



Implementation Manual

Chapter 12–Subrecipient Contract Amendments

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TEXAS GENERAL LAND OFFICE

Community Development and Revitalization Department

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The GLO-CDR Implementation Manual provides guidance for CDBG-DR and CDBG-MIT subrecipients and should not be construed as exhaustive instructions.

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CHAPTER 12—CONTRACT (SUBRECIPIENT AGREEMENT) AMENDMENTS & REVISIONS

12.1 Introduction

Subrecipient Agreements are awarded based on information presented in the final application. While administering a CDBG-DR and/or CDBG-MIT Subrecipient Agreement, situations may occur that require a change in the original terms of the Subrecipient Agreement. Changes to the executed Subrecipient Agreement may be made only by written agreement of the GLO and the subrecipient, following the GLO's change request process. These changes may be identified by GLO-CDR as Subrecipient Agreement revisions or amendments dependent upon the type and magnitude of the change as it relates to the original scope, location, budget or beneficiaries.

The GLO may, upon completion of the scope of work defined in the Subrecipient Agreement, de-obligate any remaining balances by means of a close-out letter. Other changes may be approved, at the GLO-CDR's discretion, for adjustments that may be required during project performance by way of a Revision or Technical Guidance Letter.

Changes to decrease or increase the grant amount, add or delete an activity, extend the term of the Subrecipient Agreement or other substantial changes will be reviewed and processed as amendments. GLO-CDR will consider the proposed changes and determine the appropriate process. Documentation required from the subrecipient will be the same regardless of the type of change requested. GLO-CDR will identify the type of change and process accordingly. The request must include all required documents and be accurate before it is routed for processing.

Subrecipient should contact their Grant Manager immediately upon identifying the need to make changes to the executed Subrecipient Agreement for additional guidance. This includes changes to the Subrecipient Agreement term, Attachment A: Performance Statement and Budget.

12.2 Performance Statement and Budget Changes

All Subrecipient Agreement change requests will be submitted to the assigned GLO Grant Manager for review and processing.

Changes specific to Attachment A, including the performance statement and budget, will be reviewed by the GLO Grant Manager and compared to the current performance statement to ensure federal, state, and programmatic requirements continue to be satisfied.

12.3 Subrecipient Agreement Extensions

The subrecipient is responsible for monitoring Subrecipient Agreement progress, including overall project delivery including grant administration and environmental services, engineering services, and construction activity to comply with the Subrecipient Agreement end date. CDBG-DR and CDBG-MIT Subrecipient Agreements allow a specific time period to

complete the activities identified in the Performance Statement. If a subrecipient is reasonably assured that project costs will be incurred beyond the Subrecipient Agreement end date and that incurring these costs is beyond the control of the subrecipient, an amendment for a Subrecipient Agreement extension must be requested from GLO-CDR to extend the current Subrecipient Agreement end date.

To avoid interruptions to the Subrecipient Agreement or possible exclusion of reimbursement for project costs, subrecipient should submit a request for a Subrecipient Agreement extension as soon as the need is identified. Subrecipient Agreement extension requests should be submitted at least sixty (60) days prior to the termination date of the Subrecipient Agreement.

12.4 Documentation Required for Change Requests

Documentation required to process Change Requests include following:

- Request from the subrecipient by letter from the chief elected official, authorized representative or by official action if required by the local governing body;
- Revised Attachment A performance statement and/or budget, “redlined” using “track changes” in Word format;
- Re-evaluation of environmental findings, if applicable;
- Revised project maps clearly identifying locations of the original and amended project activities, if applicable;
- Revised beneficiary documentation, including census data or surveys, map defining the service area and corresponding census geographic area, if applicable;
- Table 2/Budget Justification of Retail Costs prepared and signed by the project engineer, if applicable;
- Construction change order form if proposed changes occur after a construction contract has been awarded;
- Revised project schedule indicating when milestones will be achieved for the remaining project or activity, as applicable;
- Justification for any extension requests indicating current status, efforts expended to date, reason for delays, details describing a plan to accomplish remaining goals; and
- Other documentation deemed necessary to justify the change, as requested by GLO-CDR.

