Office of Community Development

State of Louisiana

Division of Administration

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**CDBG CV HVAC Improvements Program**

**Frequently Asked Questions**

**1. Where can the applicant find updates about the HVAC Program?**

 Updates can be found on the Program Page <https://www.doa.la.gov/Pages/ocd/CDBG/hvac_program.aspx> and the application page

<https://wwwcfprd.doa.la.gov/CDBG_Cares>. Also, make sure you're following us on Facebook at <https://www.facebook.com/LaOCD>.

**2. Our Parish is interested in applying for this HVAC program for infectious disease reduction at our Parish jail. Although we have an assumption that most inmates would meet the definition of LMI, we wanted to make sure that 1) the Parish would not need to do an income survey among inmates, and 2) if there is a particular way that we also include Parish staff working at the prison facility and have to show proof of their household income?**

 HUD has determined that improvements to a jail qualifies under the low/moderate area benefit national objective. The income of status of prison inmates is not part of the LMI calculation because they are “group quarters” and not household persons. HUD has stated that there is a general benefit to the entire area being served by the jail. Therefore, the service area of the jail would have to be at least 51% low/moderate income persons. For example, if the jail services the entire parish, then the census data for the parish would be the source. Census information can be found at [https://www.hudexchange.info/programs/acs-low-mod-summary-data/acs-low-mod-summary-data-local-government/](https://urldefense.proofpoint.com/v2/url?u=https-3A__www.hudexchange.info_programs_acs-2Dlow-2Dmod-2Dsummary-2Ddata_acs-2Dlow-2Dmod-2Dsummary-2Ddata-2Dlocal-2Dgovernment_&d=DwMFaQ&c=xlPCXuHzMdaH2Flc1sgyicYpGQbQbU9KDEmgNF3_wI0&r=v7OHT2Ik0nywnfcgvbaCS3jiWoSANFe8QCMG1ewFong&m=3oT5JF53KIl6yUp8QxCgxSqzPcBxJ977riXAD5eWSJw&s=JOxqtXECj_1BV_Dx9fKA0Nj-AjqUdUxFe0Ssw8GQidc&e=) .

**3. The entire parish would not be considered over 51% LMI when considering a project at the jail, so will that make our application ineligible? Would the Parish be able to use the National Objective for Limited Clientele Benefit (LMC)?**

 Because jails qualify under the area benefit [above] they are automatically precluded from qualifying under the Limited Clientele Benefit national objective. You can review HUD CDBG program information specifically referring to improvements to jails at [https://files.hudexchange.info/resources/documents/CDBG\_Guide\_National\_Objectives\_Eligible\_Activities.pdf on page 2-13](https://files.hudexchange.info/resources/documents/CDBG_Guide_National_Objectives_Eligible_Activities.pdf%20on%20page%202-13) for the discussion regarding the use of Low/moderate area (LMA) national objective.

**4. The life expectancy of a commercial HVAC system is estimated at up to 15 years.   As such, if there is a long-term lease of a building, might that be funded through this program?**

 Under Uniform Relocation Act guidelines, a lease that is 15 years or more must be in compliance with URA requirements. Therefore, for the purposes of this program, a facility that is being leased by a public entity for 15 or more years will be considered a publicly-owned facility.

**5. Does the local government find a consultant/engineer or does OCD give us a list of qualified firms to use?**

 OCD does not provide a list of consultants/engineers. The local government should follow federal procurement guidelines. A webinar with a discussion of the federal procurement requirements can be found on OCD’s YouTube channel at <https://www.youtube.com/channel/UCWcJm1k2CZCcsdVywhhmr-A>.

**6. Are the grant funds used for upgrades to existing systems, new filters, or complete new systems?**

 The CDBG CV HVAC program funds must be used to reduce the spread of COVID-19 by upgrades to the HVAC system. These upgrades may include new filters. In some cases, it may be more economically feasible or more efficient to install a new system. The OCD will need detailed information including the justification when a new HVAC system is the best alternative.

**7. Are publicly funded schools eligible to directly apply for HVAC improvements through the CV- program?**

 No, only municipalities and parishes are eligible applicants to the program. A municipality or parish may apply for improvements to an HVAC system at a public school on behalf of the school/school district. The school/school district would have to become the municipality/parish government’s sub recipient and be responsible for carrying out the program including compliance with all the CDBG regulations.

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**8. Can a HUD entitlement city be a grantee?**

 Yes, these program funds are available to both entitlement and non-entitlement communities.

