otherwise disposes of this Contract in whole or in part without prior approval of the City; or

7) Any City officer or employee acquires an interest in this Contract so as to create a conflict of interest; or

8) The Contractor violates any of the provisions of this Contract, or disregards applicable laws, ordinances, permits, licenses, instructions or orders of the City; or

9) The performance of the Contract, in the sole judgment of the City, is substandard, unprofessional, or faulty and not adequate to the demands of the task to be performed; or

10) The Contractor fails in any of the agreements set forth in this Contract; or

11) The Contractor ceases to conduct business in the normal course; or

12) The Contractor admits its inability to pay its debts generally as they become due.

b) If the City finds an event of default has occurred, the City may issue a Notice of Termination for Cause setting forth the grounds for terminating the Contract. Upon receiving a Notice of Termination for Cause, the Contractor shall have ten (10) calendar days within which to cure such default. If the default is cured within said ten (10) day period, the right of termination for such default shall cease. If the default is not cured to the satisfaction of the City, this Contract shall terminate on the tenth calendar day after the Contractor's receipt of the Notice of Termination for Cause, unless the City, in writing, gives the Contractor additional time to cure the default. If the default is not cured to the satisfaction of the City within the additional time allowed for cure, this Contract shall terminate for cause at the end of the extended cure period.

c) If, after issuing a Notice of Termination for Cause, the City determines that the Contractor was not in default, the rights and obligations of the parties shall be the same as if the Notice of Termination had been issued as a Notice of Termination for Convenience. Alternatively, in the City's discretion, the Notice of Termination for Cause may be withdrawn and the Contract, if terminated, may be reinstated.

d) The Contractor shall be liable to the City for any damages it sustains by virtue of the Contractor's breach or any reasonable costs the City might incur in enforcing or attempting to enforce this Contract. Such costs shall include reasonable fees and expenses for attorneys, expert witnesses and other consultants. However, if the Contractor makes a written offer prior to the initiation of litigation or arbitration, then the City shall not be entitled to such attorney fees unless the City declines the offer and obtains a verdict or judgment for an amount more than ten percent (10%) above the amount of the Contractor's last written offer prior to the initiation of litigation or arbitration. The City may withhold any payment(s) to the Contractor, in an amount not to exceed the amount claimed in good faith by the City to represent its damages, for the purpose of setoff until such time as the exact amount of damages due to the City from the Contractor is determined. It is expressly understood that the Contractor shall remain liable for any damages the City sustains in excess of any setoff.

e) The City's remedies outlined in this Article 11 shall be in addition to any and all other legal or equitable remedies permissible.

11.03 The City shall have the right to terminate this Contract at any time at its convenience by giving the Contractor five (5) business days written Notice of Termination for Convenience. As of the effective date of the termination, the City will be obligated to pay the Contractor the following: (a) the fees or commis-sions for Services completed and accepted in accordance with Exhibit A in the amounts provided for in Exhibit B; (b) the fees for Services performed but not completed prior to the date of termination in ac-cordance with Exhibit A in the amounts set forth in the Contractor's rate schedule as provided in Exhib-it B; and (c) the Contractor's costs and expenses incurred prior to the date of the termination for items that are identified in Exhibit B. The amount due to the Contractor shall be reduced by payments already paid

to the Contractor by the City. In no event shall the City pay the Contractor more than maximum price, if one is stated, of this Contract.

11.04 After receiving a Notice of Termination for Cause or Convenience, and except as otherwise directed by the City, the Contractor shall:

a) Stop work under the Contract on the date and to the extent specified in the Notice of Termination;

b) Obligate no additional Contract funds for payroll costs and other costs beyond such date as the City shall specify, and place no further orders on subcontracts for material, services, or facilities, except as may be necessary for completion of such portion of the Services under this Contract as is not terminated;

c) Terminate all orders and subcontracts to the extent that they relate to the portion of the Services terminated pursuant to the Notice of Termination;

d) Preserve all Records and submit to the City such Records and reports as the City shall specify, and furnish to the City an inventory of all furnishings, equipment, and other property purchased for the Contract, if any, and carry out such directives as the City may issue concerning the safeguarding or disposition of files and property; and

e) Submit within thirty (30) days a final report of receipts and expenditures of funds relating to this Con-tract, and a list of all creditors, Subcontractors, lessors and other parties, if any, to whom the Contrac-tor has become financially obligated pursuant to this Contract.

11.05 After termination of the Contract, each party shall have the duty to assist the other party in the orderly termination of this Contract and the transfer of all rights and duties arising under the Contract, as may be necessary for the orderly, un-disrupted continuation of the business of each party.

Article 12: Assignment

12.01 The Contractor shall not assign, transfer, convey or otherwise dispose of any interest whatsoever in this Contract without the prior written consent of the City; however, claims for money due or to become due to the Contractor may be assigned to a financial institution without such approval. Notice of any assign-ment to a financial institution or transfer of such claims of money due or to become due shall be furnished promptly to the City. If the Contractor assigns all or any part of any monies due or to become due under this Contract, the instrument of assignment shall contain a clause stating that the right of the assignee to any monies due or to become due shall be subject to prior liens of all persons, firms, and corporations for Services rendered or materials supplied for the performance of the Services called for in this Contract.

Article 13: Subcontracting

13.01 None of the Services covered by this Contract shall be subcontracted without the prior written approval of the City and, if required, any grantor agency. The City reserves the right to withhold approval of subcon-tracting such portions of the Services where the City determines that such subcontracting is not in the City's best interests.

13.02 Each subcontract entered into shall provide that the provisions of this Contract shall apply to the Subcontractor and its Associates in all respects. The Contractor agrees to bind each Subcontractor and each Sub-contractor shall agree to be bound by the terms of the Contract insofar as applicable to the work or ser-vices performed by that Subcontractor.

13.03 The Contractor and the Subcontractor jointly and severally agree that no approval by the City of any proposed Subcontractor, nor any subcontract, nor anything in the Contract, shall create or be deemed to cre-ate any rights in favor of a Subcontractor and against the City, nor shall it be deemed or construed to im-pose upon the City any obligation, liability or duty to a Subcontractor, or to create any contractual relation whatsoever between a Subcontractor and the City.

13.04 The provisions contained in this Article 13 shall apply to subcontracting by a Subcontractor of any portion of the work or services included in an approved subcontract.

13.05 The Contractor agrees to indemnify, defend, and hold the City harmless against any claims initiated against the City pursuant to any subcontracts the Contractor enters into in performance of this Contract. The City's approval of any Subcontractor shall not relieve the Contractor of any of its responsibilities, duties and liabilities under this Contract. The Contractor shall be solely responsible to the City for the acts or defaults of its Subcontractors and of each Subcontractor's Associates, each of whom shall for this pur-pose be deemed to be the agent or employee of the Contractor.

Article 14: Conflict of Interest

14.01 The Contractor covenants that it presently has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of the Services under this Contract. The Contractor further covenants that in the performance of this Contract no person having any such interest shall be employed by it.

14.02 The Contractor further covenants that no officer, agent, or employee of the City and no other public official who exercises any functions or responsibilities in the review or approval of the undertaking or performance of this Contract has any personal or financial interest, direct or indirect, in this Contract or in its proceeds, whether such interest arises by way of a corporate entity, partnership, or otherwise.

14.03 The Contractor warrants (a) that it has not employed and will not employ any person to solicit or secure this Contract upon any agreement or arrangement for payment of a commission, percentage, brokerage fee, or contingent fee, other than bona fide employees working solely for the Contractor either directly or indirectly, and (b) that if this warranty is breached, the City may, at its option, terminate this Contract

without penalty, liability or obligation, or may, at its option, deduct from any amounts owed to the Con-tractor under this Contract any portion of any such commission, percentage, brokerage, or contingent fee.

14.04 The Contractor covenants not to employ an employee of the City for a period of one (1) year after the date of termination of this Contract without written City approval.

14.05 The Contractor shall promptly identify and inform the City in writing of any potential conflict of interest (as set forth in Sections 14.01 through 14.04 above) or any relationship or actions that might give the ap-pearance that a conflict of interest (as set forth in Sections 14.01 through 14.04 above) exists, or that a situation exists that could reasonably be viewed as affecting the Contractor's objectivity in performing work under this contract, including the performance of administrative or other duties to related organizations.

14.06 The Contractor shall provide a statement listing all political contributions and expenditures ("Statement of Political Contributions and Expenditures"), as defined by the Michigan Campaign Finance Act, MCL 169.201, et seq., made by the Contractor, its affiliates, subsidiaries, principals, officers, owners, directors, agents or assigns, to elective City officials within the previous four (4) years. Individuals shall also list any contributions or expenditures from their spouses.

14.07 The Contractor's Statement of Political Contributions and Expenditures shall be attached to this Contract as "Exhibit C" and made a part hereof. **This Contract is not valid unless and until the Statement of Political Contributions and Expenditures is provided.**

14.08 The Statement of Political Contributions and Expenditures shall be filed by the Contractor on an annual basis for the duration of the Contract, shall be current up to and including the date of its filing, and shall also be filed with all contract renewals and change orders, if any.

Article 15: Confidential Information

15.01 In order that the Contractor may effectively fulfill its covenants and obligations under this Contract, it may be necessary or desirable for the City to disclose confidential and proprietary information to the Contractor or its Associates pertaining to the City's past, present and future activities. Since it is difficult to separate confidential and proprietary information from that which is not, the Contractor shall regard, and shall instruct its Associates to regard, all information gained as confidential and such information shall not be disclosed to any organization or individual without the prior consent of the City. The above obli-gation shall not apply to information already in the public domain or information required to be disclosed by a court order.

15.02 The Contractor agrees to take appropriate action with respect to its Associates to ensure that the foregoing obligations of non-use and non-disclosure of confidential information shall be fully satisfied.

Article 16: Compliance with Laws

16.01 The Contractor shall comply with and shall require its Associates to comply with all applicable federal, state and local laws.

16.02 The Contractor shall hold the City harmless with respect to any damages arising from any violation of law by it or its Associates. The Contractor shall commit no trespass on any public or private property in performing any of the Services encompassed by this Contract. The Contractor shall require as part of any subcontract that the Subcontractor comply with all applicable laws and regulations.

Article 17: Office of Inspector General

17.01. In accordance with Section 2-106.6 of the City Charter, this Contract shall be voidable or rescindable at the discretion of the Mayor or Inspector General at any time if a Public Servant who is a party to the Contract has an interest in the Contract and fails to disclose such interest.

17.02. This Contract shall also be voidable or rescindable if a lobbyist or employee of the contracting party offers a prohibited gift, gratuity, honoraria or payment to a Public Servant in relation to the Contract.

17.03. A fine shall be assessed to the Contractor in the event of a violation of Section 2-106.6 of the City Chapter. If applicable, the actions of the Contractor, and its representative lobbyist or employee, shall be referred to the appropriate prosecuting authorities.

17.04. Pursuant to Section 7.5-306 of the City Charter, the Inspector General shall investigate any Public Servant, City agency, program or official act, contractor and subcontractor providing goods and services to the City, business entity seeking contracts or certification of eligibility for City contracts and person seeking certification of eligibility for participation in any City program, either in response to a complaint or on the Inspector General's own initiative in order to detect and prevent waste, abuse, fraud and corruption.

17.05. In accordance with Section 7.5-310 of the City Charter, it shall be the duty of every Public Servant, contractor, subcontractor, and licensee of the City, and every applicant for certification of eligibility for a City contract or program, to cooperate with the Inspector General in any investigation pursuant to Article 7.5, Chapter 3 of the City Charter.

17.06. Any Public Servant who willfully and without justification or excuse obstructs an investigation of the Inspector General by withholding documents or testimony, is subject to forfeiture of office, discipline, debarment or any other applicable penalty.

17.07. As set forth in Section 7.5-308 of the City Charter, the Inspector General has a duty to report illegal acts. If the Inspector General has probable cause to believe that any Public Servant or any person doing or seeking to do business with the City has committed or is committing an illegal act, then the Inspector General shall promptly refer the matter to the appropriate prosecuting authorities.

17.08. In accordance with Section 17-5-351(a) of the Detroit City Code, the City shall solicit offers from, award contracts to, consent to subcontracts with, or otherwise to conduct business with, responsible contractors only. To effectuate this policy, the debarment of contractors and subcontractors from current and/or future City work may be undertaken.

17.09. Therefore, it will be the responsibility of all Contractors to check the list of debarred contractors in the City's website and confirm that neither the Contractor nor the subcontracting company is listed on the City's debarment list and they will not be using the debarred (sub) contractor(s) to conduct any City business.

17.10 In accordance with Section 17-5-352 (c) of the Detroit City Code, the Contractor shall report to the Office of Inspector General any improper, unethical or illegal activity or requests made by elected officers of the City, including those acting on their behalf, or any Public Servant in connection with this Contract.

Article 18: Amendments

18.01 The City may consider it in its best interest to change, modify or extend a covenant, term or condition of this Contract or require the Contractor to perform Additional Services that are not contained within the Scope of Services as set forth in Exhibit A. Any such change, addition, deletion, extension or modification of Services may require that the compensation paid to the Contractor by the City be proportionately adjusted, either increased or decreased, to reflect such modification. If the City and the Contractor mutually agree to any changes or modification of this Contract, the modification shall be incorporated into this Contract by written Amendment.

18.02 Compensation shall not be modified unless there is a corresponding modification in the Services sufficient to justify such an adjustment. If there is any dispute as to compensation, the Contractor shall con-tinue to perform the Services under this Contract until the dispute is resolved.

18.03 No Amendment to this Contract shall be effective and binding upon the parties unless it expressly makes reference to this Contract, is in writing, is signed and acknowledged by duly authorized representatives of both parties, is approved by the appropriate City departments and the City Council, and is signed by the Chief Procurement Officer.

18.04 The City shall not be bound by Unauthorized Acts of its employees, agents, or representatives with regard to any dealings with the Contractor and any of its Associates.

Article 19: Fair Employment Practices

19.01 The Contractor shall comply with, and shall require any Subcontractor to comply with, all federal, state and local laws governing fair employment practices and equal employment opportunities.

19.02 The Contractor agrees that it shall, at the point in time it solicits any subcontract, notify the potential Subcontractor of their joint obligations relative to non-discrimination under this Contract, and shall include

the provisions of this Article 19 in any subcontract, as well as provide the City a copy of any subcontract upon request.

19.03 Breach of the terms and conditions of this Article 19 shall constitute a material breach of this Contract and may be governed by the provisions of Article 11, "Default and Termination."

Article 20: Notices

20.01 All notices, consents, approvals, requests and other communications ("Notices") required or permitted under this Contract shall be given in writing, mailed by postage prepaid, certified or registered first-class mail, return receipt requested, and addressed as follows:

If to the Planning and Development Department on behalf of the City:
City of Detroit
Planning and Development Department
2 Woodward Avenue, Suite 808
Detroit, MI 48226
Attention: Mr. Antoine Bryant, Director, Group Executive of Planning, Housing & Development

If to the Contractor:
SmithGroup, Inc.
500 Griswold Street, Suite 1700
Detroit, Michigan 48226
Attention: Ms. Emily McKinnon, Vice President

20.02 All Notices shall be deemed given on the day of mailing. Either party to this Contract may change its address for the receipt of Notices at any time by giving notice of the address change to the other party. Any Notice given by a party to this Contract must be signed by an authorized representative of such party.

20.03 The Contractor agrees that service of process at the address and in the manner specified in this Article 20 shall be sufficient to put the Contractor on notice of such action and waives any and all claims relative to such notice.

Article 21: Proprietary Rights and Indemnity

21.01 The Contractor shall not relinquish any proprietary rights in its intellectual property (copyright, patent, and trademark), trade secrets or confidential information as a result of the Services provided under this Contract. Any Work Product provided to the City under this Contract shall not include the Contractor's proprietary rights, except to the extent licensed to the City.

21.02 The City shall not relinquish any of its proprietary rights, including, but not limited to, its data, privileged or confidential information, or methods and procedures, as a result of the Services provided under this Contract.

21.03 The parties acknowledge that should the performance of this Contract result in the development of new proprietary and secret concepts, methods, techniques, processes, adaptations, discoveries, improvements and ideas ("Discoveries"), and to the extent said Discoveries do not include modifications, enhancements, configurations, translations, derivative works, and interfaces from the Contractor's intellectual property, trade secrets or confidential information, said Discoveries shall be deemed "Work(s) for Hire" and shall be promptly reported to the City and shall belong solely and exclusively to the City without regard to their origin, and the Contractor shall not, other than in the performance of this Contract, make use of or disclose said Discoveries to anyone. At the City's request, the Contractor shall execute all docu-ments and papers and shall furnish all reasonable assistance requested in order to establish in the City all right, title and interest in said Discoveries or to enable the City to apply for United States patents or copyrights for said Discoveries, if the City elects to do so.

21.04 Any Work Product provided by the Contractor to the City under this Contract shall not be disclosed, published, copyrighted or patented, in whole or in part, by the Contractor. The right to the copyright or patent in such Work Product shall rest exclusively in the City. Further, the City shall have unrestricted and exclusive authority to publish, disclose, distribute and otherwise use, in whole or in part, any of the Work Product. If Work Product is prepared for publication, it shall carry the following notation on the front cover or title page: "This document was prepared for, and is the exclusive property of, the City of Detroit, Michigan, a municipal corporation."

21.05 The Contractor warrants that the performance of this Contract shall not infringe upon or violate any patent, copyright, trademark, trade secret or proprietary right of any third party. In the event of any legal action related to the above obligations of the Contractor filed by a third party against the City, the Contractor shall, at its sole expense, indemnify, defend and hold the City harmless against any loss, cost, expense or liability arising out of such claim, whether or not such claim is successful.

21.06 The making of payments, including partial payments by the City to the Contractor, shall vest in the City title to, and the right to take possession of, all Work Product produced by the Contractor up to the time of such payments, and the City shall have the right to use said Work Product for public purposes without further compensation to the Contractor or to any other person.

