

**STATE OF MINNESOTA**  
**DUNS NO. 804832640**  
**GRANT CONTRACT AGREEMENT NO. CARE-21-0001-O-FY21**

This grant contract agreement is between the State of Minnesota, acting through the Department of Employment and Economic Development, Business and Community Development Division, (STATE) and Redwood County, Redwood Falls, MN 56283, Federal Tax ID # 41-6005879 ("GRANTEE").

**Recitals**

1. Under Minn. Stat. 116J.401 the State is empowered to enter into this grant.
2. The State is in need of non-entitlement and entitlement units of local government to administer the Community Development Block Grant Coronavirus (CDBG-CV) grant.
3. The funds are intended to provide grant funds for eligible Community Development Block Grant Coronavirus (CDBG-CV) activities that assist communities, particularly low to moderate income communities, in preventing, preparing for, and responding to the coronavirus (COVID-19) pandemic.
4. The Grantee represents that it is duly qualified and agrees to perform all activities and duties described in this grant contract agreement to the satisfaction of the State.

**Grant Contract Agreement**

**1 Terms of Grant Contract Agreement**

**1.1 Effective date:** August 10, 2021, or the date the State obtains all required signatures under Minn. Stat. §16B.98, Subd. 5, whichever is later. Per Minn. Stat. §16B.98, Subd. 7, no payments will be made to the Grantee until this grant contract agreement is fully executed. Per 24 CFR 570.489 the Grantee may receive reimbursement for approved expenses that occurred prior to the execution of this grant contract agreement.

**1.2 Expiration date:** March 1, 2024, or until all obligations have been satisfactorily fulfilled, whichever occurs first.

**1.3 Survival of Terms.** The following clauses survive the expiration or cancellation of this grant contract agreement: 8. Liability; 9. State Audits; 10. Government Data Practices and Intellectual Property; 12. Publicity and Endorsement; 13. Governing Law, Jurisdiction, and Venue; 15. Data Disclosure; 16. Duplication of Benefits; 29. Program Income.

**2 Grantee's Duties**

**2.1 Duties, Deliverables, and Completion Dates.** The Grantee, who is not a state employee, will: Comply with required grants management policies and procedures set forth through [Minn. Stat. §16B.97](#), Subd. 4 (a) (1).

The Grantee has made application to the State for the purpose of administering CDBG-CV projects in the manner described in Grantee's "APPLICATION," which is incorporated into this grant contract agreement by reference.

The Grantee is awarded funds to provide financial assistance to prevent, prepare for, and respond to coronavirus. The activities must satisfy the benefit of low to moderate income households/persons or an urgent need national objective. These activities may include public service, retrofitting buildings, commercial rehabilitation, and broadband development.

Specific grantee activity will be detailed and set forth in Clause 4.1(a).

**2.2 Provisions for Contracts and Sub-grants.**

**(a) Contract Provisions.** The Grantee must include in any contract and sub-grant, in addition to provisions that define a sound and complete agreement, such provisions that require contractors and sub-grantees to comply with applicable state and federal laws. Along with such provisions, the Grantee must require that contractors performing work covered by this grant be in compliance with all applicable OSHA regulations, especially the federal Hazardous Waste Operations and Emergency Response Standards (29 CFR 1910.120 and 29 CFR 1926.65).

**(b) Ineligible Use of Grant Funds. (Not applicable to CDBG-CV)** The dollars awarded under this grant contract agreement are grant funds and shall only be used by Grantee or awarded by Grantee to third parties as grant funds and cannot take the form of a loan under any circumstance. Grantee shall not use, treat, or convert the grant funds into an interest-bearing loan, a non-interest-bearing loan, a deferred loan, a forgivable deferred loan or any other type of loan. Further, Grantee shall include in any contract or sub-grant awarding the grant funds to a third party all the provisions and requirements of this grant contract agreement, including the requirement that these dollars are grant funds only and cannot be used, treated or converted into any type of loan.