**9. Has your office already made a determination of what communities are considered to be 51% or greater low- to moderate-income [to qualify as area benefit]?  If not, is this a determination we should be taking on behalf of communities we serve or can we find this information elsewhere?**

 You can access the HUD low/mod summary data on the HUD Exchange website. [https://www.hudexchange.info/programs/acs-low-mod-summary-data/](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.hudexchange.info%2fprograms%2facs-low-mod-summary-data%2f&c=E,1,jb86V2B611mIU9DAOtAxD5AMN2RzMmlPT3HCuT6jqwE9PRWyZgnG7zw_pve5jTqZsEbq1fhi7dI20y-Rjz9qlB1nOaaKWZ_FSt3O1C4AY9qX8JxIqA,,&typo=1)

**10. I have tried accessing the online system for the application submittal process and it will not let me on the portal to get a user ID, will that be available at a later date?**

 The application portal does not start accepting applications until February 1, 2021. User ID forms are available on the application website as well as the OCD website at <https://www.doa.la.gov/Pages/ocd/Index.aspx>. The forms must be completed and emailed to Traci.Watts@la.gov.

**11. Can this grant be for just for one building?  Small villages like many of our clients, would not be able to qualify due to minimum construction of $80,000?**

 A request can include multiple eligible facilities. If a municipality does not have a project to meet the minimum construction amount, then the municipality may request the parish apply on their behalf and enter into a sub-recipient agreement with the Parish, if the project is approved. The sub recipient is responsible for carrying out the program including compliance with all CDBG regulations.

**12. The Village has a building in need of HVAC improvements but it holds the Post Office and Police Station?  The Village owns the building and leases it to the Post Office, the Police consist of 1 chief and 1 officer.**

 A facility that is for the general conduct of government is ineligible for improvements under the CDBG program. HUD issued a memorandum for clarification of the definition of “buildings for the general conduct of government.” <https://files.hudexchange.info/resources/documents/CDBG-Memorandum-Definition-of-Building-for-General-Conduct-Government.pdf> . Please read the memorandum carefully to determine if your facility meets the requirement.

**13. Can the procurement be worded in a way that the chosen bidder receives an award for assistance with completing the CDBG application and also administration fees, if the application is accepted?  Or is this two separate procurements?  If separate procurements are required for the application and for the administration, does being awarded the application bid bar you from submitting a bid for the administration procurement?**

 No, “an award for assistance with completing the CDBG application” would require a separate solicitation and evaluation, as an “award”.  If “completing the CDBG application” is a task among all the other tasks being solicited for it would be part of one award.  This situation would logically dictate two separate procurements.  An application would constitute a definable work product with payment upon completion and delivery and therefore a simpler procurement method [small purchase] should be used.  If preparing the application in no way assisted in the preparation of the scope of work for the administration of the grant it may not constitute an explicit violation of 2 CFR 200.319.  However, HUD’s interpretation of that provision includes a competitor gaining an unfair advantage in terms of “time to prepare a response…”.  If the likelihood of costs being dis-allowed is grounds for barring a certain practice, then yes it should bar the competitor for competing for the admin award.

**14.   As one of the state's planning regions, we receive annual fees from government entity's in our region for assistance.  If we assisted with applications for this grant from those fees, would we then be barred from putting in a bid under an administration procurement?**

 The applicant may enter into a sub-recipient agreement with the planning district and procurement is not required. The planning district would be able to be reimbursed on actual direct cost basis for services performed. Pre-agreement costs are not eligible under this program.

**15.  Are CDBG grants [ procurement contracts funded with CDBG funds] awarded to the lowest bidder or can it be based off of qualifications?  How would the lowest bidder be determined if an application and award procurement were allowed together?**

 For professional services other than A/E, the competitive proposal method of procurement provides for consideration of both cost and qualifications to determine the best value to the grantee. Price/cost must always be considered as one of the evaluation factors for requests for proposals. The federal regulations permit and State law requires that price and cost not be considered in the selection of an A/E contractor. A Request for Qualifications would be used instead.

**16. My understanding is that we would have to conduct a household survey to document the 51% low/mod to see if we qualify for the grant.  Do municipalities normally hire a contractor to do that?**

 Documentation of meeting the national objective requirement is required with the application submittal. A household survey is required if the service area of the facility does not coincide with any census boundaries. The municipality may hire a consultant to complete the household survey; however, this program will not pay for those costs. Further information regarding household survey requirements can be found on OCD’s website at <https://www.doa.la.gov/Pages/ocd/Index.aspx> .