21.07 Upon the completion or other termination of this Contract, all finished or unfinished Work Product prepared by the Contractor shall, at the option of the City, become the City's sole and exclusive property whether or not in the Contractor's possession. Such Work Product shall be free from any claim or reten-tion of rights on the part of the Contractor and shall promptly be delivered to the City upon the City's request. The City shall return all of the Contractor's property to it. The Contractor acknowledges that any intentional failure or unreasonable delay on its part to deliver the Work Product to the City will cause irreparable harm to the City not adequately compensable in damages and for which the City has no adequate remedy at law. The Contractor accordingly agrees that the City may in such event seek and obtain injunctive relief in a court of competent jurisdiction to compel delivery of the Work Product, to

which injunctive relief the Contractor consents, as well as seek and obtain all applicable damages and costs. The City shall have full and unrestricted use of the Work Product for the purpose of completing the Services.

Article 22: Force Majeure

22.01 No failure or delay in performance of this Contract, by either party, shall be deemed to be a breach thereof when such failure or delay is caused by an event or circumstance that is beyond the reasonable control of that party, absent such party's fault or negligence, and which by its nature could not have been foreseen by such party, or, if it could have been foreseen, was unavoidable ("Force Majeure Event"). A Force Majeure Event includes, but is not limited to, any Act of God or the public enemy, strikes, lockouts, wars, acts of domestic or international terrorism, riots, epidemics, pandemics, explosions, sabotage, the binding order of any governmental authority, or any other cause, whether the kind herein enumerated or otherwise, which is not within the control of a party. Contractor's economic hardship and changes in the market conditions are not considered a Force Majeure Event. In the event of a dispute between the parties with regard to what constitutes a Force Majeure Event, the City's reasonable determination shall be controlling.

22.02 Upon the occurrence of a Force Majeure Event, Contractor shall (i) give prompt written notice to (1) the City and (2) the City's Office of Contracting and Procurement that the Force Majeure Event has occurred, the anticipated effect on Contractor's performance, and its expected duration; (ii) use all diligent efforts to end the failure or delay of its performance, ensure that the effects of any Force Majeure Event are minimalized, (iii) keep the City apprised of Contractor's progress in remediating the effects of the Force Majeure Event; and (iii) promptly resume performance under the Contract.

22.03 If a Force Majeure Event prevents Contractor from performing under the Contract for a continuous period of at least ten (10) business days, the City may terminate this Contract immediately by giving written notice to Contractor as required under the Contract.

Article 23: Waiver

23.01 The City shall not be deemed to have waived any of its rights under this Contract unless such waiver is in writing and signed by the City.

23.02 No delay or omission on the part of the City in exercising any right shall operate as a waiver of such right or any other right. A waiver on any one (1) occasion shall not be construed as a waiver of any right on any future occasion.

23.03 No failure by the City to insist upon the strict performance of any covenant, agreement, term or condition of this Contract or to exercise any right, term or remedy consequent upon its breach shall constitute a waiver of such covenant, agreement, term, condition, or breach.

Article 24: Miscellaneous

24.01 If this contract is grant funded, this contract is governed by the terms and conditions of the grant agreement. See the full terms and conditions of the grant are included with this contract.

24.02 If any provision of this Contract or its application to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Contract shall not be affected and shall remain valid and enforceable to the fullest extent permitted by law.

24.03 This Contract contains the entire agreement between the parties and all prior negotiations and agreements are merged into this Contract. Neither the City nor the City's agents have made any representations except those expressly set forth in this Contract, and no rights or remedies are, or shall be, acquired by the Contractor by implication or otherwise unless expressly set forth in this Contract. The Contractor waives any defense it may have to the validity of the execution of this Contract.

24.04 Unless the context otherwise expressly requires, the words "herein," "hereof," and "hereunder," and other words of similar import, refer to this Contract as a whole and not to any particular section or subdivision.

24.05 The headings of the sections of this Contract are for convenience only and shall not be used to construe or interpret the scope or intent of this Contract or in any way affect the same.

24.06 This Contract and all actions arising under it shall be governed by, subject to, and construed according to the law of the State of Michigan. The Contractor agrees, consents and submits to the exclusive person-al jurisdiction of any state or federal court of competent jurisdiction in Wayne County, Michigan, for any action arising out of this Contract. The Contractor also agrees that it shall not commence any action against the City because of any matter whatsoever arising out of or relating to the validity, construction, interpretation and enforcement of this Contract in any state or federal court of competent jurisdiction oth-er than one in Wayne County, Michigan.

24.07 If any Associate of the Contractor shall take any action that, if done by a party, would constitute a breach of this Contract, the same shall be deemed a breach by the Contractor.

24.08 The rights and remedies set forth in this Contract are not exclusive and are in addition to any of the rights or remedies provided by law or equity.

24.09 For purpose of the hold harmless and indemnity provisions contained in this Contract, the term "City" shall be deemed to include the City of Detroit and all other associated, affiliated, allied or subsidiary entities or commissions, now existing or subsequently created, and their officers, agents, representatives, and employees.

24.10 The Contractor covenants that it is not, and shall not become, in arrears to the City upon any contract, debt, or other obligation to the City including, without limitation, real property, personal property and income taxes, and water, sewage or other utility bills.

24.11 This Contract may be executed in any number of originals, any one of which shall be deemed an accurate representation of this Contract. Promptly after the execution of this Contract, the City shall provide a copy to the Contractor.

24.12 As used in this Contract, the singular shall include the plural, the plural shall include the singular, and a reference to either gender shall be applicable to both.

24.13 The rights and benefits under this Contract shall inure to the City of Detroit and its agents, successors, and assigns.

24.14 The City shall have the right to recover by setoff from any payment owed to the Contractor all delinquent withholding, income, corporate and property taxes owed to the City by the Contractor, any amounts owed to the City by the Contractor under this Contract or other contracts, and any other debt owed to the City by the Contractor.

Article 25: Invoice Submission and Payment

25.01 All invoices submitted against the contract must include part or item numbers and part or item description, list price, and applicable discount. Items not properly invoiced will not be paid. It is the Supplier's responsibility to ensure the creation of invoice(s) in Oracle Cloud. Invoices must meet the following conditions for payment: Price on invoice must correspond to the pricing listed on purchase order and/or contract.

25.02 Supplier must submit price lists in accordance with bid requirements

25.03 All suppliers **must** register in the Supplier Portal and be set up for ACH (wireless payment) in order to receive payment

25.04 Supplier registration and invoice submission instructions can be found on the City of Detroit's website at http://www.detroitmi.gov/Supplier. Questions should be directed to procurementinthecloud@detroitmi.gov.

Article 26: Board of Ethics

26.01 In accordance with Section 2-106.10 of the City Charter, it is the duty of every Public Servant, the Contractor and subcontractors, if any, to cooperate with the Board of Ethics in any investigation.

26.02 Any Public Servant who willfully and without justification or excuse obstructs an investigation of the Board of Ethics by withholding documents or testimony is subject to forfeiture of officer, discipline, debarment or any other applicable penalty.

26.03 The Contractor acknowledges that it subject to debarment or any other applicable penalty, if the Contractor willfully and without justification or excuse obstructs an investigation of the Board of Ethics by withholding documents or testimony.

(Signatures appear on next Page)

Signature Page

The City and the Contractor, by and through their duly authorized officers and representatives, have executed this Contract as follows:

City of Detroit:

Initial

Signed by:

By: Antoine Bryant
DF156BAF024847...
Name

Director, Planning & Development
Title

Contractor:

DocuSigned by:

By: Emily McKinnon
0080303847A7459...
Name

Vice President
Title

THIS CONTRACT WAS APPROVED BY THE CITY COUNCIL ON:

10/1/2024
Date

THIS CONTRACT WAS APPROVED BY FRC ON:
(if FRC approval is not required, leave blank)

Date

APPROVED BY LAW DEPARTMENT PURSUANT TO § 7.5-206 OF THE CHARTER OF THE CITY OF DETROIT

DocuSigned by:

LaTonia Stewart-Limmitt
E0B0F8D84AC44CC...
Chief Procurement Officer

10/10/2024
Date

9/25/2024
Corporation Counsel

Date

THIS CONTRACT IS NOT VALID OR AUTHORIZED UNTIL APPROVED BY RESOLUTION OF THE CITY COUNCIL AND SIGNED BY THE CHIEF PROCUREMENT OFFICER.

EXHIBIT A: SCOPE OF SERVICES

I. Notice to Proceed

The term of this Contract shall begin upon City Council approval and shall terminate two years after contract execution. The Contractor shall commence performance of this Contract upon receipt of a written "Notice to Proceed" from the City and in the manner specified in the Notice to Proceed.

II. Services to be Performed

Summary of Services

The core of our approach is creating synergy with the ongoing Master Plan work, and with a thorough engagement process. Our team sees a role as technical "weavers", essentially acting as sub-ject matter experts ourselves, relaying equity and climate impacts with the Master Plan team, and then reporting back to the public. Our process is also intentionally bi-directional, where we seek to both test findings and strategies with the public, but to also intentionally learn from events and experiences that might not be captured in data. We intend to base our process around "untold stories" and utilize our engagement process to gain a more thorough understanding (and appreciation) for the resiliency of Detroiters themselves. We hope to learn from their lived experiences more accurately, both historical and recent, so that we can help craft healing recommendations directly into this plan while creating a robust plan for future generations. We believe strongly in learning via legacy, and hope to be able to dynamically capture, translate, and broadcast our findings in tandem with the Master Plan Update Consultant. The following phases and listed steps represent our proposed approach.

0.0– PROJECT MEETINGS & COORDINATION

Throughout the duration of the project, the SmithGroup Team will meet with the City and Master Plan Update Consultant to coordinate project progress, provide updates and discuss next steps. These meetings will be held monthly via conference call unless otherwise coordinated. Each meeting will include the creation of the following meeting's agenda to provide time for preparation and coordination of meeting attendance. SmithGroup Team subject matter experts will attend those meetings that are relevant to their expertise.

In addition to these monthly meetings, the SmithGroup Team will also hold one Interdepartmental Working Group meeting per phase (5 meetings total). These meetings will function as an interdepartmental steering committee and provide relevant City of Detroit Staff and department leadership (as needed) the opportunity to provide expert knowledge, conduct review of draft and fi-nal materials, and offer insight into strategies for implementation.

The SmithGroup Equity and Resiliency Team will manage the sub-consultants responsible for engagement. The primary mechanism for coordination with engagement sub-consultants will be through virtual meetings, conducted with a cadence that reflects the project phase and needs. The frequency of these meetings will be greatest at the beginning of the project as we work to establish an engagement plan and early coordination.

In addition to the meetings noted above, the SmithGroup Equity and Resilience Team will also coordinate internally on a bi-weekly and as-needed basis to advance the project. These meetings will be held via conference call unless otherwise noted.

1.0- PHASE 1 (ANALYZE)

Timing: Months 1-3 (3 months)

During Phase 1, our team will establish a strong foundation for the plan through technical planning analyses and building relationships with key partners, thought leaders, City staff, and community members. In order to understand the baseline for a resilient and equitable Detroit, it is important that we first gather a narrative understanding of Detroiters lived experiences and evaluate it through the lens of current policies and planning initiatives, existing conditions both promoting and limiting resilience and equity, and the resulting gaps of this analysis. This means that our first "kicking-off point" will be focused on a deep-dive into inequities; identifying the historical policies, regulations, and practices that have led to inequities across Detroit, locating the spatial aspects that these policies have caused, and identifying what resilience really means for Detroit. Examples of key questions we may ask, include: "What populations are most impacted by injustice?"; Where are the neighborhoods that need policy support most immediately?"; and "How can this plan facilitate the implementation of planning initiatives within the framework plans of those neighborhoods?".

This phase is built to directly add capacity to the data collection and analysis phase of the Detroit Master Plan. Therefore, engagement will address all planning topics included in the Master Plan, including housing, mobility, infrastructure, land use, equity, and resilience. We will spatialize existing data and trends, and work to locate specific instances of where inequities have occurred, as well as digging qualitatively into answering "*why and how have these injustices happened?'*. Therefore, we must first understand the engagement work that has been completed to date, review the engagement associated with the Neighborhood Framework Plans, evaluate what the community has already stated are their priorities, and identify how this process can respond in a way that is equitable and filling in the gaps of what has come before. Our team will prioritize establishing a cohesive and unified vision for reaching the city through engagement in partnership with the Staff Working Group and Community Advisory Group to ensure that all engagement moving forward can focus on not only understanding what strengths, weaknesses, opportunities and challenges residents and community members are facing in their communities but to also share how these relate to equity and resilience and the collective role of individuals and public entities in addressing these issues. This as an opportunity to acknowledge climate injustices, disinvestment and margin-alization specifically of communities of color and lower socio-economic status but to also high-light the responsibility of each entity in addressing these challenges moving forward.

A key component of this project is the development of the Detroit Equity Index. This index will provide a comprehensive framework for scoring projects and policies to ensure equitable and resilient decision-making throughout the plan's duration. The index will be developed through a col-laborative process involving community groups and city departments to propose and vet missing indicators and resources. This phase establishes the foundation for the Equity Index by gathering preliminary indicators and data. It also includes initial requirements gathering for the Internal Decision-making Tool and assessment of the Community Snapshot. The index will form the foundation of the Internal Decision-making Tool, which will be developed throughout the project.

Task list:

1. Kick-off Internal Workshop: Conduct an internal workshop with the Master Plan Update Consultant to map existing work conducted to date and debrief on the status of stakeholders.
2. Kick-off Workshop with City Planning: Map stakeholders, review understanding of work conducted to date, recommend process alignment, and map engagement sessions.
3. Shape Stakeholder Participation Plan: Identify individuals, organizations, and neighborhoods for engagement and develop a participation plan to incorporate those individuals into focus groups, and district engagement; Identify purpose and timing of touch points for larger open houses.
4. Assess Community Snapshot: Assess the Community Snapshot of the Master Plan through the lens of the identified equity and resilience indicators.
5. Analyze Existing Indicators: Review indicators developed in relevant neighborhood plans as well as other planning efforts (Parks & Rec Strategic Plan, Climate Action / Vulnerability Analysis) framework plans.
6. Begin development of preliminary indicators for Equity Index: Develop a future assessment of communities into the Detroit Equity Index.
7. Define Preliminary Requirements for Internal Decision-Making Tool: Collaborate with City departments to identify key functionalities, user needs, and integration points for the internal decision-making tool. Develop a preliminary list of requirements that will guide the tool's development, ensuring it aligns with the City's existing processes and the goals of the Master Plan. Consider factors such as user interface, data inputs, scoring mechanisms, and reporting capabilities.
8. Clarify Findings on Equity and Resilience: Review Master Plan Phase 1 engagement input for themes related to equity. Confirm vulnerabilities specific inequities across the Master Plan topics of land use, culture and history, infrastructure and utility systems, mobility, economy and education, environment and recreation, and housing.
9. Form Baseline Assessment: Assess the interaction of supply and demand factors as they relate to energy and water resources and carbon emissions, identifying utility rates, emissions factors, and energy and water sources, evaluating the energy, water, and emissions footprint and intensity of current land use areas and communities, and generating broader community energy and water consumption and emissions intensity patterns.

Engagement:

- Master Plan Advisory Group Meeting #1

Outcomes of Engagement: During this phase, it will be critical to establish a clear and concise framework plan for engagement moving forward, with an important emphasis placed on relationship building, equitable reach, and direct methods for receiving and incorporating feedback.

Deliverables:

- Preliminary indicator list for Equity Index.
- Initial requirements document for internal decision-making tool.
- Aggregated baseline data on equity and resilience in Detroit.
- Stakeholder participation plan.

2.0- PHASE 2 (VISUALIZE)

Timing: Months 3-8 (6 months)

Building on the work started through the Detroit Master Plan and in Phase 1 of this project, engagement will continue to address all planning topics included in the Master Plan, including housing, land use, mobility, city systems, economy, parks and natural resources, arts, culture and history, equity, and resilience. A major portion of this phase will be building meaning and consensus with communities around the themes of health and prosperity, equity and inclusion, and re-silience and sustainability as they intersect the topics of the Master Plan.

A robust digital environment will be developed for the organization of this data, leveraging technologies such as APIs (Application Programming Interfaces) and data connectors to view and compare indicators in a centralized location. We suggest utilizing GIS tools and techniques to then analyze the spatial relationships between climate hazards and socioeconomic factors. This includes overlay analysis to identify areas where vulnerable populations coincide with high-risk climate areas, proximity analysis to assess accessibility to resources and services, and hotspot analysis to identify areas of concentrated vulnerability.

In Phase 2, we will begin the development of the Detroit Equity Index by integrating the data gathered in Phase 1. The index will be refined through the analysis of spatial relationships between climate hazards and socioeconomic factors, using GIS and data analytic software. Community feedback will be crucial in validating our findings and ensuring the indices accurately reflect the needs and priorities of Detroit's communities. This collaborative process will involve continuous engagement with stakeholders to propose and vet missing indicators and resources, ultimately creating a robust framework for equitable and resilient decision-making.

A key component of this phase is the further development and refinement of the Detroit Equity Index. These indices will be used to assess and score the impact of proposed projects and policies, ensuring they contribute to equitable and resilient community development. During this phase, indicators for the Equity Index are refined and categorized. Initial concept development for the internal decision- making tool begins, focusing on structure and basic functionality.

Task list:

1. Locate Vulnerabilities: Spatialize vulnerabilities related to equity and resilience within the above focus group topics.
2. Forecast Data: Analyze climate, weather, and equity data to understand changing patterns and future vulnerabilities to understand if vulnerabilities existing today will change in the future.
3. Refine Indicators for Equity Index: Propose and vet missing indicators and resources with community groups and city departments to develop a framework for scoring projects and policies to ensure equitable and resilient decision-making throughout the Plan's duration.
4. Infrastructure Coordination: Verify areas needing major changes and coordinate with utility companies and public works teams to compare against existing citywide infrastructure network conditions and current vulnerabilities, planned major infrastructure and utility system projects/upgrades, and ongoing projects.

5. Create Visual Summaries: Develop digestible and visually engaging graphic summaries of climate and equity vulnerabilities.
6. Develop Initial Concept for Internal Decision-making Tool Interface: Coordinate with City PDD and Master Plan to create the Internal Decision-making Tool Interface.