**(c) Job Listing Agreements.** Minn. Stat. § 116L.66, subd.1, requires a business or private enterprise to list any vacant or new positions with the state workforce center if it receives \$200,000 or more a year in grants from the State. If applicable, the business or private enterprise shall list any job vacancy in its personnel complement with MinnesotaWorks.net at [www.minnesotaworks.net](http://www.minnesotaworks.net) as soon as it occurs.

**(d) Payment of Contractors and Subcontractors.** The Grantee must ensure that all contractors and subcontractors performing work covered by this grant are paid for their work that is satisfactorily completed.

**3 Time**

The grantee must comply with all the time requirements described in this grant contract agreement. In the performance of this grant, time is of the essence. Request for contract extension will not be permitted.

**4 Compensation and Payment**

**4.1 Consideration.** The State will pay for all services performed by the Grantee under this grant contract agreement as follows:

**(a) Compensation**

Fed. Obj.	Activity Code	Activity Title	Unit Goal	Number of households/ persons served	Number of LMI households/ persons served	SCDP Funds	Other Funds	Total
LMA	03	Broadband Infrastructure	635	635	340	\$1,559,643.00	\$500,749.00	\$2,060,392.00
	21A	Administration				\$155,964.00		\$155,964.00
		<b>Totals</b>				<b>\$1,715,607.00</b>	<b>\$500,749.00</b>	<b>\$2,216,356.00</b>

**(b) Travel Expense (does not apply to CDBG-CV)**

Reimbursement for travel and subsistence expenses actually and necessarily incurred by the Grantee or the

project's designated administrative agency, if applicable as a result of this grant contract agreement will not exceed \$0.00; provided that the Grantee will be reimbursed for travel and subsistence expenses in the same manner and in no greater amount than provided in the current "Commissioner's Plan" promulgated by the Commissioner of Minnesota Management and Budget (MMB). The Grantee will not be reimbursed for travel and subsistence expenses incurred outside Minnesota unless it has received the State's prior written approval for out of state travel. Minnesota will be considered the home state for determining whether travel is out of state.

**(c) Total Obligation.** The total obligation of the State for all compensation and reimbursements to the Grantee under this grant contract agreement will not exceed \$1,715,607.00.

**(i) Pre-award Costs.** Grantee may incur reimbursable administrative costs prior to the fully executed grant contract agreement, but only after the CDBG-CV award letter has been released. This would include work on the environmental clearance, producing rehabilitation policies and procedures, and costs associated with attending SCDP implementation training.

**(ii) Eligible Costs.** Eligible costs include the costs identified in the Section 4.1 (a) of this Grant Contract Agreement that are incurred during the contract period and are also eligible for the CDBG program.

#### 4.2 Payment

**(a) Invoices.** The State will promptly pay the Grantee after the Grantee presents an acceptable itemized invoice for the services actually performed, and the State's Authorized Representative accepts the invoiced services. Invoices must be submitted timely and according to the following schedule:

Payment requests will be processed on a bi-weekly calendar basis with the calendar being provided by the State. The total amount of grant funds requested must be two thousand dollars (\$2,000) or more in each payment request. The final payment request, and payment requests made in the two-week periods prior to June 30 and September 30 of each year, may be under \$2,000.

The State has authority to withhold payment of administrative funds if adequate progress on contractual goals is not being met.

**(b) Federal Funds.** Payments under this grant contract agreement will be made from federal funds obtained by the State through CFDA number 14.228, Title 1 of the Housing and Urban Development Act of 1974 through a special allocation of Community Development Block Grant funds which was authorized by the Coronavirus Aid, Relief and Economy Security Act (CARES Act), Public Law 116-136. Federal Award number B-20-DW-27-0001. The Grantee is responsible for compliance with all federal requirements imposed on these funds and accepts full financial responsibility for any requirements imposed by the Grantee's failure to comply with federal requirements.

Funds made available pursuant to this grant contract agreement shall be used only for expenses incurred in performing and accomplishing such purposes and activities during the grant period described above. Notwithstanding all other provisions of this grant contract agreement, it is understood that any reduction or termination of Housing and Urban Development funds provided to the State may result in a reduction to the Grantee.