**17. Are these grants rated with the point system to determine awards?**

 The applications will be reviewed for eligibility in the order they are submitted into the online system. Eligible applications will be awarded on a first come first serve basis until no further funds are available.

**18. Can Parish Governments submit for their smaller communities that will not meet the minimum $80,000?**

 The Parish can apply on behalf of the smaller communities and be responsible as a pass-through agency to insure the small community carries out the program in compliance with a the federal program regulations, if the project is approved.

**19. The City of Ville Platte owns a Youth Center, which is primarily used for youth summer camps (all served would include handicap or disabled youth) would this type of building qualify?**

 If the camps are open to all youth in the city, then it would be considered an area benefit project. Therefore, the low/mod area national objective would apply. According to HUD low/mod summary data, the percentage of low/moderate persons in the city of Ville Platte is 65.7. This does meet the 51% low/moderate requirement. Therefore, if the facility only serves persons in the city of Ville Platte, then the facility would be an eligible facility.

**20. Are you required to have a Mechanical Engineer for plans on HVAC system?  Do you have to procure such?**

 An engineer or architect licensed in Louisiana must be used for this program. If CDBG CV funds are being used to pay for the costs of the professional services, then federal procurement requirements must be followed.

**21. If the application involves more than 1 location, will this be 1 contract?  1 Bid?**

 If an application is approved, OCD will execute a grant agreement with the municipality/parish. Only one architect/engineer and one administrative consultant can be included in the application/project. The grantee will have the option of bidding the project one or a bid for each facility if more than one facility is approved for funding.

**22. Why does program guidelines list schools? Schools are not owned by local governments. Why is Town Hall not eligible but Fire Station is? People go in Town Hall to pay their utilities but no one goes in a Fire Station.**

 A facility that is for the general conduct of government is ineligible for improvements under the CDBG program. HUD issued a memorandum for clarification of the definition of “buildings for the general conduct of government.” <https://files.hudexchange.info/resources/documents/CDBG-Memorandum-Definition-of-Building-for-General-Conduct-Government.pdf> . A town hall meets the definition of a facility that is ineligible. A school or school district cannot apply directly, however a municipality/parish associated with the school may apply on behalf of the school.

**23. I am assuming an Environmental Assessment or report is not part of the grant should the application become funded?**

 An environmental review will be required prior to fund release if a grant is awarded.

**24. What are some examples of what the administrative fees can cover?  (The slides indicate that 30K can be approved for admin up to a 200K grant).**

 An administrative consultant can be hired to assist the grantee in meeting compliance requirements associated with the federal funds, such as labor, environmental, civil rights, etc.

**25. Are the architectural fees to be included in admin fees?  Or can they be a separate non-admin service?**

 Architectural fees are not included in the administration activity. Allowances for architectural fees can be found in “Engineering Fee Schedules and Policies” located on OCD’s website for information concerning eligible design fees. Design fees will be approved on a cost reimbursement basis only.

**26. With the deadline to submit an application being July 9th that seems like a very tight schedule to go through procurement, have a public hearing, prepare and submit the full application.  Also, since this program has been set up on a first come first serve basis, for an applicant that will use the services of a CDBG Grant Consultant and/or Architect/Engineer (A/E) firm to assist with preparing the application and the applicant pays for those pre-agreement services with local funds to expedite the process, if the application is funded and the applicant then begins the procurement process after the award to procure a Grants Consultant and/or an A/E firm, can the same firm(s) that previously assisted with the application preparation respond to the procurement solicitation and be awarded the contract if they are rated and ranked the highest by the grantee?**

 If preparing the application in no way assisted in the preparation of the scope of work for the administration of the grant it may not constitute an explicit violation of 2 CFR 200.319.  However, HUD’s interpretation of that provision includes a competitor gaining an unfair advantage in terms of “time to prepare a response…”.  If the likelihood of costs being dis-allowed is grounds for barring a certain practice, then yes it should bar the competitor for competing for the admin award.

**27. When the procurement process does occur and an RFQ package is prepared for the engineering services and a separate RFP package is prepared for consulting services, is there a prohibition that the same engineering firm be awarded and enter into separate contracts with the grantee to perform both the engineering services required and the grant administration consulting services required?  Or does the engineering services (A/E firm) and grant administrative services have to be performed by separate firms?**

 The engineering firm can be hired to complete both administrative services and engineering services. The firm would enter into two separate contracts with the grantee. The grantee must conduct two separate solicitations. OCD suggests the solicitations be issued simultaneously to avoid any potential conflict of interest. The qualitative evaluation criteria cannot give any weight to the same firm performing both functions.