Community Engagement:

- Open House #1
- Master Plan Advisory Group Meeting #2
- Focus Group Meetings Round #1 (1 meeting per focus group, 7 meetings total)

Engagement Outcomes: Continued trust building is critical during this phase and high priority should be placed on listening. Our team will also highlight key vulnerabilities and major themes that will lead to indicators and a method of analysis and transparency for the planning documents.

Deliverables:

- Visualization of vulnerabilities with the community; spatialized initial findings of the indices.
- Initial framework for Equity Index.
- Concept document for internal Decision-making Tool.
- Visual summaries of climate and equity vulnerabilities

3.0- PHASE 3 (COLLABORATE)

Timing: Months 4 – 11 (8 months)

We anticipate that during this time the land use recommendations and specific strategies for development will be drafted by the Master Plan Update Consultant. As such, this phase will focus on gathering the qualitative data to understand how the community feels about the proposed changes, and receiving tangible and direct guidance as to how these issues can be refined and summarized to provide greater and social and environmental impact.

This phase focuses on finalizing indicators and developing scoring methodologies for the Equity Index, which will be crucial in assessing the impact of proposed changes. Additionally, the internal decision-making tool concept is refined based on stakeholder input, and initial development of key features begins.

This phase will continue to build on the Master Plan themes and will involve reflecting to the community their comments during the validation phase, providing updates, alternatives, and additions to the feedback we received during previous engagement. This phase also directly coincides with the timeline of when the proposed land use approach should be validated with the community.
The equity components here will be the greatest focus, seeking to answer key questions such as:

- "How do the proposed Master Plan and land use strategies impact the community?"
- "What assets are needed to ensure community development is fair, and to limit displacement?"

The technical portion of this discussion will thus focus on analyzing the impact of proposed

changes. This will then provide direct feedback to the Master Plan Update Consultant to provide guidance as to where greater equity and climate justice interventions may be gained; where do systems capacity need to be addressed; and where can planning, and coordination need to occur to support the economic development portions proposed? This phase will answer and determine the strategies that are needed to be acted upon to create systemic change.

Tasks list:

1. Develop equity and resilience strategies: Determine changes needed to create a more equitable and resilient Detroit.
2. Assess capacity for change: understand high-level funding availability and organizational capacity to execute on the strategies above.
3. Engage Vulnerable Communities: Refine feedback for catalytic strategies.
4. Validate and Incorporate Community Feedback: Integrate community feedback and ownership models into final projects and plan facets by:
    a. Coordinate with relevant Federal entities and Disaster Management entities to ensure hazards planning and communications processes.
    b. Assess resilience-related ordinances including flood-plain certificates.
5. Finalize Indicators and Scoring Methodology for Equity Index.
6. Refine Concept and Begin Development of Internal Decision-making Tool.

Community Engagement:

- Open House #2
- District Engagement Round #1 (1 meeting per district, 7 meetings total)
- Master Plan Advisory Group Meetings #3 and #4
- Focus Group Meetings Rounds #2 and #3 (2 meetings per focus group, 14 meetings total)

Engagement outcomes: Build collaboration on biggest “needs.” Develop a clear vision for major projects for a resilient Detroit. Collect community feedback and translate the needs into refined visions for major recommendations. This will include utilizing Atlas software to conduct scoring and conversion of qualitative feedback into concrete quantified metrics to substantiate decisions in the Master Plan.

Deliverables:

- Summary of proposed impact of future changes.
- Integral project elements needed to improve preparedness and resilience with land use updates, and updated policy guidance to support the Master Plan Update Consultant.
- Final indicator list and scoring methodology for Equity Index.
- Refined design document for Internal Decision-making Tool.

4.0 PHASE 4 (DEMONSTRATE)

Engagement will continue to address all planning topics included in the Master Plan, including housing, mobility, infrastructure, land use, equity, and resilience. This phase can be described as the "how" phase, showing the community that the proposed designs and changes will address their concerns and aspirations while refining all decisions to reflect equity and resiliency. Additionally, this phase will focus on infrastructure interventions, including physical, economic, and social infrastructure – including strategies for interventions such as green and blue infrastructure

recommendations, disaster preparedness programs, targeted improvements in health services, and other solutions to challenges that Detroit residents encounter in both everyday life and in the midst and aftermath of major events. These solutions will be informed by the data collected through previous phases and applied specifically to the neighborhoods that need them most.

A key component of this phase is the application and demonstration of the Detroit Equity Index. This index will be used to assess and score the impact of proposed projects and policies, ensuring they contribute to equitable community development. The Equity Index is integrated into the Internal Decision-making Tool during this phase. Development of the tool is completed, and ini-tial testing with select users is conducted to gather feedback.

Task list:

1. Develop Draft Policies: Develop draft recommendations to enhance equity and resilience through policies and summarize findings for integration into the Master Plan.
2. Identify Financing Opportunities: Determine the order of magnitude and high-level funding needs for the proposed policy recommendations and strategies by Master Plan theme.
3. Identify Missing Capital Streams: Identify additional high-level capital streams needed to implement the plan.
4. Identify Partnership or Unique Funding Opportunities.
5. Integrate Equity Index into the Internal Decision-making Tool: Incorporate the index into the tool to assess and score the impact of proposed projects and policies.
6. Complete development and conduct initial testing of Internal Decision-making Tool: Finalize the tool's development and conduct initial testing with select users to gather feedback.

Community Engagement:

- Master Plan Advisory Group Meeting #5
- Focus Group Meetings Rounds #4 (1 meeting per focus group, 7 meetings total)

Engagement outcomes: The policy recommendations and strategies included in the Master Plan will depend on the unique needs and vulnerabilities of different parts of Detroit. As such, it is important that these needs are confirmed and prioritized by the citizens.

Deliverables:

- Summary report of draft policy recommendations to be incorporated into the Master Plan.
- Draft Implementation Plan, including high-level financing needs, funding gaps, and partnership opportunities, to be integrated into the Master Plan Implementation Plan to support Master Plan themes.
- Beta version of Internal Decision-making Tool incorporating Equity Index.

5.0 PHASE 5 (ACTIVATE)

Timing: Months 16-21 (6 months)

This final stage, the 'Activate' phase, focuses on finalizing and implementing the Internal Decision-making Tool for City of Detroit departments. This tool integrates the Equity Index developed throughout the planning process, providing a comprehensive framework for assessing and prioritizing projects and policies across various city departments.

The phase encompasses several key activities. We will refine and complete the Internal Decision-making Tool, incorporating feedback from previous phases and ensuring alignment with the Master Plan's goals. A critical aspect is the seamless integration of the Equity Index into the decision-making tool. We will develop and conduct comprehensive training programs for city staff on effective Tool usage, ensuring they are well-equipped to utilize this new resource. Additionally, we will establish clear procedures for the Tool's ongoing refinement and updates as Detroit evolves, ensuring its long-term relevance and effectiveness.

Throughout this phase, we will continue to address all planning topics included in the Master Plan (housing, mobility, infrastructure, land use, equity, and resilience) through targeted engagement activities. This comprehensive approach ensures that the Tool reflects the full scope of the Master Plan.

The Internal Decision-making Tool aims to systematically incorporate equity and resilience considerations into the city's planning and policy processes. By providing a standardized evaluation method, the tool will align departmental actions with the Master Plan's broader goals, promoting consistency and accountability in decision-making.

We will also develop a strategy for the Tool's integration into existing city processes, facilitating a smooth transition and maximizing its impact. This phase is crucial for ensuring the long-term impact and sustainability of the planning process, setting the stage for ongoing implementation and adaptation of the Master Plan's strategies.

Task list

- Finalize and implement Internal Decision-making Tool with integrated Equity Index: Complete the Equity Index and establish a process for refining it as Detroit evolves. Complete the development of the Internal Decision-making Tool, incorporating feedback from previous phases and ensuring alignment with the Master Plan's goals.
- Finalize digital interface of the Tool: Upload plan content, apply approved design elements, adjust layout, color schemes, typography, and ensure consistent branding throughout. Begin mapping the process needed for continuous improvement.

- Develop and conduct training for city staff on Tool usage: Create comprehensive training programs and materials to ensure effective use of the tool.
- Develop strategy for Tool integration: Create a plan for integrating the Tool into existing city processes and facilitating a smooth transition.

Community Engagement:

- Open House #3
- District Engagement Round #2 (1 meeting per district, 7 meetings total)
- Master Plan Advisory Group Meetings #6

Deliverables:

- Final Internal Decision-making Tool with integrated Equity Index.
- Training materials and user guide for tool usage.

- Strategy for tool integration into existing city processes.

ENGAGEMENT AND COORDINATION

The insight, cultural capital, and significant historical knowledge that community residents possess are invaluable. Public engagement needs to begin with the following primary goals in mind:

- Developing deep connections with existing residents, business owners, and community leaders.
- Utilizing community sessions and community leaders to ensure the full range of community input, needs, concerns, and desires are taken into account, particularly for underrepresented residents.
- Embody an interactive approach to community meetings and gatherings that is exciting and impactful.
- Transforming the traditional community meeting into inclusive, participatory, creative community gatherings.
- Pursue engagement and knowledge sharing over information dumping.
- Achieve an "informed consensus" on what the project will feel like and look like, such that people have a positive experience when they are there.
- A vision, along with a set of priorities, will allow everyone to align their efforts toward shaping the vision for the better and in a coordinated manner.

In order to achieve these primary goals, the engagements for this effort fall into 3 operational categories. These categories serve as a means to identify the intentions of each engagement and guide the potential outcomes.

- Interactions and Exchanges: These are engagements that are meant to be a bi-directional exchange of information between the project team and stakeholders. During these types of engagements, we will be offering an opportunity for community mem-bers to connect with planning staff through facilitated activities or meetings that involve working with residents to collectively problem solve in an effort to deepen trust and to distribute power horizontally across the process.
- Information Sharing: These are engagements where our team will be sharing out information about the project, process, and confirming that we have heard and documented the information correctly. This allows our team to help usher community members through the process to enhance understanding of Master Plan objectives and ensure that our process is accessible and inclusive.
- Information Gathering: These are engagements where residents and stakeholders are provided the opportunity to share their expertise and help to educate the planning team on topics important to the community. These activities are focused on listening to the various perspectives of community members around their lived experience to identify the wants, needs, and motivators that will drive current and future engagement efforts.

DETAILED DESCRIPTION OF ENGAGEMENT AND COORDINATION

Creative, active public engagement within the built environment is essential for vibrant

neighborhoods, community efficacy, and economic opportunity. The SmithGroup Team is passionate about the power of engagement with residents and the Detroit community to create effective, sustainable plans for public space.

The insight, cultural capital, and significant historical knowledge that community residents possess are invaluable. Public engagement needs to begin with the following primary goals in mind:

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- Utilizing community sessions and community leaders to ensure the full range of community input, needs, concerns, and desires are taken into account, particularly for underrepresented residents.
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Engagement Types

Throughout this process, there will be two major categories for gathering feedback for the plan. The first is Internal Project Meetings and Coordination, which includes the Interdepartmental Working Group and internal team meetings with the City and SmithGroup teams. The second

category is External Engagement and Feedback, which includes open houses, district engagement, focus group meetings, and the Master Plan advisory group.

INTERNAL PROJECT MEETINGS AND COORDINATION

Interdepartmental Working Group

The Interdepartmental Working Group will function as internal subject matter experts and a sounding board for the Master Plan process, comprised of relevant City of Detroit Staff and department leadership (as needed) to provide expert knowledge, champion the Master Plan process, and ensure long-term collaboration and implementation across departments. This working group serves as a crucial communication function, helping to disseminate information and updates related to the Plan back to their respective departments. These sessions will be led by the City of Detroit team, with meeting preparation, support, and attendance from the SmithGroup team.

Purpose: To create interdepartmental coordination and unity around the Master Plan and develop ownership and accountability in implementation.

Meeting Frequency: 1 meeting per phase (5 meetings total).

Participants: Cross-department City of Detroit Staff and department leadership (as needed).

EXTERNAL ENGAGEMENT AND FEEDBACK

External Engagement and Feedback will consist of public forums, focus group meetings, and the community advisory group. The purpose of these external facing engagement sessions will be to gather feedback from community members and technical experts across the City of Detroit, so as to ensure that the process is equitable in engaging with all of the city's neighborhoods, local organizations, community leaders, and folks traditionally excluded from public planning processes. Each session will be designed to optimize engagement from the audience it intends to serve and will be led through a collaborative effort between SmithGroup and a subcontractor with guidance and attendance from the City of Detroit team.

Open Houses

Open Houses are large, centralized engagement events that allow for the City of Detroit and SmithGroup team to present back plan findings, display plan progress, and gather community feedback. These engagement opportunities will be centrally-located within the City of Detroit, and will provide an opportunity for the City to share information with the community in a broad, project update format.

Purpose: To ensure transparency, share broad updates about the planning process with the community, and gather broad community feedback.

Meeting Frequency: 1 open house each in Phases 2, 3, and 5; (3 open houses total).

Participants: Community members, residents, business owners, and stakeholders.

District Engagement

District Engagements are community gatherings designed to engage a geographically localized audience in several locations across the City. These sessions will introduce low-risk, fun, and democratic engagement activities designed to gain feedback via unique models rather than typical info sessions and Q&A. These opportunities are intended to ensure the full range of

community input, needs, concerns, and desires are taken into account, particularly for underrepresented residents.

Purpose: To gather in-depth feedback from smaller groups, ensuring diverse voices are heard and integrated into the planning process.

Meeting Frequency: 1 meeting in each district in Phases 3 and 5; 2 meetings per district; (14 meetings overall).

Participants: Community members, residents, business owners, and other stakeholders.

District Engagement Structure:

- Community Champion: Each district should have an identified community champion, which works with the engagement team to ensure broad participation from their district and support in outreach. This role will be selected by the Engagement Lead and will help to facilitate existing community events to participate in and organizations to partner with in order to engage a broad audience.

Technical Focus Groups (Subject Matter Expertise)

Technical Focus Groups are comprised of subject matter experts and stakeholders who provide specialized knowledge and insights on various aspects of the project. These groups engage in discussions, coordination, and collaboration to incorporate their expertise into the planning process. They play a crucial role in vetting ideas, providing feedback, and ensuring that technical considerations are thoroughly addressed.

Purpose: To leverage the expertise of subject matter experts and stakeholders to inform the planning process, vet ideas, and provide detailed feedback on specific topics.

Meeting Frequency: 1 meeting per focus group in Phases 2, and 4; 2 meetings per focus group in Phase 3; total of 4 meetings per focus group (28 meetings total).

Suggested Technical Focus Groups: We propose seven Technical Focus Groups:

- City Infrastructure and Utility Systems
- Mobility
- Economy and Education
- Environment and Recreation
- Housing
- Culture and History
- Health

Note: We have not identified a specific focus group around the topic of land use. Rather, we suggest this topic become an overarching thematic focus for all focus groups.

Participants: Subject matter experts, stakeholders, City Agency representatives, business owners, developers, and investors. We suggest writing a formal "volunteer job description" for external organizations and a nomination process for internal City of Detroit purposes.

Focus Group Structure:

- Technical Facilitator: Each group will have a technical facilitator responsible for guiding discussions. This role will be filled by a research lead from the SmithGroup Team.
- Community Champion: Each committee should have a community champion advocating for community needs and the impact on Detroit residents through technical discus-sions. This role will be selected from within the group.
- Resilience Champion: Each committee should have a resilience champion to disseminate, translate, and advocate for actions addressing the climate and environmental impact of proposed discussions. This role will be selected from within the group.

Master Plan Advisory Group

The Master Plan Advisory Group is a group of individuals, already identified under the Master Plan Update Consultant's contract, that this scope of work will take on. The members of the Master Plan Advisory Group include academics, advocacy and policy organization representatives, community-based organization representatives, community leaders, residents, and business owners and will serve as advisors, not decision-makers, for the planning process.

Purpose: To provide expert knowledge, offer feedback on city-wide goals and policies, and assist with community outreach initiatives.

Meeting Frequency: 1 meeting per phase in Phases 1, 2, 4, and 5; 2 meetings in Phase 3; (6 meetings total).

Participants: Individuals representing the groups listed above.

Supporting Materials

DISTRICT ENGAGEMENT AND DISTRIBUTION MATERIALS: These components will be used during in-person engagements such as small local group meetings, school visits, and casual interactions with the public. These products will include materials designed for print and digital publica-tion, such as:

- Project information sheets with high-level information about the Plan Detroit Master Plan, resources for getting involved, and ways for finding more information.
- Supplementary informational boards with Plan Detroit's background, goals, relevant maps, and high-level planning framework (in addition to those being created under existing Master Plan Update contract).
- Supplementary engagement and feedback materials for focus groups (it is assumed that all other engagement and feedback materials will be developed under the existing Master Plan Update contract).
- Presentations.

COMMUNICATION AND OUTREACH GRAPHICS

To support public engagement sessions, the SmithGroup Team will:

- Develop strategy documentation and logistics and meeting materials such as invites, sign-in sheets, handouts, surveys, and documentation.

- Work with the City to develop, refine, and tailor the engagement strategy for residents and community members.
- Lead and execute logistic needs for engagement activities including room rental, setup, food, supplies, and meeting materials.
- Prepare meeting materials including sign-in-sheets, flyers, postcards, and event invites.
- The SmithGroup team will work with the City of Detroit, the Department of Neighborhoods, and the Master Plan Advisory Group to attract non-traditional community members to the public engagement sessions. This may include direct outreach and coordination with community leaders. The outreach activities, strategy, and methods will be agreed upon with the City of Detroit team prior to proceeding.
- Research, recruit, engage, and coordinate with focus group members.
- Prepare meeting minutes and disseminate to project partners.
- Document public engagement activities and prepare a summary of engagement results.
- Capture photography, video, and audio from engagement events to incorporate into report deliverables, digital interface, and social media content.
- Provide instructions and materials for the City of Detroit Team to effectively document public engagement activities.

EXHIBIT B: FEE SCHEDULE

I. General

(a) The Contractor shall be paid for those Services performed pursuant to this Contract a maximum amount of Five Hundred Thousand and 00/100 Dollars ($500,000.00), for the term of this Contract as set forth in Exhibit A, Scope of Services.