Where provisions of the Grantee's Application are inconsistent with other provisions of this grant contract agreement, the other provisions of this grant contract agreement shall take precedence over the provisions of the Application.

**(c) Unexpended Funds.** The Grantee must promptly return to the State any unexpended funds that have not been accounted for annually in a financial report to the State due at grant closeout.

#### 4.3 Contracting and Bidding Requirements.

Per [Minn. Stat. §471.345](#), grantees that are municipalities as defined in Subd. 1 must follow the law.

**(a)** Support documentation of the bidding process utilized to contract services must be included in the grantee's financial records, including support documentation justifying a single/sole source bid, if applicable.

(b) For projects that include construction work of \$25,000 or more, prevailing wage rules apply per; Minn. Stat. §§177.41 through 177.44 consequently, the bid request must state the project is subject to prevailing wage. These rules require that the wages of laborers and workers should be comparable to wages paid for similar work in the community as a whole. A prevailing wage form should accompany these bid submittals. In addition, for projects that include construction work of \$2,000 or more, Davis Bacon Act and Related Requirements noted in part 26 of this grant contract agreement will apply.

(c) The Grantee must not contract with vendors who are suspended or debarred in MN: <http://www.mmd.admin.state.mn.us/debarredreport.asp> and <https://www.sam.gov/SAM/>.

## 5 Conditions of Payment

All services provided by the Grantee under this grant contract agreement must be performed to the State's satisfaction, as determined at the sole discretion of the State's Authorized Representative and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Grantee will not receive payment for work found by the State to be unsatisfactory or performed in violation of federal, state, or local law.

## 6 Authorized Representative

The State's Authorized Representative is Christian Nordeng, Grants Specialist, 1<sup>st</sup> National Bank Building, Suite E200, 332 Minnesota Street, St. Paul, MN 55101-1351, (651) 259-7455, christian.nordeng@state.mn.us, or his/her successor, and has the responsibility to monitor the Grantee's performance and the authority to accept the services provided under this grant contract agreement. If the services are satisfactory, the State's Authorized Representative will certify acceptance on each invoice submitted for payment.

The Grantee's Authorized Representative is The Honorable Jim Salfer, County Board Chairperson of Redwood County, Redwood Falls, MN 56283, vicki\_k@co.redwood.mn.us, or his/her successor. If the Grantee's Authorized Representative changes at any time during this grant contract agreement, the Grantee must immediately notify the State.

## 7 Assignment, Amendments, Waiver, and Grant Contract Agreement Complete

**7.1 Assignment.** The Grantee shall neither assign nor transfer any rights or obligations under this grant contract agreement without the prior written consent of the State, approved by the same parties who executed and approved this grant contract agreement, or their successors in office.

**7.2 Amendments.** Any amendments to this grant contract agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original grant contract, or their successors in office.

**7.3 Waiver.** If the State fails to enforce any provision of this grant contract agreement, that failure does not waive the provision or the State's right to enforce it.

**7.4 Grant Contract Agreement Complete.** This grant contract agreement contains all negotiations and agreements between the State and the Grantee. No other understanding regarding this grant contract agreement, whether written or oral, may be used to bind either party.

## 8 Liability

The Grantee must indemnify, save, and hold the State, its agents, and employees harmless from any claims or causes of action, including attorney's fees incurred by the State, arising from the performance of this grant contract agreement by the Grantee or the Grantee's agents or employees. This clause will not be construed to bar any legal remedies the Grantee may have for the State's failure to fulfill its obligations under this grant contract agreement.

## 9 State Audits

Under Minn. Stat. § 16B.98, Subd.8, the Grantee's books, records, documents, and accounting procedures and practices of the Grantee or other party relevant to this grant contract agreement or transaction are subject to examination by the State and/or the State Auditor or Legislative Auditor, and the General Accounting Office of the

U.S. Department of Housing and Urban Development as appropriate, for a minimum of six years from the end of this grant contract agreement, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

Accounting methods must be in accordance with generally accepted accounting principles.