**28. Under the FY 2021 regular LCDBG Program the maximum allowable administrative fees are as follows for a public facilities project:**

**$200,000 to $600,000   =  $35,000**

**$600,001 to $1,200,000 = $40,000**

**For this LCDBG-CV Program the maximum allowable administrative fees are:**

**$80,000  to $200,000   =  $30,000**

**$200,001 to $600,000  =  $60,000**

**$600,001 to $1,000,000= $100,000**

**Is there a particular reason why the maximum allowable administrative fees are so much more that the regular program? Are the grant management requirements any different, i.e., additional tasks for the LCDBG-CV Program?**

 The only additional task involved with the CDBG-CV program is the potential for sub-recipient involvement. We are increasing the ceiling amount for the projects in the event it is needed.

**29. In the webinar for the HVAC grant, Ms. Watts stated that the cost estimate should be stamped by an engineer or architect.  However, design of the project is potentially part of the scope of the grant and therefore would not be expected to be complete prior to the grant application.  It is unusual for engineers to stamp cost estimates for designs that are not finalized.  Will a signed cost estimate or a quote from an HVAC contractor be acceptable for the grant application?**

 A cost estimate or a quote from an HVAC contractor is only part of the cost estimate developed by the engineer/architect.  The engineer/architect has to add design, RPR, admin, testing, etc. Any award amount will be based on the amounts submitted in the application. OCD requires the cost estimate to be stamped and signed by a licensed engineer/architect.

**30. Will engineering fees be calculated on each building submitted for the HVAC project or will fees be calculated on the entire project?**

 Allowances for architectural fees can be found in “Engineering Fee Schedules and Policies” located on OCD’s website for information concerning eligible design fees. Design fees will be approved on a cost reimbursement basis only.

**31. Would we need to provide low/mod income data if the grantee is an entitled city.**

 All facility packages must identify the national objective being met through the HVAC improvements. Facilities approved for improvements must benefit at least 51% low/moderate income persons. There is no difference between an entitlement or non-entitlement in this aspect.

**32. Can the school board enter into the sub recipient agreement with the city rather than the parish if all the schools being improved are in the incorporated city limits?**

Yes

**33. Would a nonprofit organization be an eligible grantee?**

 No.

**34. Is improving the HVAC system in a courthouse an eligible activity?**

 A determination would have to consider all services being provided in the courthouse. A facility that is for the general conduct of government is ineligible for improvements under the CDBG program. HUD issued a memorandum for clarification of the definition of “buildings for the general conduct of government.” <https://files.hudexchange.info/resources/documents/CDBG-Memorandum-Definition-of-Building-for-General-Conduct-Government.pdf> .

**35. How is the low/mod calculated? Let’s say I have a library in a City. The City is not low/mod community wide but the library is utilized by low/mod persons.**

 A library serves all persons in an area, the services provided are not limited to low/moderate income persons. The service area of the library must meet the 51% low/mod requirement.

**36. Will the owners of the facilities have to prove existing age of HVAC units they want to replace or will visual inspections be done prior to funding approval?**

 Age of HVAC units is not a factor for funding approval. The HVAC improvements must address the need to reduce the spread of infectious disease.

**37. Are the admin and engineering fees reimbursed to the communities after they pay for services? I need to let the Mayors know if they will have to pay for this and wait to be reimbursed by the grant. This could cause a cash flow problem for smaller communities.**

 All administrative and engineering/architect fees will be on a cost reimbursement basis only. For awarded projects, approved invoices must be submitted to OCD for approval and payment. Funds will be paid to the grantee, who in turn would have three days to make payment for invoice.

**38. Does the $80,000 minimum pertain to only construction or does this include admin and engineer fees?**

 The HVAC program requires that a project involve a total of construction only cost equal to or more than $80,000.

**39. Are sub-recipient agreements required between the Parish and the communities?**

 Yes, if the project is funded.

**40. If a sub-recipient is used, can the local government (the Applicant) procure the Grant Administrator, A/E firm and construction contractor on behalf of the sub-recipient or does the sub-recipient have to procure the services directly?**

 The local government(applicant) would procure administrative and engineering services. Each application can only include services from one administration and one engineering/architectural firm.

**41. If a sub-recipient is used, will the local government (Applicant) be the Responsible Entity and will the chief elected official of the Applicant have to sign the environmental review record as the Certifying Official?**

 The local government (applicant) will be the Responsible Entity and the chief elected official would be required to sign all necessary documentation.