(b) Payment for the proper performance of the Services shall be contingent upon receipt by the City of invoices for payment. Each invoice shall certify the total cost, itemizing costs when applicable. Each invoice must be received by the City not more than thirty (30) days after the close of the calendar month in which the services were rendered and must be signed by an authorized officer or designee of the Contractor.

II. Project Fees

The following chart outlines the costs for this project:

Summary of Fee

The following fees represent the total sums as recommended for each phase. These fees also include the sums needed for engagement purposes.

Summary of Fee:

1.0 PROJECT MEETINGS & COORDINATION: $60,500 (INCLUDING $14,000 FOR SUBCONSULTANT ENGAGEMENT)
2.0 PHASE 1 (ANALYZE): $73,500 (INCLUDING $4,000 FOR ENGAGEMENT AND ENGAGEMENT RELATED ACTIVITIES)
3.0 PHASE 2 (VISUALIZE): $74,000 (INCLUDING $25,000 FOR ENGAGEMENT AND ENGAGEMENT RELATED ACTIVITIES)
4.0 PHASE 3 (COLLABORATE): $101,500 (INCLUDING $55,000 FOR ENGAGEMENT AND ENGAGEMENT RELATED ACTIVITIES)
5.0 PHASE 4 (DEMONSTRATE): $90,000 (INCLUDING $22,000 FOR ENGAGEMENT AND ENGAGEMENT RELATED ACTIVITIES)
6.0 PHASE 5 (ACTIVATE): $100,500 (INCLUDING $50,000 FOR ENGAGEMENT AND ENGAGEMENT RELATED ACTIVITIES)

Total proposed fee: $500,000.00

FEE SCHEDULE

SMITHGROUP	$/HR
Principal-in-Charge	$245
Project Manager	$165
Planner IV	$165
Planner II	$135
Engineer II	$145
Architect III	$140
Utility Distribution Expert	$250
Sustainability Strategist	$260
Technical Director	$260

III. Project Billing shall be via the City's Oracle system via PO invoicing for ACH Direct Deposit payments.

EXHIBIT C: STATEMENT OF POLITICAL CONTRIBUTIONS AND EXPENDITURES

"City Charter § 4-122, ¶ 2: For purposes of conflicts of interest, the City shall require in all of its contractual agreements, including, but not limited to, leases, service and equipment agreements and including contract renewals, that the contractor provide a statement listing all political contributions and expenditures ("**Statement of Po-litical Contributions and Expenditures**"), as defined by the Michigan Campaign Finance Act, MCL 169.201, et seq., made by the contractor, its affiliates, subsidiaries, principals, officers, owners, directors, agents or assigns to elective city officials within the previous four (4) years. Individuals shall also list any contributions or expendi-tures from their spouses."

Instructions: In accordance with Section 4-122 of the 2012 Detroit City Charter, you must provide the following information, sign this document, have it notarized, and submit it to the City. If additional space is needed, please enter "see additional sheet(s" on the last row and attach additional sheets.

In Column A, enter the name of the person or company that made the contribution or expenditure. If there were no political contributions or expenditures made, enter NONE.
In Column B, enter the relationship of the donor to the contractor or vendor, that is, contractor, affiliate, subsidiary, principal, officer, owner, director, agent, assignee, or spouse of any of the foregoing who are individuals.
In Column C, enter the name of the recipient, an elective city official which under Charter § 3-107, includes only the Mayor, the City Clerk, and members of the City Council and the Board of Police Commissioners.
In Column D, enter the amount of the contribution or expenditure, as defined in the Michigan Campaign Finance Act, 1976 PA 388, MCL 169.204 and MCL 169.206.
In Column E, enter the date of the contribution or expenditure. This statement must include all contributions and expenditures within the previous four years.

A	B	C	D	E
Donor	**Relationship to Contractor/Vendor**	**Recipient**	**Amount of Con-tribution or Ex-penditure**	**Date**

(EXHIBIT C - continued)
STATEMENT OF POLITICAL CONTRIBUTIONS AND EXPENDITURES

Except as set forth above, I certify that no contributions or expenditures were made to elective city officials within the previous four (4) years by the contractor, its affiliates, subsidiaries, principals, officers, owners, directors, agents, assigns, and, if any of the foregoing are individuals, their spouses.

I understand that the information provided in this disclosure will be relied upon by the City of Detroit in evaluating the proposed bid, solicitation, contract, or lease. I swear [or affirm] that the information provided is accurate. If I am signing on behalf of an entity, I swear [or affirm] that I have the authority to provide this disclosure on behalf of the entity.

Sign name: _____

Print name: _____

Sworn and subscribed to before me on_____, 20____ [by_____, the _____of the above named contractor/vendor, an authorized representative or agent of the contractor/vendor]

Sign: _____
Print: _____
Notary Public, _____ County, Michigan,
Acting in _____ County
My Commission Expires: _____

Appendix I to Part 200, Title 2 (up to date as of 7/09/2024)
Full Text of Notice of Funding Opportunity

This content is from the eCFR and is authoritative but unofficial.

Title 2 — Grants and Agreements
Subtitle A — Office of Management and Budget Guidance for Grants and Agreements
Chapter II — Office of Management and Budget Guidance
Part 200 — Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Source: 85 FR 49543, Aug. 13, 2020, unless otherwise noted.
Source: 85 FR 49539, Aug. 13, 2020, unless otherwise noted.
Authority: 31 U.S.C. 503
Source: 78 FR 78608, Dec. 26, 2013, unless otherwise noted.

Appendix I to Part 200—Full Text of Notice of Funding Opportunity

Link to an amendment published at 89 FR 30204, Apr. 22, 2024.

The full text of the notice of funding opportunity is organized in sections. The required format outlined in this appendix indicates immediately following the title of each section whether that section is required in every announcement or is a Federal awarding agency option. The format is designed so that similar types of information will appear in the same sections in announcements of different Federal funding opportunities. Toward that end, there is text in each of the following sections to describe the types of information that a Federal awarding agency would include in that section of an actual announcement.

A Federal awarding agency that wishes to include information that the format does not specifically discuss may address that subject in whatever section(s) is most appropriate. For example, if a Federal awarding agency chooses to address performance goals in the announcement, it might do so in the funding opportunity description, the application content, or the reporting requirements.

Similarly, when this format calls for a type of information to be in a particular section, a Federal awarding agency wishing to address that subject in other sections may elect to repeat the information in those sections or use cross references between the sections (there should be hyperlinks for cross-references in any electronic versions of the announcement). For example, a Federal awarding agency may want to include Section A information about the types of non-Federal entities who are eligible to apply. The format specifies a standard location for that information in Section C.1 but does not preclude repeating the information in Section A or creating a cross reference between Section A and C.1, as long as a potential applicant can find the information quickly and easily from the standard location.

The sections of the full text of the announcement are described in the following paragraphs.

A. Program Description—Required

This section contains the full program description of the funding opportunity. It may be as long as needed to adequately communicate to potential applicants the areas in which funding may be provided. It describes the Federal awarding agency's funding priorities or the technical or focus areas in which the Federal awarding agency intends to provide assistance. As appropriate, it may include any program history (*e.g.,* whether this is a new program or a new or changed area of program emphasis). This section must include program goals and objectives, a reference to the relevant Assistance Listings, a description of how the award will contribute to the achievement of the program's goals and objectives, and the expected performance goals, indicators, targets, baseline data, data collection, and other outcomes such Federal awarding agency expects to achieve, and may include examples of successful projects that have been funded previously. This section also may include other information the Federal awarding agency deems necessary, and must at a minimum include citations for authorizing statutes and regulations for the funding opportunity.

B. Federal Award Information—Required

This section provides sufficient information to help an applicant make an informed decision about whether to submit a proposal. Relevant information could include the total amount of funding that the Federal awarding agency expects to award through the announcement; the expected performance indicators, targets, baseline data, and data collection; the anticipated number of Federal awards; the expected amounts of individual Federal awards (which may be a range); the amount of funding per Federal award, on average, experienced in previous years; and the anticipated start dates and periods of performance for new Federal awards. This section also should address whether applications for renewal or supplementation of existing projects are eligible to compete with applications for new Federal awards.

This section also must indicate the type(s) of assistance instrument (*e.g.,* grant, cooperative agreement) that may be awarded if applications are successful. If cooperative agreements may be awarded, this section either should describe the "substantial involvement" that the Federal awarding agency expects to have or should reference where the potential applicant can find that information (*e.g.,* in the funding opportunity description in Section A. or Federal award administration information in Section D. If procurement contracts also may be awarded, this must be stated.

C. Eligibility Information

This section addresses the considerations or factors that determine applicant or application eligibility. This includes the eligibility of particular types of applicant organizations, any factors affecting the eligibility of the principal investigator or project director, and any criteria that make particular projects ineligible. Federal agencies should make clear whether an applicant's failure to meet an eligibility criterion by the time of an application deadline will result in the Federal awarding agency returning the application without review or, even though an application may be reviewed, will preclude the Federal awarding agency from making a Federal award. Key elements to be addressed are:

1. *Eligible Applicants—Required.* Announcements must clearly identify the types of entities that are eligible to apply. If there are no restrictions on eligibility, this section may simply indicate that all potential applicants are eligible. If there are restrictions on eligibility, it is important to be clear about the specific types of entities that are eligible, not just the types that are ineligible. For example, if the program is limited to nonprofit organizations subject to 26 U.S.C. 501(c)(3) of the tax code (26 U.S.C. 501(c)(3)), the announcement should say so. Similarly, it is better to state explicitly that Native American tribal organizations are eligible than to assume that they can unambiguously infer that from a statement that nonprofit organizations may apply. Eligibility also can be expressed by exception, (e.g., open to all types of domestic applicants other than individuals). This section should refer to any portion of Section D specifying documentation that must be submitted to support an eligibility determination (e.g., proof of 501(c)(3) status as determined by the Internal Revenue

Service or an authorizing tribal resolution). To the extent that any funding restriction in Section D.6 could affect the eligibility of an applicant or project, the announcement must either restate that restriction in this section or provide a cross-reference to its description in Section D.6.

2. *Cost Sharing or Matching—Required.* Announcements must state whether there is required cost sharing, matching, or cost participation without which an application would be ineligible (if cost sharing is not required, the announcement must explicitly say so). Required cost sharing may be a certain percentage or amount, or may be in the form of contributions of specified items or activities (*e.g.,* provision of equipment). It is important that the announcement be clear about any restrictions on the types of cost (*e.g.,* in-kind contributions) that are acceptable as cost sharing. Cost sharing as an eligibility criterion includes requirements based in statute or regulation, as described in § 200.306 of this Part. This section should refer to the appropriate portion(s) of section D. stating any pre-award requirements for submission of letters or other documentation to verify commitments to meet cost-sharing requirements if a Federal award is made.

3. *Other—Required, if applicable.* If there are other eligibility criteria (i.e., criteria that have the effect of making an application or project ineligible for Federal awards, whether referred to as "responsiveness" criteria, "go-no go" criteria, "threshold" criteria, or in other ways), must be clearly stated and must include a reference to the regulation of requirement that describes the restriction, as applicable. For example, if entities that have been found to be in violation of a particular Federal statute are ineligible, it is important to say so. This section must also state any limit on the number of applications an applicant may submit under the announcement and make clear whether the limitation is on the submitting organization, individual investigator/program director, or both. This section should also address any eligibility criteria for beneficiaries or for program participants other than Federal award recipients.

D. Application and Submission Information

1. *Address to Request Application Package—Required.* Potential applicants must be told how to get application forms, kits, or other materials needed to apply (if this announcement contains everything needed, this section need only say so). An Internet address where the materials can be accessed is acceptable. However, since high-speed Internet access is not yet universally available for downloading documents, and applicants may have additional accessibility requirements, there also should be a way for potential applicants to request paper copies of materials, such as a U.S. Postal Service mailing address, telephone or FAX number, Telephone Device for the Deaf (TDD), Text Telephone (TTY) number, and/or Federal Information Relay Service (FIRS) number.

2. *Content and Form of Application Submission—Required.* This section must identify the required content of an application and the forms or formats that an applicant must use to submit it. If any requirements are stated elsewhere because they are general requirements that apply to multiple programs or funding opportunities, this section should refer to where those requirements may be found. This section also should include required forms or formats as part of the announcement or state where the applicant may obtain them.

   This section should specifically address content and form or format requirements for:

   i. Pre-applications, letters of intent, or white papers required or encouraged (see Section D.4), including any limitations on the number of pages or other formatting requirements similar to those for full applications.

ii. The application as a whole. For all submissions, this would include any limitations on the number of pages, font size and typeface, margins, paper size, number of copies, and sequence or assembly requirements. If electronic submission is permitted or required, this could include special requirements for formatting or signatures.

iii. Component pieces of the application (e.g., if all copies of the application must bear original signatures on the face page or the program narrative may not exceed 10 pages). This includes any pieces that may be submitted separately by third parties (e.g., references or letters confirming commitments from third parties that will be contributing a portion of any required cost sharing).

iv. Information that successful applicants must submit after notification of intent to make a Federal award, but prior to a Federal award. This could include evidence of compliance with requirements relating to human subjects or information needed to comply with the National Environmental Policy Act (NEPA) (42 U.S.C. 4321-4370h).

3. *Unique entity identifier and System for Award Management (SAM) — Required.* This paragraph must state clearly that each applicant (unless the applicant is an individual or Federal awarding agency that is excepted from those requirements under 2 CFR 25.110(b) or (c), or has an exception approved by the Federal awarding agency under 2 CFR 25.110(d)) is required to:

(i) Be registered in SAM before submitting its application;

(ii) Provide a valid unique entity identifier in its application; and

(iii) Continue to maintain an active SAM registration with current information at all times during which it has an active Federal award or an application or plan under consideration by a Federal awarding agency. It also must state that the Federal awarding agency may not make a Federal award to an applicant until the applicant has complied with all applicable unique entity identifier and SAM requirements and, if an applicant has not fully complied with the requirements by the time the Federal awarding agency is ready to make a Federal award, the Federal awarding agency may determine that the applicant is not qualified to receive a Federal award and use that determination as a basis for making a Federal award to another applicant.

4. *Submission Dates and Times—Required.* Announcements must identify due dates and times for all submissions. This includes not only the full applications but also any preliminary submissions (*e.g.,* letters of intent, white papers, or pre-applications). It also includes any other submissions of information before Federal award that are separate from the full application. If the funding opportunity is a general announcement that is open for a period of time with no specific due dates for applications, this section should say so. Note that the information on dates that is included in this section also must appear with other overview information in a location preceding the full text of the announcement (see § 200.204 of this part).

5. *Intergovernmental Review—Required, if applicable.* If the funding opportunity is subject to Executive Order 12372, "Intergovernmental Review of Federal Programs," the notice must say so and applicants must contact their state's Single Point of Contact (SPOC) to find out about and comply with the state's process under Executive Order 12372, it may be useful to inform potential applicants that the names and addresses of the SPOCs are listed in the Office of Management and Budget's website.

6. *Funding Restrictions—Required.* Notices must include information on funding restrictions in order to allow an applicant to develop an application and budget consistent with program requirements. Examples are whether construction is an allowable activity, if there are any limitations on direct costs such as foreign travel or equipment purchases, and if there are any limits on indirect costs (or facilities and administrative costs). Applicants must be advised if Federal awards will not allow reimbursement of pre-Federal award costs.

7. *Other Submission Requirements— Required.* This section must address any other submission requirements not included in the other paragraphs of this section. This might include the format of submission, i.e., paper or electronic, for each type of required submission. Applicants should not be required to submit in more than one format and this section should indicate whether they may choose whether to submit applications in hard copy or electronically, may submit only in hard copy, or may submit only electronically.

   This section also must indicate where applications (and any pre-applications) must be submitted if sent by postal mail, electronic means, or hand-delivery. For postal mail submission, this must include the name of an office, official, individual or function (e.g., application receipt center) and a complete mailing address. For electronic submission, this must include the URL or email address; whether a password(s) is required; whether particular software or other electronic capabilities are required; what to do in the event of system problems and a point of contact who will be available in the event the applicant experiences technical difficulties.[1]

E. Application Review Information

1. *Criteria—Required.* This section must address the criteria that the Federal awarding agency will use to evaluate applications. This includes the merit and other review criteria that evaluators will use to judge applications, including any statutory, regulatory, or other preferences (e.g., minority status or Native American tribal preferences) that will be applied in the review process. These criteria are distinct from eligibility criteria that are addressed before an application is accepted for review and any program policy or other factors that are applied during the selection process, after the review process is completed. The intent is to make the application process transparent so applicants can make informed decisions when preparing their applications to maximize fairness of the process. The announcement should clearly describe all criteria, including any sub-criteria. If criteria vary in importance, the announcement should specify the relative percentages, weights, or other means used to distinguish among them. For statutory, regulatory, or other preferences, the announcement should provide a detailed explanation of those preferences with an explicit indication of their effect (e.g., whether they result in additional points being assigned).

   If an applicant's proposed cost sharing will be considered in the review process (as opposed to being an eligibility criterion described in Section C.2), the announcement must specifically address how it will be considered (e.g., to assign a certain number of additional points to applicants who offer cost sharing, or to break ties among applications with equivalent scores after evaluation against all other factors). If cost sharing will not be considered in the evaluation, the announcement should say so, so

[1] With respect to electronic methods for providing information about funding opportunities or accepting applicants' submissions of information, each Federal awarding agency is responsible for compliance with Section 508 of the Rehabilitation Act of 1973 (29 U.S.C. 794d).

that there is no ambiguity for potential applicants. Vague statements that cost sharing is encouraged, without clarification as to what that means, are unhelpful to applicants. It also is important that the announcement be clear about any restrictions on the types of cost (e.g., in-kind contributions) that are acceptable as cost sharing.

2. *Review and Selection Process—Required.* This section may vary in the level of detail provided. The announcement must list any program policy or other factors or elements, other than merit criteria, that the selecting official may use in selecting applications for Federal award (e.g., geographical dispersion, program balance, or diversity). The Federal awarding agency may also include other appropriate details. For example, this section may indicate who is responsible for evaluation against the merit criteria (e.g., peers external to the Federal awarding agency or Federal awarding agency personnel) and/or who makes the final selections for Federal awards. If there is a multi-phase review process (e.g., an external panel advising internal Federal awarding agency personnel who make final recommendations to the deciding official), the announcement may describe the phases. It also may include: the number of people on an evaluation panel and how it operates, the way reviewers are selected, reviewer qualifications, and the way that conflicts of interest are avoided. With respect to electronic methods for providing information about funding opportunities or accepting applicants' submissions of information, each Federal awarding agency is responsible for compliance with Section 508 of the Rehabilitation Act of 1973 (29 U.S.C. 794d).