The Grantee shall comply with the requirements of the Single Audit Act Amendments of 1996 (P.L. 104-156). When a Grantee expends over \$750,000 in federal funds during their fiscal year, an A-133 audit is required to be submitted for that year.

## **10 Government Data Practices and Intellectual Property**

**10.1 Government Data Practices.** The Grantee and State must comply with the Minnesota Government Data Practices Act, [Minn. Stat. Ch. 13](#), as it applies to all data provided by the State under this grant contract agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Grantee under this grant contract agreement. The civil remedies of [Minn. Stat. §13.08](#) apply to the release of the data referred to in this clause by either the Grantee or the State. If the Grantee receives a request to release the data referred to in this Clause, the Grantee must immediately notify the State. The State will give the Grantee instructions concerning the release of the data to the requesting party before the data is released. The Grantee's response to the request shall comply with applicable law.

### **10.2 Intellectual Property Rights.**

- a) The State owns all rights, title, and interest in all of the intellectual property rights, including copyrights, patents, trade secrets, trademarks, and service marks in the works and documents created and paid for under this Grant Contract Agreement. The "works" means all inventions, improvements, discoveries (whether or not patentable), databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, and disks conceived, reduced to practice, created or originated by the Grantee, its employees, agents, and subcontractors, either individually or jointly with others in the performance of this Grant Contract Agreement. "Works" includes documents. The "documents" are the originals of any databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, disks, or other materials, whether in tangible or electronic forms, prepared by the Grantee, its employees, agents, or subcontractors, in the performance of this Grant Contract Agreement. The documents will be the exclusive property of the State and all such documents must be immediately returned to the State by the Grantee upon completion or cancellation of this Grant Contract Agreement. To the extent possible, those works eligible for copyright protection under the United States Copyright Act will be deemed to be "works made for hire." The Grantee assigns all right, title, and interest it may have in the works and the documents to the State. The Grantee must, at the request of the State, execute all papers and perform all other acts necessary to transfer or record the State's ownership interest in the works and documents.
- b) Whenever any invention, improvement, or discovery (whether or not patentable) is made or conceived for the first time or actually or constructively reduced to practice by the Grantee including its employees and subcontractors, in the performance of this Grant Contract Agreement, the Grantee will immediately give the State's Authorized Representative written notice thereof, and must promptly furnish the State's Authorized Representative with complete information and/or disclosure thereon.
- c) The Grantee must perform all acts, and take all steps necessary to ensure that all intellectual property rights in the works and documents created and paid for under this grant contract agreement are the sole property of the State, and that neither Grantee nor its employees, agents, or subcontractors retain any interest in and to the works and documents. The Grantee represents and warrants that the works and documents do not and will not infringe upon any intellectual property rights of other persons or entities. Notwithstanding Clause 8, the Grantee will indemnify; defend, to the extent permitted by the Attorney General; and hold harmless the State, at the Grantee's expense, from any action or claim brought against the State to the extent that it is based on a claim that all or part of the works or documents infringe upon the intellectual property rights of others. The Grantee will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs, and damages, including but not limited to, attorney fees. If such a claim or action arises, or in the Grantee's or the State's opinion is likely to arise, the Grantee must, at the State's discretion, either procure for the State the right or license to use the intellectual property rights at issue or replace or modify the allegedly infringing works or documents as necessary and appropriate to obviate the

infringement claim. This remedy of the State will be in addition to and not exclusive of other remedies provided by law.

## **11 Workers' Compensation**

The Grantee certifies that it is in compliance with [Minn. Stat. §176.181](#), Subd. 2, pertaining to workers' compensation insurance coverage. The Grantee's employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way the State's obligation or responsibility.

## **12 Publicity and Endorsement**

**12.1 Publicity.** Any publicity regarding the subject matter of this grant contract agreement must identify the State as the sponsoring agency and must not be released without prior written approval from the State's Authorized Representative. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Grantee individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this grant contract agreement. All projects primarily funded by state grant appropriation must publicly credit the State of Minnesota, including on the grantee's website when practicable.