**42. Instead of designating another entity as a sub-recipient, can the local government (Applicant) carry out the project including all procurement (grant management, A/E and construction) on behalf of another entity through a Cooperative Endeavor Agreement?**

 A sub recipient agreement will be required if another entity owns the facility; however, the applicant/grantee can carry out the project on behalf of the sub recipient. Please note the sub recipient must be legally responsible for all compliance.

**43. To document that a project service area is LMI, if household surveys have been conducted for the regular CDBG program can the household survey be used for this program?**

 If the service area is the same as the previously conducted household survey and is in compliance with OCD household survey requirements and was completed within the last two years, then the household survey may be used for this program.

**44. How many applications can a local government submit?**

 Each local government may only submit one application. Multiple facilities may be included in one application.

**45. Is the maximum grant amount of $1,000,000 per project or per applicant?**

 The maximum grant amount per applicant is $1,000,000.00.

**46. If only one application can be submitted with a limit of $1,000,000 would OCD consider allowing a local government to submit one application for facilities owned by the local government and a second application to assist a publicly owned day care, head start building or school that is owned by another public entity?**

 No, only one application per municipality/parish will be allowed.

**47. Can a Town be the applicant for a project to benefit the local school even though the school attendance zone extends outside the corporate limits/jurisdiction of the Town?**

 Yes. The town will be required to execute a sub recipient agreement with the school if the project is funded.

**48. Regarding the Proof of Publications part of the application, at the time of initial application submission, how much citizen participation is required to be completed?  Is it enough to have a municipal Citizen Participation plan, like the sample available at the La DOA’s internet site?  Before any monetary grant is secured, is a public citizen meeting supposed to be scheduled, publicized, and/or have taken place?  Respectful of the public process, is it critical to involve citizens in a relatively small & technical HVAC equipment renovation project, when it is only proposed before potential funding is secured?  Or is it acceptable to hold a citizen meeting after a potential grant award, once the project will more surely proceed?  Please clarify.**

 All applicants must complete the citizen participation requirements as outlined in the webinar conducted on January 28, 2021. It can be accessed at <https://www.youtube.com/channel/UCWcJm1k2CZCcsdVywhhmr-A> . Citizen participation is a federal requirement and applicants not meeting the requirement will not be funded.

**49. On the General Information Form #10 should the Legislative Districts be those of the municipality’s mailing address on the form, or those applicable to the proposed project site?**

 Enter the district number of each State Senator, State Representative, and U.S. Congressman representing the applicant and/or service area of the proposed facility.

**50. The application portal does not allow me to open the required forms.**

 The application portal works best when using the most recent version of Google Chrome to access the site.

**Supplemental Questions – Updated April 27, 2020**

**51. I was looking at the OCD Facebook page, and it says that administrative consultants and engineers must be procured prior to participating in the application process in any way if they will be involved in the implementation of the project. So does this mean, the Parish has to procure for these services prior to submitting our application? We were going to do the application on our own and then procure once funded. However, that may not work since we need an engineer’s stamped cost estimate.**

 Administrative and engineering services must be procured if the Parish is using federal funds to pay for services. If a firm assists with the application but is not procured for implementation, then the firm would not be able to participate in the procurement for implementation when CDBG funds are being used to pay for the services.

**52. If using Free and Reduced Meals data to justify the national objective requirement, would that put this project in the LMC category? Or would this still be an LMA but with a different data source than HUD’s census map? What sort of documentation should be provided to confirm validity of the results/data?**

 The national objective when using data from the school would be limited clientele benefit (LMC). The entity should provide a report from the school that shows the number of students that qualify, the qualifications for the program, and the procedures that are used during the qualification process as well as how often the documentation is updated.

**53. When completing the Citizen Participation portion of the application would it be required to have the second public notice after the hearing?**

 Yes, in accordance with the guidelines listed under citizen participation both public notices will need to be published in a timely manner before the application is submitted. Please refer to the Technical Assistance Workshop slideshow for further guidance. [https://www.doa.la.gov/ocd/About%20LCDBG/PowerpntTA%20Webinar%20Citizen%20Participation%20and%20Procurement%201-28-21%20(00000003).pdf](https://www.doa.la.gov/ocd/About%20LCDBG/PowerpntTA%20Webinar%20Citizen%20Participation%20and%20Procurement%201-28-21%20%2800000003%29.pdf)

A public hearing must be held, discussing the required items, seeking comments from the community regarding the needs of the residents. Ensure the notification of the public hearing is published as required by the Citizen Participation Plan of the applicant. Once the application is complete but not submitted, the applicant must publish the second notice explaining the application is available for review.