   In addition, if the Federal awarding agency permits applicants to nominate suggested reviewers of their applications or suggest those they feel may be inappropriate due to a conflict of interest, that information should be included in this section.

3. For any Federal award under a notice of funding opportunity, if the Federal awarding agency anticipates that the total Federal share will be greater than the simplified acquisition threshold on any Federal award under a notice of funding opportunity may include, over the period of performance, this section must also inform applicants:

   i. That the Federal awarding agency, prior to making a Federal award with a total amount of Federal share greater than the simplified acquisition threshold, is required to review and consider any information about the applicant that is in the designated integrity and performance system accessible through SAM (currently FAPIIS) (see 41 U.S.C. 2313);

   ii. That an applicant, at its option, may review information in the designated integrity and performance systems accessible through SAM and comment on any information about itself that a Federal awarding agency previously entered and is currently in the designated integrity and performance system accessible through SAM;

   iii. That the Federal awarding agency will consider any comments by the applicant, in addition to the other information in the designated integrity and performance system, in making a judgment about the applicant's integrity, business ethics, and record of performance under Federal awards when completing the review of risk posed by applicants as described in § 200.206.

4. *Anticipated Announcement and Federal Award Dates—Optional.* This section is intended to provide applicants with information they can use for planning purposes. If there is a single application deadline followed by the simultaneous review of all applications, the Federal awarding agency can include in this section information about the anticipated dates for announcing or notifying successful and unsuccessful applicants and for having Federal awards in place. If applications are

received and evaluated on a "rolling" basis at different times during an extended period, it may be appropriate to give applicants an estimate of the time needed to process an application and notify the applicant of the Federal awarding agency's decision.

F. Federal Award Administration Information

1. *Federal Award Notices—Required.* This section must address what a successful applicant can expect to receive following selection. If the Federal awarding agency's practice is to provide a separate notice stating that an application has been selected before it actually makes the Federal award, this section would be the place to indicate that the letter is not an authorization to begin performance (to the extent that it allows charging to Federal awards of pre-award costs at the non-Federal entity's own risk). This section should indicate that the notice of Federal award signed by the grants officer (or equivalent) is the authorizing document, and whether it is provided through postal mail or by electronic means and to whom. It also may address the timing, form, and content of notifications to unsuccessful applicants. See also § 200.211.

2. *Administrative and National Policy Requirements—Required*. This section must identify the usual administrative and national policy requirements the Federal awarding agency's Federal awards may include. Providing this information lets a potential applicant identify any requirements with which it would have difficulty complying if its application is successful. In those cases, early notification about the requirements allows the potential applicant to decide not to apply or to take needed actions before receiving the Federal award. The announcement need not include all of the terms and conditions of the Federal award, but may refer to a document (with information about how to obtain it) or Internet site where applicants can see the terms and conditions. If this funding opportunity will lead to Federal awards with some special terms and conditions that differ from the Federal awarding agency's usual (sometimes called "general") terms and conditions, this section should highlight those special terms and conditions. Doing so will alert applicants that have received Federal awards from the Federal awarding agency previously and might not otherwise expect different terms and conditions. For the same reason, the announcement should inform potential applicants about special requirements that could apply to particular Federal awards after the review of applications and other information, based on the particular circumstances of the effort to be supported (e.g., if human subjects were to be involved or if some situations may justify special terms on intellectual property, data sharing or security requirements).

3. *Reporting—Required.* This section must include general information about the type (*e.g.,* financial or performance), frequency, and means of submission (paper or electronic) of post-Federal award reporting requirements. Highlight any special reporting requirements for Federal awards under this funding opportunity that differ (*e.g.,* by report type, frequency, form/format, or circumstances for use) from what the Federal awarding agency's Federal awards usually require. Federal awarding agencies must also describe in this section all relevant requirements such as those at 2 CFR 180.335 and 180.350.

   If the Federal share of any Federal award may include more than $500,000 over the period of performance, this section must inform potential applicants about the post award reporting requirements reflected in appendix XII to this part.

G. Federal Awarding Agency Contact(s)—Required

The announcement must give potential applicants a point(s) of contact for answering questions or helping with problems while the funding opportunity is open. The intent of this requirement is to be as helpful as possible to potential applicants, so the Federal awarding agency should consider approaches such as giving:

i. Points of contact who may be reached in multiple ways (e.g., by telephone, FAX, and/or email, as well as regular mail).

ii. A fax or email address that multiple people access, so that someone will respond even if others are unexpectedly absent during critical periods.

iii. Different contacts for distinct kinds of help (e.g., one for questions of programmatic content and a second for administrative questions).

H. Other Information—Optional

This section may include any additional information that will assist a potential applicant. For example, the section might:

i. Indicate whether this is a new program or a one-time initiative.

ii. Mention related programs or other upcoming or ongoing Federal awarding agency funding opportunities for similar activities.

iii. Include current Internet addresses for Federal awarding agency Web sites that may be useful to an applicant in understanding the program.

iv. Alert applicants to the need to identify proprietary information and inform them about the way the Federal awarding agency will handle it.

v. Include certain routine notices to applicants (e.g., that the Federal Government is not obligated to make any Federal award as a result of the announcement or that only grants officers can bind the Federal Government to the expenditure of funds).

[78 FR 78608, Dec. 26, 2013, as amended at 80 FR 43310, July 22, 2015; 85 FR 49575, Aug. 13, 2020]

Appendix II to Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable.

(A) Contracts for more than the simplified acquisition threshold, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

(B) All contracts in excess of $10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.

(C) Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the

compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

(E) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

(F) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of "funding agreement" under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

(G) Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of $150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

(H) Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

(I) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding $100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of

Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

(J) See §200.323.

(K) See §200.216.

(L) See §200.322.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75888, Dec. 19, 2014; 85 FR 49577, Aug. 13, 2020]

Title 2 — Grants and Agreements
Subtitle A — Office of Management and Budget Guidance for Grants and Agreements
Chapter II — Office of Management and Budget Guidance
Part 200 — Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
Subpart D — Post Federal Award Requirements
Procurement Standards

Source: 85 FR 49543, Aug. 13, 2020, unless otherwise noted.
Authority: 31 U.S.C. 503
Source: 78 FR 78608, Dec. 26, 2013, unless otherwise noted.

§ 200.317 Procurements by states.

When procuring property and services under a Federal award, a State must follow the same policies and procedures it uses for procurements from its non-Federal funds. The State will comply with §§ 200.321, 200.322, and 200.323 and ensure that every purchase order or other contract includes any clauses required by § 200.327. All other non-Federal entities, including subrecipients of a State, must follow the procurement standards in §§ 200.318 through 200.327.

Title 2 - Grants and Agreements
Subtitle A - Office of Management and Budget Guidance for Grants and Agreements
Chapter II - Office of Management and Budget Guidance
Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Authority: 31 U.S.C. 503

Source: 78 FR 78608, Dec. 26, 2013, unless otherwise noted.

Subpart D - Post Federal Award Requirements

Source: 85 FR 49543, Aug. 13, 2020, unless otherwise noted.

Procurement Standards

§ 200.318 General procurement standards.

(a) The non-Federal entity must have and use documented procurement procedures, consistent with State, local, and tribal laws and regulations and the standards of this section, for the acquisition of property or services required under a Federal award or subaward. The non-Federal entity's documented procurement procedures must conform to the procurement standards identified in §§ 200.317 through 200.327.

(b) Non-Federal entities must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

(c)

(1) The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.

(2) If the non-Federal entity has a parent, affiliate, or subsidiary organization that is not a State, local government, or Indian tribe, the non-Federal entity must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.

(d) The non-Federal entity's procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

(e) To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal Government, the non-Federal entity is encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services. Competition requirements will be met with documented procurement actions using strategic sourcing, shared services, and other similar procurement arrangements.

(f) The non-Federal entity is encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

(g) The non-Federal entity is encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.

(h) The non-Federal entity must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. See also § 200.214.

(i) The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to, the following: Rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

(j)

(1) The non-Federal entity may use a time-and-materials type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time-and-materials type contract means a contract whose cost to a non-Federal entity is the sum of:

(i) The actual cost of materials; and

(ii) Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

(2) Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the non-Federal entity awarding such a contract must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

(k) The non-Federal entity alone must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the non-Federal entity of any contractual responsibilities under its

contracts. The Federal awarding agency will not substitute its judgment for that of the non-Federal entity unless the matter is primarily a Federal concern. Violations of law will be referred to the local, state, or Federal authority having proper jurisdiction.

[85 FR 49543, Aug. 13, 2020, as amended at 86 FR 10440, Feb. 22, 2021]

Title 2 - Grants and Agreements
Subtitle A - Office of Management and Budget Guidance for Grants and Agreements
Chapter II - Office of Management and Budget Guidance
Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Authority: 31 U.S.C. 503

Source: 78 FR 78608, Dec. 26, 2013, unless otherwise noted.

Subpart D - Post Federal Award Requirements

Source: 85 FR 49543, Aug. 13, 2020, unless otherwise noted.

Procurement Standards

§ 200.319 Competition.

(a) All procurement transactions for the acquisition of property or services required under a Federal award must be conducted in a manner providing full and open competition consistent with the standards of this section and § 200.320.

(b) In order to ensure objective contractor performance and eliminate unfair competitive advantage, 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. Some of the situations considered to be restrictive of competition include but are not limited to:

(1) Placing unreasonable requirements on firms in order for them to qualify to do business;

(2) Requiring unnecessary experience and excessive bonding;

(3) Noncompetitive pricing practices between firms or between affiliated companies;

(4) Noncompetitive contracts to consultants that are on retainer contracts;

(5) Organizational conflicts of interest;

(6) Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement; and

(7) Any arbitrary action in the procurement process.

(c) The non-Federal entity must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

(d) The non-Federal entity must have written procedures for procurement transactions. These procedures must ensure that all solicitations:

(1) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and

(2) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

(e) The non-Federal entity must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the non-Federal entity must not preclude potential bidders from qualifying during the solicitation period.

(f) Noncompetitive procurements can only be awarded in accordance with § 200.320(c).

Title 2 - Grants and Agreements
Subtitle A - Office of Management and Budget Guidance for Grants and Agreements
Chapter II - Office of Management and Budget Guidance
Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Authority: 31 U.S.C. 503

Source: 78 FR 78608, Dec. 26, 2013, unless otherwise noted.

Subpart D - Post Federal Award Requirements

Source: 85 FR 49543, Aug. 13, 2020, unless otherwise noted.

Procurement Standards

§ 200.320 Methods of procurement to be followed.

The non-Federal entity must have and use documented procurement procedures, consistent with the standards of this section and §§ 200.317, 200.318, and 200.319 for any of the following methods of procurement used for the acquisition of property or services required under a Federal award or sub-award.

(a) *Informal procurement methods.* When the value of the procurement for property or services under a Federal award does not exceed the *simplified acquisition threshold (SAT),* as defined in § 200.1, or a lower threshold established by a non-Federal entity, formal procurement methods are not required. The non-Federal entity may use informal procurement methods to expedite the completion of its transactions and minimize the associated administrative burden and cost. The informal methods used for procurement of property or services at or below the SAT include:

(1) *Micro-purchases* -

(i) *Distribution.* The acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (See the definition of *micro-purchase* in § 200.1). To the maximum extent practicable, the non-Federal entity should distribute micro-purchases equitably among qualified suppliers.

(ii) *Micro-purchase awards.* Micro-purchases may be awarded without soliciting competitive price or rate quotations if the non-Federal entity considers the price to be reasonable based on research, experience, purchase history or other information and documents it files accordingly. Purchase cards can be used for micro-purchases if procedures are documented and approved by the non-Federal entity.

(iii) *Micro-purchase thresholds.* The non-Federal entity is responsible for determining and documenting an appropriate micro-purchase threshold based on internal controls, an evaluation of risk, and its documented procurement procedures. The micro-purchase threshold used by the non-Federal entity must be authorized or not prohibited under State, local, or tribal laws or regulations. Non-Federal entities may establish a threshold higher than the Federal threshold established in the Federal Acquisition Regulations (FAR) in accordance with paragraphs (a)(1)(iv) and (v) of this section.

(iv) *Non-Federal entity increase to the micro-purchase threshold up to $50,000.* Non-Federal entities may establish a threshold higher than the micro-purchase threshold identified in the FAR in accordance with the requirements of this section. The non-Federal entity may self-certify a threshold up to $50,000 on an annual basis and must maintain documentation to be made available to the Federal awarding agency and auditors in accordance with § 200.334. The self-certification must include a justification, clear identification of the threshold, and supporting documentation of any of the following:

(A) A qualification as a low-risk auditee, in accordance with the criteria in § 200.520 for the most recent audit;

(B) An annual internal institutional risk assessment to identify, mitigate, and manage financial risks; or,

(C) For public institutions, a higher threshold consistent with State law.

(v) *Non-Federal entity increase to the micro-purchase threshold over $50,000.* Micro-purchase thresholds higher than $50,000 must be approved by the cognizant agency for indirect costs. The non-federal entity must submit a request with the requirements included in paragraph (a)(1)(iv) of this section. The increased threshold is valid until there is a change in status in which the justification was approved.

(2) *Small purchases* -

(i) *Small purchase procedures.* The acquisition of property or services, the aggregate dollar amount of which is higher than the micro-purchase threshold but does not exceed the simplified acquisition threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources as determined appropriate by the non-Federal entity.

(ii) *Simplified acquisition thresholds.* The non-Federal entity is responsible for determining an appropriate simplified acquisition threshold based on internal controls, an evaluation of risk and its documented procurement procedures which must not exceed the threshold established in the FAR. When applicable, a lower simplified acquisition threshold used by the non-Federal entity must be authorized or not prohibited under State, local, or tribal laws or regulations.

(b) *Formal procurement methods.* When the value of the procurement for property or services under a Federal financial assistance award exceeds the SAT, or a lower threshold established by a non-Federal entity, formal procurement methods are required. Formal procurement methods require following documented procedures. Formal procurement methods also require public advertising unless a non-competitive procurement can be used in accordance with § 200.319 or paragraph (c) of this section. The following formal methods of procurement are used for procurement of property or services above the simplified acquisition threshold or a value below the simplified acquisition threshold the non-Federal entity determines to be appropriate:

(1) *Sealed bids.* A procurement method in which bids are publicly solicited and a firm fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bids method is the preferred method for procuring construction, if the conditions.

(i) In order for sealed bidding to be feasible, the following conditions should be present:

(A) A complete, adequate, and realistic specification or purchase description is available;

(B) Two or more responsible bidders are willing and able to compete effectively for the business; and

(C) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

(ii) If sealed bids are used, the following requirements apply:

(A) Bids must be solicited from an adequate number of qualified sources, providing them sufficient response time prior to the date set for opening the bids, for local, and tribal governments, the invitation for bids must be publicly advertised;

(B) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;

(C) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;

(D) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

(E) Any or all bids may be rejected if there is a sound documented reason.

(2) *Proposals.* A procurement method in which either a fixed price or cost-reimbursement type contract is awarded. Proposals are generally used when conditions are not appropriate for the use of sealed bids. They are awarded in accordance with the following requirements:

(i) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Proposals must be solicited from an adequate number of qualified offerors. Any response to publicized requests for proposals must be considered to the maximum extent practical;

(ii) The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and making selections;

(iii) Contracts must be awarded to the responsible offeror whose proposal is most advantageous to the non-Federal entity, with price and other factors considered; and

(iv) The non-Federal entity may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby offeror's qualifications are evaluated and the most qualified offeror is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms that are a potential source to perform the proposed effort.

(c) *Noncompetitive procurement.* There are specific circumstances in which noncompetitive procurement can be used. Noncompetitive procurement can only be awarded if one or more of the following circumstances apply:

(1) The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (see paragraph (a)(1) of this section);

(2) The item is available only from a single source;

(3) The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation;

(4) The Federal awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request from the non-Federal entity; or

(5) After solicitation of a number of sources, competition is determined inadequate.

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Authority: 31 U.S.C. 503

Source: 78 FR 78608, Dec. 26, 2013, unless otherwise noted.

Subpart D - Post Federal Award Requirements

Source: 85 FR 49543, Aug. 13, 2020, unless otherwise noted.

Procurement Standards

§ 200.321 Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.

(a) The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

(b) Affirmative steps must include:

(1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

(2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

(3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;

(4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;

(5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and

(6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (b)(1) through (5) of this section.

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Source: 78 FR 78608, Dec. 26, 2013, unless otherwise noted.

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Source: 85 FR 49543, Aug. 13, 2020, unless otherwise noted.

Procurement Standards

§ 200.322 Domestic preferences for procurements.

(a) As appropriate and to the extent consistent with law, the non-Federal entity should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award.

(b) For purposes of this section:

(1) "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

(2) "Manufactured products" means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

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Source: 78 FR 78608, Dec. 26, 2013, unless otherwise noted.

Subpart D - Post Federal Award Requirements

Source: 85 FR 49543, Aug. 13, 2020, unless otherwise noted.

Procurement Standards

§ 200.323 Procurement of recovered materials.

A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

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Subpart D - Post Federal Award Requirements

Source: 85 FR 49543, Aug. 13, 2020, unless otherwise noted.

Procurement Standards

§ 200.324 Contract cost and price.

(a) The non-Federal entity must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the non-Federal entity must make independent estimates before receiving bids or proposals.

(b) The non-Federal entity must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

(c) Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the non-Federal entity under subpart E of this part. The non-Federal entity may reference its own cost principles that comply with the Federal cost principles.

(d) The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

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Source: 85 FR 49543, Aug. 13, 2020, unless otherwise noted.
Authority: 31 U.S.C. 503
Source: 78 FR 78608, Dec. 26, 2013, unless otherwise noted.

§ 200.325 Federal awarding agency or pass-through entity review.