**12.2 Endorsement.** The Grantee must not claim that the State endorses its products or services.

## **13 Governing Law, Jurisdiction, and Venue**

Minnesota law, without regard to its choice-of-law provisions, governs this grant contract agreement. Venue for all legal proceedings out of this grant contract agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

## **14 Termination**

**14.1 Termination by the State.** The State may immediately terminate this grant contract agreement with or without cause, upon 30 days' written notice to the Grantee. Upon termination, the Grantee will be entitled to payment, determined on a pro rata basis, for activities satisfactorily performed.

**14.2 Termination for Cause.** The State may immediately terminate this grant contract agreement if the State finds that there has been a failure to comply with the provisions of this grant contract agreement, that reasonable progress has not been made or that the purposes for which the funds were granted have not been or will not be fulfilled. The State may take action to protect the interests of the State of Minnesota, including the refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed.

**14.3 Termination for Insufficient Funding.** The State may immediately terminate this grant contract agreement if:

- (a) Funding for Grant No. **CARE-21-0001-O-FY21** is withdrawn by United States Department of Housing and Urban Development.
- (b) Or, if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the Grantee. The State is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any penalty if the contract is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. The State must provide the Grantee notice of the lack of funding within a reasonable time of the State's receiving that notice.

**14.4 In the event of cancellation.** In the event of any cancellation under this provision, the Grantee shall cooperate fully with the State and help facilitate any transition for the provision of services by a different vendor. Failure to cooperate with or withholding any information or records requested by the State or a different vendor that impairs in



any way the transition of the provision of services shall constitute a material breach of this grant contract agreement, subjecting Grantee to liability for all damages incurred by the State resulting from such breach.

## **15 Data Disclosure**

Under [Minn. Stat. § 270C.65](#), Subd. 3, and other applicable law, the Grantee consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Grantee to file state tax returns and pay delinquent state tax liabilities, if any.

## **16 Duplication of Benefits**, The Grantee must develop and maintain adequate procedures to prevent a duplication of benefits that address (individually or collectively) each activity. At a minimum the procedures must include a requirement that any person or entity receiving CDBG-CV that is determined duplicative will need to repay assistance with non-federal dollars, and include a method of accessing whether the use of CDBG-CV funds will duplicate financial assistance that is already received or is likely to be received by acting reasonably to evaluate need and the resources available to meet that need.

The CARES Act requires HUD to ensure that there are adequate procedures in place to prevent any duplication of benefits as required by section 312 of the Stafford Act, as amended by section 1210 of the Disaster Recovery Reform Act of 2018 (division D of Public Law 115-254; 42 U.S.C. 5121 et seq.). Duplication of benefits occurs when Federal financial assistance is provided to a person or entity through a program to address losses resulting from a Federally-declared emergency or disasters, and the person or entity has received (or would receive, by acting reasonably to obtain available assistance) financial assistance for the same costs from any other source (including insurance), and the total amount received exceeds the total need for those costs.

## **17 Conflicts of Interest-Application Submittal**

The State will take steps to prevent individual and organizational conflicts of interest in reference to Grantees per [Minn.Stat. §16B.98](#) and Department of Administration, Office of Grants Management, Policy Number 08-01 [Conflict of Interest Policy for State Grant-Making](#). When a conflict of interest concerning State grant-making is suspected, disclosed, or discovered, transparency shall be the guiding principle in addressing it.

In cases where a potential or actual individual or organizational conflict of interest is suspected, disclosed, or discovered by the Grantee throughout the life of the grant contract agreement, they must immediately notify the State for appropriate action steps to be taken, as defined above.

The Grantee must complete a Conflict of Interest Disclosure agreement and attach it to their proposal.

## **18 Debarment and Suspension Certification**

(If applicable) The Grantee agrees to follow the President's Executive Order 12549 and the implementing regulation "Non-procurement Debarment and Suspension: Notice and Final Rule and Interim Final Rule," found at 53 FR 19189, May 26, 1988, as amended at 60 FR 33041, June 26, 1995, including Appendix B, "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transactions;" unless excluded by law or regulation. Evidence that contractors are not debarred will be maintained over the life of the grant.