Note: GLO-CDR staff will provide an electronic version of the current Attachment A for use in documenting changes.

12.5 Considerations for Submitting Change Requests

Applications are approved for funding based on the applicable program guidance per funding opportunity. The Subrecipient Agreement defines terms of the agreement including the scope of work, budget, and effective and end dates. The approved scope of

work describes the projects and/or activities to be implemented. The budget defines the CDBG grant award and the amount of other funds to be contributed by the subrecipient.

Proposed changes to the scope of work will be reviewed to determine if they are supported by the required justification, supporting documents, and in accordance with the applicable review criteria. An incomplete scope of work may result in repayment by the subrecipient.

Scope of work changes may arise as a result of the environmental review, final design or change orders. All changes to the scope of work should be discussed with a GLO Grant Manager to determine complexity with consideration to the impact on environmental review. If the need for a change is identified prior to issuance of the Authority to Use Grant Funds (AUGF), supporting documentation should reference incorporation of eligible changes in the AUGF.

The Performance Statement should be evaluated prior to finalizing the construction bid documents. Subrecipient should consider the use of bid alternates to address possible variances between the bid documents and the Performance Statement. A construction award issued by a governing body should reflect the Performance Statement. If the scope of the award and Performance Statement vary, a change request will be necessary.

If work is added to or deleted from the Performance Statement, the work may be completed by various methods as allowed by federal, state, and local procurement guideline, policies and procedures. Such methods may include:

- Alternate bid items;
- Change Orders;
- Bidding the additional work separately;
- Force account labor, material, and/or equipment (subrecipients are reminded that extensive documentation is required in order to use force account resources).

While changing from force account labor to bid/contract labor ordinarily does not trigger a Performance Statement Amendment, the subrecipient must comply with Davis Bacon and Labor Standards before advertising for bids, including securing the appropriate prevailing wage rates.

If the AUGF has been issued, the subrecipient is required to re-evaluate the environmental review and any prior Finding of No Significant Impact (FONSI) for the project to determine whether the AUGF still applies to the proposed changes. It is critical that a subrecipient complete this re- evaluation in coordination with GLO Environmental Staff. subrecipients should consider the project location and any variance from the original type of work as well as the extent of work resulting in increases to capacity when completing a re-evaluation. Supplemental information or a new environmental clearance may be necessary for the

proposed changes and associated costs to be considered CDBG-DR and/or CDBG-MIT eligible.

12.6 Process to Submit Change request

- Subrecipient identifies the need for a change request
- Subrecipient notifies the GLO Grant Manager
- Grant Manager provides a current version of the Attachment A to “redline” for change requests involving the Performance Statement or Budget
- Subrecipient prepares required supporting documentation described in Section 12.4
- Subrecipient submits change request documentation to Grant Manager
- Grant Manager reviews and requests additional documentation if needed to support the proposed change
- Upon receipt of a complete change request, Grant Manager will route for GLO approval

Subrecipient should consider the impact of proposed changes to the budget, performance statement, beneficiaries, and project schedule when preparing a change request. Changes impacting one or more of these areas should be included in the same request.

GLO will process one change request at a time. Changes to the Subrecipient Agreement may impact agency processes related to reimbursement of funds.

12.7 Resources

GLO-CDR has created a comprehensive website which contains necessary forms, checklists, detailed guidance documents, and additional resources to supplement this Implementation Manual. Please see <https://www.glo.texas.gov/disaster-recovery> for more information. The following resources are referenced within this chapter and will be updated as new forms and documents are developed.

*Note: Individuals have reported a better experience when using Internet Explorer or Safari to view files. **If you are unable to open a .pdf file in your browser, please download the .pdf file by right-clicking and selecting "Save link as...", then open it with [Adobe Acrobat](#).** If Acrobat Reader is not installed on your computer, you can download it for free by visiting: <https://get.adobe.com/reader/>

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Questions: Please direct all questions regarding your specific program or project to your assigned GLO Grant Manager. Send comments related to the GLO-CDR Implementation Manual to ImplementationManual.glo@recovery.texas.gov.