(a) The non-Federal entity must make available, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the non-Federal entity desires to have the review accomplished after a solicitation has been developed, the Federal awarding agency or pass-through entity may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.

(b) The non-Federal entity must make available upon request, for the Federal awarding agency or pass-through entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when:

(1) The non-Federal entity's procurement procedures or operation fails to comply with the procurement standards in this part;

(2) The procurement is expected to exceed the Simplified Acquisition Threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation;

(3) The procurement, which is expected to exceed the Simplified Acquisition Threshold, specifies a "brand name" product;

(4) The proposed contract is more than the Simplified Acquisition Threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or

(5) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the Simplified Acquisition Threshold.

(c) The non-Federal entity is exempt from the pre-procurement review in paragraph (b) of this section if the Federal awarding agency or pass-through entity determines that its procurement systems comply with the standards of this part.

(1) The non-Federal entity may request that its procurement system be reviewed by the Federal awarding agency or pass-through entity to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews must occur where there is continuous high-dollar funding, and third-party contracts are awarded on a regular basis;

(2) The non-Federal entity may self-certify its procurement system. Such self-certification must not limit the Federal awarding agency's right to survey the system. Under a self-certification procedure, the Federal awarding agency may rely on written assurances from the non-Federal entity that it is complying with these standards. The non-Federal entity must cite specific policies, procedures, regulations, or standards as being in compliance with these requirements and have its system available for review.

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Source: 85 FR 49543, Aug. 13, 2020, unless otherwise noted.
Authority: 31 U.S.C. 503
Source: 78 FR 78608, Dec. 26, 2013, unless otherwise noted.

§ 200.326 Bonding requirements.

For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold, the Federal awarding agency or pass-through entity may accept the bonding policy and requirements of the non-Federal entity provided that the Federal awarding agency or pass-through entity has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:

(a) A bid guarantee from each bidder equivalent to five percent of the bid price. The “bid guarantee” must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.

(b) A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor's requirements under such contract.

(c) A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

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Source: 85 FR 49543, Aug. 13, 2020, unless otherwise noted.
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§ 200.327 Contract provisions.

The non-Federal entity's contracts must contain the applicable provisions described in appendix II to this part.

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Source: 85 FR 49543, Aug. 13, 2020, unless otherwise noted.
Authority: 31 U.S.C. 503
Source: 78 FR 78608, Dec. 26, 2013, unless otherwise noted.

§ 200.331 Subrecipient and contractor determinations.

The non-Federal entity may concurrently receive Federal awards as a recipient, a subrecipient, and a contractor, depending on the substance of its agreements with Federal awarding agencies and pass-through entities. Therefore, a pass-through entity must make case-by-case determinations whether each agreement it makes for the disbursement of Federal program funds casts the party receiving the funds in the role of a subrecipient or a contractor. The Federal awarding agency may supply and require recipients to comply with additional guidance to support these determinations provided such guidance does not conflict with this section.

(a) *Subrecipients.* A subaward is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient. See definition for *Subaward* in § 200.1 of this part. Characteristics which support the classification of the non-Federal entity as a subrecipient include when the non-Federal entity:

(1) Determines who is eligible to receive what Federal assistance;

(2) Has its performance measured in relation to whether objectives of a Federal program were met;

(3) Has responsibility for programmatic decision-making;

(4) Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and

(5) In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

(b) *Contractors.* A contract is for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the contractor. See the definition of *contract* in § 200.1 of this part. Characteristics indicative of a procurement relationship between the non-Federal entity and a contractor are when the contractor:

(1) Provides the goods and services within normal business operations;

(2) Provides similar goods or services to many different purchasers;

(3) Normally operates in a competitive environment;

(4) Provides goods or services that are ancillary to the operation of the Federal program; and

(5) Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

(c) *Use of judgment in making determination.* In determining whether an agreement between a pass-through entity and another non-Federal entity casts the latter as a subrecipient or a contractor, the substance of the relationship is more important than the form of the agreement. All of the characteristics listed above may not be present in all cases, and the pass-through entity must use judgment in classifying each agreement as a subaward or a procurement contract.

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Authority: 31 U.S.C. 503
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§ 200.402 Composition of costs.

Total cost. The total cost of a Federal award is the sum of the allowable direct and allocable indirect costs less any applicable credits.

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Authority: 31 U.S.C. 503
Source: 78 FR 78608, Dec. 26, 2013, unless otherwise noted.

§ 200.403 Factors affecting allowability of costs.

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

(a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.

(b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.

(c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.

(d) Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.

(e) Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.

(f) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period. See also § 200.306(b).

(g) Be adequately documented. See also §§ 200.300 through 200.309 of this part.

(h) Cost must be incurred during the approved budget period. The Federal awarding agency is authorized, at its discretion, to waive prior written approvals to carry forward unobligated balances to subsequent budget periods pursuant to § 200.308(e)(3).

[78 FR 78608, Dec. 26, 2013, as amended at 85 FR 49562, Aug. 13, 2020]

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§ 200.404 Reasonable costs.

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when the non-Federal entity is predominantly federally-funded. In determining reasonableness of a given cost, consideration must be given to:

(a) Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-Federal entity or the proper and efficient performance of the Federal award.

(b) The restraints or requirements imposed by such factors as: sound business practices; arm's-length bargaining; Federal, state, local, tribal, and other laws and regulations; and terms and conditions of the Federal award.

(c) Market prices for comparable goods or services for the geographic area.

(d) Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the non-Federal entity, its employees, where applicable its students or membership, the public at large, and the Federal Government.

(e) Whether the non-Federal entity significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the Federal award's cost.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]

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§ 200.405 Allocable costs.

(a) A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received. This standard is met if the cost:

(1) Is incurred specifically for the Federal award;

(2) Benefits both the Federal award and other work of the non-Federal entity and can be distributed in proportions that may be approximated using reasonable methods; and

(3) Is necessary to the overall operation of the non-Federal entity and is assignable in part to the Federal award in accordance with the principles in this subpart.

(b) All activities which benefit from the non-Federal entity's indirect (F&A) cost, including unallowable activities and donated services by the non-Federal entity or third parties, will receive an appropriate allocation of indirect costs.

(c) Any cost allocable to a particular Federal award under the principles provided for in this part may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons. However, this prohibition would not preclude the non-Federal entity from shifting costs that are allowable under two or more Federal awards in accordance with existing Federal statutes, regulations, or the terms and conditions of the Federal awards.

(d) Direct cost allocation principles: If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding paragraph (c) of this section, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis. Where the purchase of equipment or other capital asset is specifically authorized under a Federal award, the costs are assignable to the Federal award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it was originally required. See also §§ 200.310 through 200.316 and 200.439.

(e) If the contract is subject to CAS, costs must be allocated to the contract pursuant to the Cost Accounting Standards. To the extent that CAS is applicable, the allocation of costs in accordance with CAS takes precedence over the allocation provisions in this part.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014; 85 FR 49562, Aug. 13, 2020]

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Authority: 31 U.S.C. 503
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§ 200.406 Applicable credits.

(a) Applicable credits refer to those receipts or reduction-of-expenditure-type transactions that offset or reduce expense items allocable to the Federal award as direct or indirect (F&A) costs. Examples of such transactions are: purchase discounts, rebates or allowances, recoveries or indemnities on losses, insurance refunds or rebates, and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the non-Federal entity relate to allowable costs, they must be credited to the Federal award either as a cost reduction or cash refund, as appropriate.

(b) In some instances, the amounts received from the Federal Government to finance activities or service operations of the non-Federal entity should be treated as applicable credits. Specifically, the concept of netting such credit items (including any amounts used to meet cost sharing or matching requirements) must be recognized in determining the rates or amounts to be charged to the Federal award. (See §§ 200.436 and 200.468, for areas of potential application in the matter of Federal financing of activities.)

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014; 85 FR 49562, Aug. 13, 2020]

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§ 200.407 Prior written approval (prior approval).

Under any given Federal award, the reasonableness and allocability of certain items of costs may be difficult to determine. In order to avoid subsequent disallowance or dispute based on unreasonableness or nonallocability, the non-Federal entity may seek the prior written approval of the cognizant agency for indirect costs or the Federal awarding agency in advance of the incurrence of special or unusual costs. Prior written approval should include the timeframe or scope of the agreement. The absence of prior written approval on any element of cost will not, in itself, affect the reasonableness or allocability of that element, unless prior approval is specifically required for allowability as described under certain circumstances in the following sections of this part:

(a) § 200.201 Use of grant agreements (including fixed amount awards), cooperative agreements, and contracts, paragraph (b)(5);

(b) § 200.306 Cost sharing or matching;

(c) § 200.307 Program income;

(d) § 200.308 Revision of budget and program plans;

(e) § 200.311 Real property;

(f) § 200.313 Equipment;

(g) § 200.333 Fixed amount subawards;

(h) § 200.413 Direct costs, paragraph (c);

(i) § 200.430 Compensation—personal services, paragraph (h);

(j) § 200.431 Compensation—fringe benefits;

(k) § 200.438 Entertainment costs;

(l) § 200.439 Equipment and other capital expenditures;

(m) § 200.440 Exchange rates;

(n) § 200.441 Fines, penalties, damages and other settlements;

(o) § 200.442 Fund raising and investment management costs;

(p) § 200.445 Goods or services for personal use;

(q) § 200.447 Insurance and indemnification;

(r) § 200.454 Memberships, subscriptions, and professional activity costs, paragraph (c);

(s) § 200.455 Organization costs;

(t) § 200.456 Participant support costs;

(u) § 200.458 Pre-award costs;

(v) § 200.462 Rearrangement and reconversion costs;

(w) § 200.467 Selling and marketing costs;

(x) § 200.470 Taxes (including Value Added Tax); and

(y) § 200.475 Travel costs.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014; 85 FR 49562, Aug. 13, 2020]

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Source: 78 FR 78608, Dec. 26, 2013, unless otherwise noted.

§ 200.408 Limitation on allowance of costs.

The Federal award may be subject to statutory requirements that limit the allowability of costs. When the maximum amount allowable under a limitation is less than the total amount determined in accordance with the principles in this part, the amount not recoverable under the Federal award may not be charged to the Federal award.

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Subtitle A — Office of Management and Budget Guidance for Grants and Agreements
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Part 200 — Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
Subpart E — Cost Principles
Basic Considerations

Authority: 31 U.S.C. 503
Source: 78 FR 78608, Dec. 26, 2013, unless otherwise noted.

§ 200.409 Special considerations.

In addition to the basic considerations regarding the allowability of costs highlighted in this subtitle, other subtitles in this part describe special considerations and requirements applicable to states, local governments, Indian tribes, and IHEs. In addition, certain provisions among the items of cost in this subpart are only applicable to certain types of non-Federal entities, as specified in the following sections:

(a) Direct and Indirect (F&A) Costs (§§ 200.412-200.415) of this subpart;

(b) Special Considerations for States, Local Governments and Indian Tribes (§§ 200.416 and 200.417) of this subpart; and

(c) Special Considerations for Institutions of Higher Education (§§ 200.418 and 200.419) of this subpart.

[85 FR 49562, Aug. 13, 2020]

Title 2 — Grants and Agreements
Subtitle A — Office of Management and Budget Guidance for Grants and Agreements
Chapter II — Office of Management and Budget Guidance
Part 200 — Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
Subpart E — Cost Principles
Basic Considerations

Authority: 31 U.S.C. 503
Source: 78 FR 78608, Dec. 26, 2013, unless otherwise noted.

§ 200.410 Collection of unallowable costs.

Payments made for costs determined to be unallowable by either the Federal awarding agency, cognizant agency for indirect costs, or pass-through entity, either as direct or indirect costs, must be refunded (including interest) to the Federal Government in accordance with instructions from the Federal agency that determined the costs are unallowable unless Federal statute or regulation directs otherwise. See also §§ 200.300 through 200.309 in subpart D of this part.

[85 FR 49562, Aug. 13, 2020]

Title 24 — Housing and Urban Development
Subtitle B — Regulations Relating to Housing and Urban Development
Chapter V — Office of Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development
Subchapter C — Community Facilities
Part 570 — Community Development Block Grants
Subpart I — State Community Development Block Grant Program

Source: 57 FR 53397, Nov. 9, 1992, unless otherwise noted.
Authority: 12 U.S.C. 1701x, 1701 x-1; 42 U.S.C. 3535(d) and 5301-5320.
Source: 40 FR 24693, June 9, 1975, unless otherwise noted.

§ 570.487 Other applicable laws and related program requirements.

(a) *General.* Certain statutes are expressly made applicable to activities assisted under the Act by the Act itself, while other laws not referred to in the Act may be applicable to such activities by their own terms. Certain statutes or executive orders that may be applicable to activities assisted under the Act by their own terms are administered or enforced by governmental officials, departments or agencies other than HUD. Paragraphs (d) and (c) of this section contain two of the requirements expressly made applicable to CDBG activities by the Act itself.

(b) *Affirmatively furthering fair housing.* The Act requires the state to certify to HUD's satisfaction that it will affirmatively further fair housing pursuant to §§ 5.151 and 5.152 of this title. The Act also requires each unit of general local government to certify that it will affirmatively further fair housing.

(c) *Lead-Based Paint Poisoning Prevention Act.* States shall devise, adopt and carry out procedures with respect to CDBG assistance that fulfill the objectives and requirements of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, J, K, and R of this title.

(d) States shall comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and the implementing regulations in 24 CFR part 75. Section 3 requires that employment and other economic opportunities arising in connection with housing rehabilitation, housing construction, or other public construction projects shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be given to low- and very low-income persons.

(e) *Architectural Barriers Act and the Americans with Disabilities Act.* The Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) requires certain Federal and Federally-funded buildings and other facilities to be designed, constructed, or altered in accordance with standards that ensure accessibility to, and use by, physically handicapped people. A building or facility designed, constructed, or altered with funds allocated or reallocated under this subpart after November 21, 1996 and that meets the definition of *residential structure* as defined in 24 CFR 40.2, or the definition of *building* as defined in 41 CFR 101-19.602(a), is subject to the requirements of the Architectural Barriers Act of 1968 and shall comply with the Uniform Federal Accessibility Standards. For general type buildings, these standards are in appendix A to 41 CFR part 101-19.6. For residential structures, these standards are available from the Department of Housing

and Urban Development, Office of Fair Housing and Equal Opportunity, Disability Rights Division, Room 5240, 451 Seventh Street, SW, Washington, DC 20410; telephone (202) 708-2333 (voice) or (202) 708-1734 (TTY) (these are not toll-free numbers).

[57 FR 53397, Nov. 9, 1992, as amended at 59 FR 33894, June 30, 1994; 60 FR 1916, Jan. 5, 1995; 61 FR 54922, Oct. 22, 1996; 64 FR 50225, Sept. 15, 1999; 80 FR 42367, July 16, 2015; 85 FR 47911, Aug. 7, 2020; 85 FR 61567, Sept. 29, 2020; 86 FR 30792, June 10, 2021]

Title 24 — Housing and Urban Development
Subtitle B — Regulations Relating to Housing and Urban Development
Chapter V — Office of Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development
Subchapter C — Community Facilities
Part 570 — Community Development Block Grants
Subpart I — State Community Development Block Grant Program

Source: 57 FR 53397, Nov. 9, 1992, unless otherwise noted.
Authority: 12 U.S.C. 1701x, 1701 x-1; 42 U.S.C. 3535(d) and 5301-5320.
Source: 40 FR 24693, June 9, 1975, unless otherwise noted.

§ 570.489 Program administrative requirements.

(a) *Administrative and planning costs. —*

(1) *State administrative and technical assistance costs.*

(i) The State is responsible for the administration of all CDBG funds. The State may use CDBG funds not to exceed $100,000, plus 50 percent of administrative expenses incurred in excess of $100,000. Amounts of CDBG funds used to pay administrative expenses in excess of $100,000 shall not, subject to paragraph (a)(1)(iii) of this section, exceed the sum of 3 percent of the State's annual grant; 3 percent of program income received by units of general local government during each program year, regardless of the origin year in which the State grant funds that generate the program income were appropriated (whether retained by units of general local government or paid to the State); and 3 percent of funds reallocated by HUD to the State.

(ii) To pay the costs of providing technical assistance to local governments and nonprofit program recipients, a State may, subject to paragraph (a)(1)(iii) of this section, use CDBG funds received on or after January 23, 2004, in an amount not to exceed the sum of 3 percent of its annual grant; 3 percent of program income received by units of general local government during each program year, regardless of the origin year in which the State grant funds that generate the program income were appropriated (whether retained by units of general local government or paid to the State); and 3 percent of funds reallocated by HUD to the State during each program year.

(iii) The amount of CDBG funds used to pay the sum of administrative costs in excess of $100,000 paid pursuant to paragraph (a)(1)(i) of this section and technical assistance costs paid pursuant to paragraph (a)(1)(ii) of this section must not exceed the sum of 3 percent of the State's annual grant; 3 percent of program income received by units of general local government during each program year, regardless of the origin year in which the State grant funds that generate the program income were appropriated (whether retained by the unit of general local government or paid to the State); and 3 percent of funds reallocated by HUD to the State.

(iv) In calculating the amount of CDBG funds that may be used to pay State administrative expenses prior to January 23, 2004, the State may include in the calculation the following elements only to the extent that they are within the following time limitations:

(A) $100,000 per annual grant beginning with FY 1984 allocations;

(B) Two percent of the sum of a State's annual grant and funds reallocated by HUD to the State within a program year, without limitation based on when such amounts were received;

(C) Two percent of program income returned by units of general local government to States after August 21, 1985; and

(D) Two percent of program income received and retained by units of general local government after February 11, 1991.