Eligible Contractors: All Grantees are required to verify that all contractors, subcontractors, and sub-recipients are not listed on the Federal publication that lists debarred, suspended, and ineligible contractors. Evidence of this determination must be readily available to the State throughout the life of the project.

## **19 Conflict of Interest Screening**

The Grantee must comply with the Conflict of Interest provisions of Minn. Stat. § 471.87 – 471.88 and Subpart K of 24 CFR, Part 570.611 of the Code of Federal Regulations. Grantee will screen for conflicts of interest in any activity that involves individual assistance and exceptions for participation for individual assistance must be approved by DEED.

## **20 Federal Environmental Standards**

Unless the State indicates otherwise and prior to release of funds, the Grantee is required to conduct an environmental review on project activities to comply with the National Environmental Policy Act of 1969 (NEPA), as amended. Disbursement of funds from the State will not occur until State has issued an environmental clearance to the Grantee.

Grantee must maintain environmental review documentation and records and make them available to the public.

**21 Drug-free Workplace/Drug-Free Workplace Awareness Program**

The Grantee agrees to provide a drug free workplace by notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited in the Grantee's workplace and specifying actions that will be taken against employees for violation of such prohibition. The Grantee must have an Awareness Program, or establish a drug free workplace awareness program to inform employees about the dangers of drug abuse, the availability of drug counseling and penalties for violations of the drug free workplace policy. Prior to release of funds, Grantee will provide evidence of a drug-free workplace to the State. If applicable, all secondary communities involved with this project will adhere to this condition.

**22 Prohibition of Excessive Force Policy**

The Grantee agrees to adopt and enforce a policy to prohibit the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations (P.L. 101-144, Section 519). Prior to release of funds, Grantee will provide evidence of a Prohibition of Excessive Force Policy to the State. If applicable, all secondary communities involved with this project will adhere to this condition.

**23 Residential Anti-displacement and Relocation Assistance Plan**

The Grantee agrees to adopt, make public and follow a "residential anti-displacement and relocation assistance plan" in accordance with Section 104(d) of the Housing and Community Development Act of 1974, as amended. This plan must include steps to minimize displacement of residents caused by project activities. Prior to release of funds, Grantee will provide evidence of a Residential Anti-displacement and Relocation Assistance Plan to the State. If applicable, all secondary communities involved with this project will adhere to this condition.

**24 Fair Housing**

The Grantee agrees to abide by and promote all Fair Housing Regulations during the grant period, including conducting at least one unique activity to affirmatively further fair housing each year that the grant remains open. Activities must be reported via the State's Annual Report each year.

**25 Policies and Procedures**

Where applicable and prior to release of funds, the Grantee must approve and maintain policies and procedures which are consistent with the Application and consistent with current SCDP guidance and policy. All policies and procedures must adhere to federal and/or state requirements.

**26 Federal Labor Standards**

When applicable, the Grantee must comply with all federal Davis Bacon and Related Act requirements (DBRA). The Grantee must follow DEED's "12 Step Instructions" that are available on the SCDP portion of the DEED website in order to comply with DBRA. Grantee must submit the DEED "Notice of Contract Award" to DEED staff within 14 days of each contract award where DBRA applies and before using grant funds to pay contractors or subcontractors. For projects involving Broadband Development and Retrofitting building projects, copies of the first payroll for each contractor and/or subcontractor working on the project will be provided to DEED staff for review before any cash disbursements for the activity are issued by the State.

**27 Use of Out of State Contractors**

The Grantee must comply with Minnesota Statutes, Section 290.9705 by either:

- A. Depositing with the State, eight percent of every payment made to non-Minnesota construction contractors, where the contract exceeds \$50,000; or
- B. Receiving an exemption from this requirement from the Minnesota Department of Revenue.