(v) In regard to its administrative costs, for grants before origin year 2015, the State has the option of selecting its approach for demonstrating compliance with the requirements of paragraph (a)(1) of this section. For grants beginning with origin year 2015 grants and subsequent grants, the State must use the approach in paragraph (a)(1)(v)(A) of this section. Any State whose matching cost contributions toward State administrative expense matching requirements are in arrears must bring matching cost contributions up to the level of CDBG funds expended for such costs. A State grant may not be closed out if the State's matching cost contribution is not at least equal to the amount of CDBG funds in excess of $100,000 expended for administration. The two approaches for demonstrating compliance with this paragraph (a)(1) are:

(A) *Year-to-year tracking and limitation on drawdown of funds.* The State will calculate the maximum allowable amount of CDBG funds that may be used for State administrative expenses from the sum of each origin year grant, program income received during that associated program year and reallocations by HUD to the State during that associated program year. The State will draw down amounts of those funds only upon its own expenditure of an equal or greater amount of matching funds from its own resources after the expenditure of the initial $100,000 for State administrative expenses. The State will be considered to be in compliance with the applicable requirements if the actual amount of CDBG funds spent on State administrative expenses does not exceed the maximum allowable amount, and if the amount of matching funds that the State has expended for that grant year is equal to or greater than the amount of CDBG funds in excess of $100,000 spent during that same grant year. Under this approach, the State must demonstrate that it has paid from its own funds at least 50 percent of its administrative expenses in excess of $100,000 by the closeout of each grant.

(B) *Cumulative accounting of administrative costs incurred by the State since its assumption of the CDBG program for grants before origin year 2015.* Under this approach, the State will identify, for each grant it has received, the CDBG funds eligible to be used for State administrative expenses, as well as the minimum amount of matching funds that the State is required to contribute. The amounts will then be aggregated for all grants received. The State must keep records demonstrating the actual amount of CDBG funds from each grant received that was used for State administrative expenses, as well as matching amounts that were contributed by the State. The State will be considered to be in compliance with the applicable requirements if the aggregate of the actual amounts of CDBG funds spent on State administrative expenses does not exceed the aggregate maximum allowable

amount and if the aggregate amount of matching funds that the State has expended is equal to or greater than the aggregate amount of CDBG funds in excess of $100,000 (for each annual grant within the subject period) spent on administrative expenses during its 3- to 5-year Consolidated Planning period. If the State grant for any grant year within the 3- to 5-year period has been closed out, the aggregate amount of CDBG funds spent on State administrative expenses, the aggregate maximum allowable amount, the aggregate matching funds expended, and the aggregate amount of CDBG funds in excess of $100,000 (for each annual grant within the subject period) will be reduced by amounts attributable to the grant year for which the State grant has been closed out.

(2) The State may not charge fees of any entity for processing or considering any application for CDBG funds, or for carrying out its responsibilities under this subpart.

(3)

(i) Administrative costs are those described at § 570.489(a)(1) for States and, for units of general local government, are those described at sections 105(a)(12) and (a)(13) of the Act.

(ii) The combined expenditures by the State and its funded units of general local government for planning, management, and administrative costs shall not exceed 20 percent of the aggregate amount of the origin year grant, any origin year grant funds reallocated by HUD to the State, and the amount of any program income received during the program year.

(iii) For origin year 2015 grants and subsequent grants, no more than 20 percent of any annual grant (excluding program income) shall be expended by the State and its funded units of general local government for planning, management, and administrative costs. In addition, the combined expenditures by the States and its unit of general local government for planning, management, and administrative costs shall not exceed 20 percent of any origin year grant funds reallocated by HUD to the State.

(iv) Funds from a grant of any origin year may be used to pay planning and program administrative costs associated with any grant of any origin year.

(b) *Reimbursement of pre-agreement costs*. The State may permit, in accordance with such procedures as the State may establish, a unit of general local government to incur costs for CDBG activities before the establishment of a formal grant relationship between the State and the unit of general local government and to charge these pre-agreement costs to the grant, provided that the activities are eligible and undertaken in accordance with the requirements of this part and 24 CFR part 58. A State may incur costs prior to entering into a grant agreement with HUD and charge those pre-agreement costs to the grant, provided that the activities are eligible and are undertaken in accordance with the requirements of this part, part 58 of this title, and the citizen participation requirements of part 91 of this title.

(c) *Federal grant payments*. The State's requests for payment, and the Federal Government's payments upon such requests, must comply with 31 CFR part 205. The State must use procedures to minimize the time elapsing between the transfer of grant funds and disbursement of funds by the State to units of general local government. States must also have procedures in place, and units of general local government must use these procedures to minimize the time elapsing between the transfer of funds by the State and disbursement for CDBG activities.

(d) *Fiscal controls and accounting procedures*.

(1) A State shall have fiscal and administrative requirements for expending and accounting for all funds received under this subpart. These requirements must be available for Federal inspection and must:

(i) Be sufficiently specific to ensure that funds received under this subpart are used in compliance with all applicable statutory and regulatory provisions and the terms and conditions of the award:

(ii) Ensure that funds received under this subpart are only spent for reasonable and necessary costs of operating programs under this subpart; and

(iii) Ensure that funds received under this subpart are not used for general expenses required to carry out other responsibilities of State and local governments.

(2) A State may satisfy this requirement by:

(i) Using fiscal and administrative requirements applicable to the use of its own funds;

(ii) Adopting new fiscal and administrative requirements; or

(iii) Applying the provisions in 2 CFR part 200.

(A) A State that opts to satisfy this requirement for fiscal controls and administrative procedures by applying the provisions of 2 CFR part 200 must comply with the requirements therein.

(B) A State that opts to satisfy this requirement for fiscal controls and administrative procedures by applying the provisions of 2 CFR part 200 must also ensure that recipients of the State's CDBG funds comply with 2 CFR part 200.

(e) *Program income*.

(1) For the purposes of this subpart, "program income" is defined as gross income received by a State, a unit of general local government, or a subgrantee of the unit of general local government that was generated from the use of CDBG funds, regardless of when the CDBG funds were appropriated and whether the activity has been closed out, except as provided in paragraph (e)(2) of this section. When income is generated by an activity that is only partially assisted with CDBG funds, the income must be prorated to reflect the percentage of CDBG funds used (e.g., a single loan supported by CDBG funds and other funds; or a single parcel of land purchased with CDBG funds and other funds). Program income includes, but is not limited to, the following:

(i) Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds, except as provided in paragraph (e)(2)(v) of this section;

(ii) Proceeds from the disposition of equipment purchased with CDBG funds;

(iii) Gross income from the use or rental of real or personal property acquired by the unit of general local government or subgrantee of the unit of general local government with CDBG funds, less the costs incidental to the generation of the income;

(iv) Gross income from the use or rental of real property, owned by the unit of general local government or other entity carrying out a CDBG activity that was constructed or improved with CDBG funds, less the costs incidental to the generation of the income;

(v) Payments of principal and interest on loans made using CDBG funds, except as provided in paragraph (e)(2)(iii) of this section;

(vi) Proceeds from the sale of loans made with CDBG funds, less reasonable legal and other costs incurred in the course of such sale that are not otherwise eligible costs under sections 105(a)(13) or 106(d)(3)(A) of the Act;

(vii) Proceeds from the sale of obligations secured by loans made with CDBG funds, less reasonable legal and other costs incurred in the course of such sale that are not otherwise eligible costs under sections 105(a)(13) or 106(d)(3)(A) of the Act;

(viii) Interest earned on funds held in a revolving fund account;

(ix) Interest earned on program income pending disposition of the income;

(x) Funds collected through special assessments made against nonresidential properties and properties owned and occupied by households not of low and moderate income, if the special assessments are used to recover all or part of the CDBG portion of a public improvement; and

(xi) Gross income paid to a unit of general local government or subgrantee of the unit of general local government from the ownership interest in a for-profit entity acquired in return for the provision of CDBG assistance.

(2) "Program income" does not include the following:

(i) The total amount of funds, which does not exceed $35,000 received in a single year from activities, other than revolving loan funds that is retained by a unit of general local government and its subgrantees (all funds received from revolving loan funds are considered program income, regardless of amount);

(ii) Amounts generated by activities eligible under section 105(a)(15) of the Act and carried out by an entity under the authority of section 105(a)(15) of the Act;

(iii) Payments of principal and interest made by a subgrantee carrying out a CDBG activity for a unit of general local government, toward a loan from the local government to the subgrantee, to the extent that program income received by the subgrantee is used for such payments;

(iv) The following classes of interest, which must be remitted to HUD for transmittal to the Department of the Treasury, and will not be reallocated under section 106(c) or (d) of the Act:

(A) Interest income from loans or other forms of assistance provided with CDBG funds that are used for activities determined by HUD to be not eligible under § 570.482 or section 105(a) of the Act, to fail to meet a national objective in accordance with the requirements of § 570.483, or to fail substantially to meet any other requirement of this subpart or the Act;

(B) Interest income from deposits of amounts reimbursed to a State's CDBG program account prior to the state's disbursement of the reimbursed funds for eligible purposes; and

(C) Interest income received by units of general local government on deposits of grant funds before disbursement of the funds for activities, except that the unit of general local government may keep interest payments of up to $100 per year for administrative expenses otherwise permitted to be paid with CDBG funds.

(v) Proceeds from the sale of real property purchased or improved with CDBG funds, if the proceeds are received more than 5 years after expiration of the grant agreement between the State and the unit of general local government.

(3) The State may permit the unit of general local government which receives or will receive program income to retain it, subject to the requirements of paragraph (e)(3)(ii) of this section, or may require the unit of general local government to pay the program income to the State. The State, however, must permit the unit of general local government to retain the program income if it will be used to continue the activity from which it was derived. The State will determine when an activity is being continued.

(i) *Program income paid to the State*. Except as described in paragraph (e)(3)(ii)(A) of this section, the State may require the unit of general local government that receives or will receive program income to return the program income to the State. Program income that is paid to the State is treated as additional CDBG funds subject to the requirements of this subpart. Except for program income retained and used by the State for administrative costs or technical assistance under paragraph (a) of this section, program income paid to the State must be distributed to units of general local government in accordance with the method of distribution in the action plan under 24 CFR 91.320(k)(1)(i) that is in effect at the time the program income is distributed. To the maximum extent feasible, the State must distribute program income before it makes additional withdrawals from the United States Treasury, except as provided in paragraph (f) of this section.

(ii) *Program income retained by a unit of general local government*. A State may permit a unit of general local government that receives or will receive program income to retain it. Alternatively, a State may require that the unit of general local government pay any such income to the State unless the exception in paragraph (e)(3)(ii)(A) of this section applies.

(A) A State must permit the unit of general local government to retain the program income if the program income will be used to continue the activity from which it was derived. A State will determine when an activity is being continued. In making such a determination, a State may consider whether the unit of general local government is or will be unable to comply with the requirements of paragraph (e)(3)(ii)(B) of this section or other requirements of this part, and the extent to which the program income is unlikely to be applied to continue the activity within the reasonably near future. When a State determines that the program income will be applied to continue the activity from which it was derived, but the amount of program income held by the unit of general local government exceeds projected cash needs for the reasonably near future, the State may require the local government to return all or part of the program income to the State until such time as it is needed by the unit of general local government. When a State determines that a unit of local government is not likely to apply any significant amount of program income to continue the activity within a reasonable amount of time, or that it is not likely to apply the program income in accordance with applicable requirements, the State may require the unit of general local government to return all of the program income to the State for disbursement to other units of local government. A State that intends to require units of general local government to return program income in accordance with this paragraph must describe its approach in the State's action plan required under 24 CFR 91.320 of this title or in a substantial amendment if the State intends to implement this option after the action plan is submitted to and approved by HUD.

(B) Program income that is received and retained by the unit of general local government is treated as additional CDBG funds and is subject to all applicable requirements of this subpart, regardless of whether the activity that generated the program income has been closed out. If the grant between the State and the unit of general local government that

generated the program income is still open when it is generated, program income permitted to be retained will be considered part of the unit of general local government's grant that generated the program income. If the grant between the State and the unit of general local government is closed out, program income permitted to be retained will be considered to be part of the unit of general local government's most recently awarded open grant. If the unit of general local government has no open grants with the State, the program income retained by the unit of general local government will be counted as part of the State's program year in which the program income was received. A State must employ one or more of the following methods to ensure that units of general local government comply with applicable program income requirements:

(*1*) Maintaining contractual relationships with units of general local government for the duration of the existence of the program income;

(*2*) Closing out the underlying activity, but requiring as a condition of closeout that the unit of general local government obtain advance State approval of either a unit of general local government's plan for the use of program income or of each use of program income by grant recipients via regularly occurring reports and requests for approval;

(*3*) Closing out the underlying activity, but requiring as a condition of closeout that the unit of general local government report to the State when new program income is received; or

(*4*) With prior HUD approval, other approaches that demonstrate that the State will ensure compliance with the requirements of this subpart by units of general local government.

(iii) *Transfer of program income to Entitlement program.* A unit of general local government that becomes eligible to be an Entitlement grantee may request the State's approval to transfer State CDBG grant-generated program income to the unit of general local government's Entitlement program. A State may approve the transfer, provided that the unit of general local government:

(A) Has officially elected to participate in the Entitlement grant program;

(B) Agrees to use such program income in accordance with Entitlement program requirements; and

(C) Has set up Integrated Disbursement Information System (IDIS) access and agrees to enter receipt of program income into IDIS.

(iv) *Transfer of program income of grantees losing Entitlement status.* Upon entry into the State CDBG program, a unit of general local government that has lost or relinquished its Entitlement status must, with respect to program income that a unit of general local government would otherwise be permitted to retain, either:

(A) Retain program income generated under Entitlement grants and continue to comply with Entitlement program requirements for program income; or

(B) Retain the program income and transfer it to the State CDBG program, in which case the unit of general local government must comply with the State's rules for program income and the requirements of this paragraph (e).

(4) The State must report on the receipt and use of all program income (whether retained by units of general local government or paid to the State) in its annual performance and evaluation report.

(f) *Revolving funds.*

(1) The State may permit units of general local government to establish revolving funds to carry out specific, identified activities. A revolving fund, for this purpose, is a separate fund (with a set of accounts that are independent of other program accounts) established to carry out specific activities which, in turn, generate payments to the fund for use in carrying out such activities. These payments to the revolving fund are program income and must be substantially disbursed from the revolving fund before additional grant funds are drawn from the Treasury for revolving fund activities. Such program income is not required to be disbursed for non-revolving fund activities.

(2) The State may establish one or more State revolving funds to distribute grants to units of general local government throughout a State or a region of the State to carry out specific, identified activities. A revolving fund, for this purpose, is a separate fund (with a set of accounts that are independent of other program accounts) established to fund grants to units of general local government to carry out specific activities which, in turn, generate payments to the fund for additional grants to units of general local government to carry out such activities. Program income in the revolving fund must be disbursed from the fund before additional grant funds are drawn from the Treasury for payments to units of general local government which could be funded from the revolving fund.

(3) A revolving fund established by either the State or unit of general local government shall not be directly funded or capitalized with grant funds.

(g) *Procurement*. When procuring property or services to be paid for in whole or in part with CDBG funds, the State shall follow its procurement policies and procedures. The State shall establish requirements for procurement policies and procedures for units of general local government, based on full and open competition. Methods of procurement (e.g., small purchase, sealed bids/formal advertising, competitive proposals, and noncompetitive proposals) and their applicability shall be specified by the State. Cost plus a percentage of cost and percentage of construction costs methods of contracting shall not be used. The policies and procedures shall also include standards of conduct governing employees engaged in the award or administration of contracts. (Other conflicts of interest are covered by § 570.489(h).) The State shall ensure that all purchase orders and contracts include any clauses required by Federal statutes, Executive orders, and implementing regulations. The State shall make subrecipient and contractor determinations in accordance with the standards in 2 CFR 200.330.

(h) *Conflict of interest —*

(1) *Applicability.*

(i) In the procurement of supplies, equipment, construction, and services by the States, units of local general governments, and subrecipients, the conflict of interest provisions in paragraph (g) of this section shall apply.

(ii) In all cases not governed by paragraph (g) of this section, this paragraph (h) shall apply. Such cases include the acquisition and disposition of real property and the provision of assistance with CDBG funds by the unit of general local government or its subrecipients, to individuals, businesses and other private entities.

(2) *Conflicts prohibited.* Except for eligible administrative or personnel costs, the general rule is that no persons described in paragraph (h)(3) of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this subpart or who are in a position to participate in a decisionmaking process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

(3) *Persons covered.* The conflict of interest provisions for paragraph (h)(2) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the State, or of a unit of general local government, or of any designated public agencies, or subrecipients which are receiving CDBG funds.

(4) *Exceptions: Thresholds requirements.* Upon written request by the State, an exception to the provisions of paragraph (h)(2) of this section involving an employee, agent, consultant, officer, or elected official or appointed official of the State may be granted by HUD on a case-by-case basis. In all other cases, the State may grant such an exception upon written request of the unit of general local government provided the State shall fully document its determination in compliance with all requirements of paragraph (h)(4) of this section including the State's position with respect to each factor at paragraph (h)(5) of this section and such documentation shall be available for review by the public and by HUD. An exception may be granted after it is determined that such an exception will serve to further the purpose of the Act and the effective and efficient administration of the program or project of the State or unit of general local government as appropriate. An exception may be considered only after the State or unit of general local government, as appropriate, has provided the following:

(i) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(ii) An opinion of the attorney for the State or the unit of general local government, as appropriate, that the interest for which the exception is sought would not violate State or local law.

(5) *Factors to be considered for exceptions.* In determining whether to grant a requested exception after the requirements of paragraph (h)(4) of this section have been satisfactorily met, the cumulative effect of the following factors, where applicable, shall be considered:

(i) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available;

(ii) Whether an opportunity was provided for open competitive bidding or negotiation;

(iii) Whether the person affected is a member of a group or class of low or moderate income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(iv) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decisionmaking process with respect to the specific assisted activity in question;

(v) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (h)(3) of this section;

(vi) Whether undue hardship will result either to the State or the unit of general local government or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(vii) Any other relevant considerations.

(i) *Closeout of grants to units of general local government.* The State shall establish requirements for timely closeout of grants to units of general local government and shall take action to ensure the timely closeout of such grants.

(j) *Change of use of real property.* The standards described in this section apply to real property within the unit of general local government's control (including activities undertaken by subrecipients) which was acquired or improved in whole or in part using CDBG funds in excess of the threshold for small purchase procurement (2 CFR 200.88). These standards shall apply from the date CDBG funds are first spent for the property until five years after closeout of the unit of general local government's grant.

(1) A unit of general local governments may not change the use or planned use of any such property (including the beneficiaries of such use) from that for which the acquisition or improvement was made, unless the unit of general local government provides affected citizens with reasonable notice of and opportunity to comment on any proposed change, and either:

(i) The new use of the property qualifies as meeting one of the national objectives and is not a building for the general conduct of government; or

(ii) The requirements in paragraph (j)(2) of this section are met.

(2) If the unit of general local government determines, after consultation with affected citizens, that it is appropriate to change the use of the property to a use which does not qualify under paragraph (j)(1) of this section, it may retain or dispose of the property for the changed use if the unit of general local government's CDBG program is reimbursed or the State's CDBG program is reimbursed, at the discretion of the State. The reimbursement shall be in the amount of the current fair market value of the property, less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, and improvements to, the property, except that if the change in use occurs after grant closeout but within 5 years of such closeout, the unit of general local government shall make the reimbursement to the State's CDBG program account.

(3) Following the reimbursement of the CDBG program in accordance with paragraph (j)(2) of this section, the property no longer will be subject to any CDBG requirements.

(k) *Accountability for real and personal property.* The State shall establish and implement requirements, consistent with State law and the purposes and requirements of this subpart (including paragraph (j) of this section) governing the use, management, and disposition of real and personal property acquired with CDBG funds.

(l) *Debarment and suspension.* The requirements in 2 CFR part 2424 are applicable. CDBG funds may not be provided to excluded or disqualified persons.

(m) *Subrecipient monitoring and management.* The provisions of 2 CFR 200.330 through 200.332 are applicable.

(n) *Audits.* Notwithstanding any other provision of this title, audits of a State and units of general local government shall be conducted in accordance with 2 CFR part 200, subpart F, which implements the Single Audit Act. States shall develop and administer an audits management system to ensure that audits of units of general local government are conducted in accordance with 2 CFR part 200, subpart F.

(o) *Grant Closeout.* —HUD will close grants to States in accordance with the grant closeout requirements of 2 CFR 200.343.

(p) *Cost principles and prior approval.* A State must ensure that costs incurred by the State and by its recipients are in conformance with 2 CFR part 200, subpart E. All cost items described in 2 CFR part 200, subpart E, that require Federal agency approval are allowable without prior approval of HUD, to the extent that they otherwise comply with the requirements of 2 CFR part 200, subpart E, and are otherwise eligible, except for the following:

(1) Depreciation methods for fixed assets shall not be changed without the express approval of the cognizant Federal agency (2 CFR 200.436).

(2) Fines, penalties, damages, and other settlements are unallowable costs to the CDBG program (2 CFR 200.441).

(3) Costs of housing (*e.g.,* depreciation, maintenance, utilities, furnishings, rent), housing allowances, and personal living expenses (goods or services for personal use) regardless of whether reported as taxable income to the employees (2 CFR 200.445).

(4) Organization costs (2 CFR 200.455).

[57 FR 53397, Nov. 9, 1992, as amended at 60 FR 1952, Jan. 5, 1995; 61 FR 54922, Oct. 22, 1996; 67 FR 15112, Mar. 29, 2002; 72 FR 73496, Dec. 27, 2007; 77 FR 24143, Apr. 23, 2012; 80 FR 69871, Nov. 12, 2015; 80 FR 71936, Nov. 18, 2015; 80 FR 75937, Dec. 7, 2015]

Title 24 — Housing and Urban Development
Subtitle B — Regulations Relating to Housing and Urban Development
Chapter V — Office of Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development
Subchapter C — Community Facilities
Part 570 — Community Development Block Grants
Subpart I — State Community Development Block Grant Program

Source: 57 FR 53397, Nov. 9, 1992, unless otherwise noted.
Authority: 12 U.S.C. 1701x, 1701 x-1; 42 U.S.C. 3535(d) and 5301-5320.
Source: 40 FR 24693, June 9, 1975, unless otherwise noted.

§ 570.490 Recordkeeping requirements.

(a) *State records.*

(1) The State shall establish and maintain such records as may be necessary to facilitate review and audit by HUD of the State's administration of CDBG funds under § 570.493. The content of records maintained by the State shall be as jointly agreed upon by HUD and the States and sufficient to enable HUD to make the determinations described at § 570.493. For fair housing and equal opportunity purposes, whereas such data is already being collected and where applicable, such records shall include data on the racial, ethnic, and gender characteristics of persons who are applicants for, participants in, or beneficiaries of the program. The records shall also permit audit of the States in accordance with 24 CFR part 85.

(2) The state shall keep records to document its funding decisions reached under the method of distribution described in 24 CFR 91.320(j)(1), including all the criteria used to select applications from local governments for funding and the relative importance of the criteria (if applicable), regardless of the organizational level at which final funding decisions are made, so that they can be reviewed by HUD, the Inspector General, the Government Accountability Office, and citizens pursuant to the requirements of § 570.490(c).

(3) *Integrated Disbursement and Information System (IDIS).* The state shall make entries into IDIS in a form prescribed by HUD to accurately capture the state's accomplishment and funding data, including program income, for each program year. It is recommended that the state enter IDIS data on a quarterly basis and it is required to be entered annually.

(b) *Unit of general local government's record.* The State shall establish recordkeeping requirements for units of general local government receiving CDBG funds that are sufficient to facilitate reviews and audits of such units of general local government under §§ 570.492 and 570.493. For fair housing and equal opportunity purposes, whereas such data is already being collected and where applicable, such records shall include data on the racial, ethnic, and gender characteristics of persons who are applicants for, participants in, or beneficiaries of the program.

(c) *Access to records.*

(1) Representatives of HUD, the Inspector General, and the General Accounting Office shall have access to all books, accounts, records, reports, files, and other papers, or property pertaining to the administration, receipt and use of CDBG funds and necessary to facilitate such reviews and audits.

(2) The State shall provide citizens with reasonable access to records regarding the past use of CDBG funds and ensure that units of general local government provide citizens with reasonable access to records regarding the past use of CDBG funds consistent with State or local requirements concerning the privacy of personal records.

(d) *Record retention.* Records of the State and units of general local government, including supporting documentation, shall be retained for the greater of three years from closeout of the grant to the state, or the period required by other applicable laws and regulations as described in § 570.487 and § 570.488.

[57 FR 53397, Nov. 9, 1992, as amended at 71 FR 6971, Feb. 9, 2006; 77 FR 24146, Apr. 23, 2012; 80 FR 42367, July 16, 2015; 80 FR 75937, Dec. 7, 2015; 85 FR 47911, Aug. 7, 2020]

Title 24 — Housing and Urban Development
Subtitle B — Regulations Relating to Housing and Urban Development
Chapter V — Office of Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development
Subchapter C — Community Facilities
Part 570 — Community Development Block Grants
Subpart I — State Community Development Block Grant Program

Source: 57 FR 53397, Nov. 9, 1992, unless otherwise noted.
Authority: 12 U.S.C. 1701x, 1701 x-1; 42 U.S.C. 3535(d) and 5301-5320.
Source: 40 FR 24693, June 9, 1975, unless otherwise noted.

§ 570.491 Performance and evaluation report.

The annual performance and evaluation report shall be submitted in accordance with 24 CFR part 91.

(Approved by the Office of Management and Budget under control number 2506-0117)

[60 FR 1916, Jan. 5, 1995]

Title 24 — Housing and Urban Development
Subtitle B — Regulations Relating to Housing and Urban Development
Chapter V — Office of Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development
Subchapter C — Community Facilities
Part 570 — Community Development Block Grants
Subpart J — Grant Administration

Source: 53 FR 8058, Mar. 11, 1988, unless otherwise noted.
Authority: 12 U.S.C. 1701x, 1701 x-1; 42 U.S.C. 3535(d) and 5301-5320.
Source: 40 FR 24693, June 9, 1975, unless otherwise noted.

§ 570.501 Responsibility for grant administration.

(a) One or more public agencies, including existing local public agencies, may be designated by the chief executive officer of the recipient to undertake activities assisted by this part. A public agency so designated shall be subject to the same requirements as are applicable to subrecipients.

(b) The recipient is responsible for ensuring that CDBG funds are used in accordance with all program requirements. The use of designated public agencies, subrecipients, or contractors does not relieve the recipient of this responsibility. The recipient is also responsible for determining the adequacy of performance under subrecipient agreements and procurement contracts, and for taking appropriate action when performance problems arise, such as the actions described in § 570.910. Where a unit of general local government is participating with, or as part of, an urban county, or as part of a metropolitan city, the recipient is responsible for applying to the unit of general local government the same requirements as are applicable to subrecipients, except that the five-year period identified under § 570.503(b)(8)(i) shall begin with the date that the unit of general local government is no longer considered by HUD to be a part of the metropolitan city or urban county, as applicable, instead of the date that the subrecipient agreement expires.

[53 FR 8058, Mar. 11, 1988, as amended at 57 FR 27120, June 17, 1992]

Title 24 — Housing and Urban Development
Subtitle B — Regulations Relating to Housing and Urban Development
Chapter V — Office of Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development
Subchapter C — Community Facilities
Part 570 — Community Development Block Grants
Subpart K — Other Program Requirements

Source: 53 FR 34456, Sept. 6, 1988, unless otherwise noted.
Authority: 12 U.S.C. 1701x, 1701 x-1; 42 U.S.C. 3535(d) and 5301-5320.
Source: 40 FR 24693, June 9, 1975, unless otherwise noted.

§ 570.607 Employment and contracting opportunities.

To the extent that they are otherwise applicable, grantees shall comply with:

(a) Executive Order 11246, as amended by Executive Orders 11375, 11478, *12086,* and 12107 (3 CFR 1964-1965 Comp. p. 339; 3 CFR, 1966-1970 Comp., p. 684; 3 CFR, 1966-1970., p. 803; 3 CFR, 1978 Comp., p. 230; 3 CFR, 1978 Comp., p. 264 (Equal Employment Opportunity), and Executive Order 13279 (Equal Protection of the Laws for Faith-Based and Community Organizations), 67 FR 77141, 3 CFR, 2002 Comp., p. 258; and the implementing regulations at 41 CFR chapter 60; and

(b) Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 75.

[68 FR 56405, Sept. 30, 2003, as amended at 85 FR 61567, Sept. 29, 2020]

Detroit City Council

Legislative Policy Division

TO: Office of Contracting and Procurement Staff

FROM: Ashley Wilson & Anthony Johnson

DATE: October 1, 2024

RE: **PURCHASING ITEMS CONSIDERED / APPROVED BY THE CITY COUNCIL AT THE REGULAR SESSION OF October 1, 2024**

No previously approved Contracts were requested to be Reconsidered as of October 1, 2024.

*The following contracts were reported by the Standing Committees, at the Regular Session of October 1, 2024, and **APPROVED**:*

Reported Budget Finance & Audit Standing Committee:

6003729 – A4 Guidehouse, Inc. [+ 1 yr. to 8/31/25] +$0.00 to $6,288,790 OCFO
[FEMA Disaster Recovery and Management Services] Submitted September 24, 2024.***wWaiver***

Reported Internal Operations Standing Committee:

6006480 Berry Moorman Professional Corporation [thru 6/30/25] $22,800 LAW
[Representation to the IRS and State of Michigan for Payroll Tax Matters] Submitted August 20, 2024.

6006370 Magnit Quick, LLC [thru 2 yrs. from approval] $110,000 HUMAN RESOURCES
[Background Screening Services] Submitted August 13, 2024.

6006363 WEX Health, Inc. [thru 1 yr. from approval] $654,000 HUMAN RESOURCES
[Employee Benefit Administration Services] Submitted August 6, 2024.

Reported by the Neighborhood Community Services Committee:

None Reported. The 9/26/24 NCS Committee meeting was cancelled.

Reported by the Planning and Economic Development Standing Committee:

6006298 Gate House Strategies, LLC [thru 8/31/26] $200,000 HOUSING & REVITALIZATION
[Technical Assistance for the Grants Management of HUD-Funded Programs] Submitted September 10, 2024.

6006535 SmithGroup, Inc. [thru 2 yrs. from approval] $500,000 PLANNING & DEVELOPMENT
[Services for a Master Plan of Policies Equity & Resiliency Integration Planning Study] Submitted Sept. 24, 2024.

Contracts Received and Considered at
October 1, 2024 Formal Session

*The following contracts were reported by the Standing Committees, at the Regular Session of September 10, 2024, and **APPROVED**:*

Reported by the Public Health & Safety Standing Committee:

3077562 Inner City Contracting, LLC [6-30-25] $219,702 CONSTRUCTION & DEMOLTION
[Emergency Commercial Demolition at 6559 W Grand River with Basement Backfill] Submitted Sept. 10, 2024

3077583 Inner City Contracting, LLC [6-30-25] $85,980.11 CONSTRUCTION & DEMOLTION
[Emergency Commercial Demolition at 2037 Buchanan with Basement Backfill] Submitted September 10, 2024

3077600 Inner City Contracting, LLC [6-30-25] $373,221.04 CONSTRUCTION & DEMOLTION
[Emergency Commercial Demolition at 12818 Woodrow Wilson with Basement Backfill] Submitted Sept. 10, 2024

3074393 Adamo Demolition Company [12-31-24] $153,122.60 CONSTRUCTION & DEMOLTION
[Emergency Commercial Demolition at 9000 Oakland with Basement Backfill at 9000-9006 Oakland with Sidewalk Repairs at 9000-90] Submitted September 10, 2024

3077875 Inner City Contracting, LLC [6-30-25] $196,380 CONSTRUCTION & DEMOLTION
[Emergency Commercial Demo at 5505 E Davison] Submitted September 17, 2024

3077940 Inner City Contracting, LLC [6-30-25] $187,361.05 CONSTRUCTION & DEMOLTION
[Emergency Commercial Demo at 6600 Mack with Basement Backfill] Submitted September 17, 2024

6006429 Infrastructure Environmental Services, LLC [thru 1 yr. from approval] $87,987.14 CDD
[Proposal N Trash Out Release I, Group I20 (24 Properties)] Submitted September 17, 2024

3077599 Adamo Demolition Company [6-30-25] $268,839.82 CONSTRUCTION & DEMOLTION
[Emergency Commercial Demo at 5818 Dubois, Building 102 with Basement Backfill] Submitted Sept. 17, 2024

3076602 Black Family Development, Inc [6/30/25] $57,586.70 HEALTH
[Payment for Fiduciary Services] Submitted September 17, 2024

3077608 CoherentRx, Inc [12/31/24] $1,330,857.40 HEALTH
[and Release of Further Claims for Services Rendered] Submitted September 17, 2024

DSS #8 Multiple Vendors [thru 12/31/26] $2,750,000 CONSTRUCTION & DEMOLTION
[Abatement and Demolition of the 85 approved Residential Properties] Submitted September 17, 2024

6003853 -A2 DLZ [+ 6 months; thru 3/30/25] +$0.00 to $1,375,000 CDD
[Environmental Supportive Services] Submitted September 24, 2024

6006483 Uber Health, LLC [thru 10/1/27] $650,000 HEALTH
[Supplemental On-Demand Ride- Sharing and Ride-Hailing Service/Program for Eligible City of Detroit Residents Via Mobile Application] Submitted September 24, 2024

6006497 Southeastern Michigan Health Association [thru 1 yr. from approval] $3,000,000 HEALTH
[Fiduciary Services to Administer Essential Public Health Programs for Residents] Submitted Sept. 24, 2024

Contracts Received and Considered at
October 1, 2024 Formal Session

*The following contracts were **HELD** in the Standing Committee(s):*

HELD Internal Operations Standing Committee:

6003505-A5 Nathan & Kamionski, LLP [12-31-25] +$2,000,000 to $8,750,0000 LAW
[Continue Litigation Services for Reverse Conviction Lawsuits] Submitted September 10, 2024.

6004656-A2 Aloia & Associates, P.C [6/30/25] +$100,000 to $350,000 LAW
[Pre-litigation Services in Connection with Condemnation Matters Relating to the Detroit City Airport]
Submitted September 24, 2024.

HELD Planning & Economic Development Committee:

6006579 ARPA Wayne Metropolitan Community Action Agency [12/31/25] $9,129,278 HRD
[Services to Connect Individuals Experiencing Housing Instability with Resources] Submitted September 24, 2024.

HELD Public Health & Safety Standing Committee:

3076463 DMC Consultants, Inc [thru 6-30-25] $28,860 CONSTRUCTION & DEMOLITION
[Emergency Residential Demo at 15010 Sorrento] Submitted in the list August 20, 2024.

3076383 Homrich Wrecking dba Homrich [thru 6-30-25] $56,000 CONSTRUCTION & DEMOLITION
[Provide an Emergency Residential Demolition at 4340 Milford] Submitted in the list August 13, 2024.

3076716 Inner City Contracting, LLC [thru 6-30-25] $285,021.42 CONSTRUCTION & DEMOLITION
[Emergency Commercial Demo at 7601 Michigan, CO#1 with Basement Backfill] Submitted in the list Aug. 13, 2024

3076544 Salenbien Trucking and Excavating, Inc. [thru 6-30-25] $20, 503.33 CONSTRUCTION & DEMOLITION
[Emergency Residential Demolition at 4201 17th aka Building 102 Rear] Submitted in the list August 5, 2024.

From: Sandra Yu Stahl
To: OCP Family
Subject: Maternity Leave
Date: Monday, October 7, 2024 10:47:32 AM
Attachments: 1000001806.jpg

Hello all -

I am now on maternity leave as of 9/25/24, but will be periodically checking phone and email. During my absence, Deputy CPO Toni is in charge and has delegated authority to sign contracts, nonstandard/sole source/emergency procurement forms, and other documents normally signed by the CPO. Please note that contracts over $5M or over 5 years including renewal options will be signed by the CFO in my absence.

Please keep in mind that contracts needing approval prior to winter recess (last formal session Nov 26) must be submitted within the next 6 weeks. Therefore, let's continue to move contracts thoughtfully yet timely through FRC and Law approvals to serve our customer departments.

For the teams working on ARPA, snow and Elections contracts - those deadlines are sooner.

Thank you all for your ongoing hard work and commitment to serving the city!

And Naomi says hi!

Sandra Stahl
Chief Procurement Officer
Office of the Chief Financial Officer
313-806-9834 (c)

Tell us how we're doing:
https://tinyurl.com/OCPCustomerSurvey