## **28 Reporting**

The Grantee shall submit reports annually during the grant period to the State by October 15, or the date designated by the State. In addition, recipients of \$150,000 or more of CDBG-CV funds must submit, no later than 7 days after the end of each calendar quarter a quarterly report to the State. Quarterly reports must be in accordance with the reporting requirements set forth in Section 15011 of the CARES Act. Grantee shall use the reporting forms provided by the State.

## **29 Program Income**

Program income generated using CDBG-CV grants will be treated as annual formula CDBG Program Income. Program Income is defined as any income equal to or exceeding \$35,000 in a federal fiscal year (October 1-September 30) received by the Grantee from repayments on deferred or installment loans made from CDBG-CV grants. Any income received from these grants that total less than \$35,000 in a federal fiscal year, is not Program Income, but must be reused for a Small Cities Development Program (SCDP) approved purpose. Eligible activities funded by funds generated from CDBG-CV activities do not need to be used to prevent, prepare for, and respond to COVID-19. Total Program Income expenditures for the year must be reported on the expenditures section of the annual report. Program Income must all be used before SCDP will provide a payment request form, if applicable.

Grantee agrees to have a "SCDP Income Reuse Plan" on file that states how Program Income and other funds generated from the grant will be reused. This plan should prescribe that funds will be reused for an approved SCDP purpose and be consistent with the Grantee's Application. If the funds received by the Grantee cannot be utilized by the Grantee within a reasonable amount of time, the State may request the funds be returned.

Annual Post Closeout Program Income Reporting: Following grant closeout, the Grantee must report Program Income to the state by October 15 of each year. Reporting must include Program Income:

- Funds received during the federal fiscal year,
- Expended during the federal fiscal year, and the funds
- Balance at the end of the federal fiscal year.

This reporting will be completed online using the "[Post Closeout Online Reporting](#)" and if applicable the "Post Closeout Program Income Expenditure Reporting Form" located on the DEED/SCDP website. These forms can be found on this webpage: <http://mn.gov/deed/government/financial-assistance/community-funding/>.

Grantees should track Program Income (\$35,000 or more received in a fiscal year) and other income from CDBG-CV grants (under \$35,000 in a year) with separate accounts. These funds do not include Minnesota Investment Funds.

Refer to SCDP A-Z Guide for additional information.

## **30 Procurement**

The Grantee must maintain documentation that shows that professional services were procured in accordance with 2 CFR Part 200, Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards. Services obtained from an HRA, RDC, or nonprofit organization do not have to be procured by competitive negotiation, but contracts for these services must only be on a cost reimbursement basis, accounted for in accordance with "The Common Rule."

All construction contracts will require competitive bidding, unless waived by the State.

## **31 Section 3 & Equal Opportunity**

Grantee must adhere to the Subparts A, C and D of the Section 3 regulations at 24 CFR 75 if the financial assistance provided to the project exceeds a threshold of \$200,000 in HUD program funding. If the project is found to be a Section 3 project, requirements at 24 CFR 75.19 must be followed. The Grantee will report labor hours in the Annual Report as described in 24 CFR 75.25(a), provide the qualitative efforts to assist low and very low-income persons described at 24 CFR 75.25(b) if reporting benchmarks are not met, must include Section 3 requirements and language in bidding documents and contracts, and retain necessary Section 3 documentation as described in 24 CFR 75.31. Additionally, the Grantee will include The Standard Federal Equal Employment Opportunity Construction Contract Specifications (Executive Order 11246, as amended) in the bidding and contract documents. Grantees will

adopt an “Affirmative Contractor Outreach Plan – Section 3, MBE and WBE” which will outline how the Grantee will adhere to Section 3 requirements and will promote the use of Section 3 business concerns and Women- or Minority-Owned Businesses. The plan will include a requirement that contractors and subcontractors will complete the Section 3 and Women- or Minority-Owned Business Certification form.

**32 Public Hearing**

The Grantee will hold a second public hearing (first was held for submission of Application) that includes a citizen participation opportunity midway through the implementation period to solicit public feedback on grant progress and results. The public hearing must be publicly advertised and minutes from the hearing and evidence that the hearing was publicly advertised will be provided to the State, if requested. Documentation that the second public hearing was held will be made on the final report to DEED.

**33 Record Retention**

The Grantee will maintain all grant related records and files for six years after grant closeout.

**34 Bid Specifications**

For broadband development projects, the Grantee or administrating agency must provide the State with bid specifications (not maps or architectural drawings) for review and approval.

**35 National Objectives**

All activities outlined in the Grantee Application and table contained in 4.1(a) shall meet a National Objective as outlined by the CDBG-CV program.

**36 Lead Based Paint**

For activities that involves a building or space used for occupancy, the Grantee will follow the DEED lead policy.

**37 Monitoring**

The State shall monitor grantee performance as outlined in its Annual Action Plan to HUD. The Grantee will make all books, records, documents, and accounting procedures and practices accessible for any monitoring. Monitoring will be based on forms provided by the State. The monitor may be in person or a request for information at any time during the grant and any time after grant closeout as needed.

The Grantee will monitor the activities of the sub-recipient according to 2 CFR §200.303 and 2 CFR §200.331 as necessary to ensure that the sub-award is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the Sub-award; and that sub-award performance goals are achieved. Pass-through entity monitoring of the sub-recipient must include:

- (a) Reviewing financial and programmatic reports required by the pass-through entity.
- (b) Following-up and ensuring that the sub-recipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the sub-recipient from the pass-through entity detected through audits, on-site reviews, and other means.
- (c) Issuing a management decision for audit findings pertaining to the Federal award provided to the sub-recipient 2 CFR §200.332 from the pass-through entity as required by 2 CFR §200.521 management decision.

The State and Grantee acknowledge their assent to this grant contract agreement and agree to be bound by its terms through their signatures entered below.

**1. STATE ENCUMBRANCE VERIFICATION**  
*Individual certifies that funds have been encumbered as required by Minn. Stat. 16A.15.*

Signed: Robin Culbertson  
Date: 2/17/22

SWIFT Contract/PO No(s). 202831 PR 65892 PO 3-452573

**3. STATE AGENCY**

By: Kevin McKee  
Title: Deputy Commissioner  
Date: August 19, 2022

**2. GRANTEE**

The Grantee certifies that the appropriate person(s) have executed the grant contract agreement on behalf of the Grantee as required by applicable articles, bylaws, resolutions, or ordinances.

By: Jim Bayne  
Title: Board Chair  
Date: 3-1-22

By: WDM  
Title: Administrator  
Date: 3-1-22

APPROVED AS TO FORM  
Redwood County Attorney

By: JMP  
Date: 02.24.2022

Distribution:  
Agency  
Grantee  
State's Authorized Representative

**AUTHORITY TO USE GRANT FUNDS  
SMALL CITIES DEVELOPMENT PROGRAM**

Department of Employment and Economic Development  
Division of Business and Community Development

Pursuant to Section 104(g) of Title I of the Housing and Community Development Act of 1974.

TO:	<u>The Honorable Jim Salfer</u>	SUBJECT:	<u>Redwood County</u>
	<u>Chairperson, County of Redwood</u>		<u>Broadband Development</u>
	<u>25 S Jefferson St.</u>		<u>CDAP-21-0001-O-FY21</u>
	<u>Redwood Falls, MN 56283</u>		

LOCATION(S): **City of Sanborn and Charlestown Township**

On **August 16, 2022**, the Department of Employment and Economic Development (DEED) received your Request for Release of Funds and Certification form pertaining to the activities listed, as part of the above project.

X

No objections to the request for release of such funds or to the certification have been received by DEED and a period of at least 16 or 19 days after the receipt of such request and certification has expired.

           All objections to the request for release of such funds and to the certification which were received by DEED within a period of 16 or 19 days from and after the receipt of such request and certification have been considered by DEED.

Therefore, effective **September 6, 2022** funds provided by the Small Cities Development Program may be used for the above-listed activity within the above listed project.

If the project changes in any way during the grant period, the county may need to re-evaluate the environmental review before proceeding. This re-evaluation may involve publication of notices.

SCDP Environmental Coordinator

Chris Nordeng

Date: 9/7/2022