

Montana Coal Endowment Program

Project Administration Workshop



COMMERCE

Chapter Two

Project Management



MONTANA DEPARTMENT OF
COMMERCE

Project Lifespan

- All 2027 biennium MCEP projects that have not met startup by **Sept. 1, 2026**, will be reviewed by the legislature to determine if the grant should be withdrawn.
- All 2027 biennium MCEP projects must have construction costs incurred by **Sept. 30, 2029**.



Project Amendment

- Scope of work
- Extensions require Commerce approval and justifications and contract process.



Budget Modification

- Modification requests less than \$5,000
- Modification requests over \$5,000 require Commerce approval in writing prior to modifying budget and request for funds submission.
- All modifications need to be noted on every uniform status of funds and discussed with MCEP staff.



Eligible Expenses

- Construction activities directly related to scope of work
- Professional services directly related to scope of work
- Repayment of directly related interim financing
- Legal cost, bond counsel
- Grant administration costs

Ineligible Expenses

- Operation and maintenance
- Furnishings and fixture purchases that are not dedicated or permanent to the facility
- Costs of refinance, servicing or interest of current debt

Ineligible Expenses

- Any related cost prior to May 19, 2022 per statute change out of the 2021 Legislature
- Privately owned service lines
- Any project cost incurred if a contract has not been executed with Commerce

Matching Funds

- Cash match
 - Local general funds or cash
 - Proceeds from bond sales
 - Entitlement or formula federal and state funds
 - Loan or grant funds from another state or federal program



Matching Funds

- Previous cash expended
- In-kind match
 - Value of land provided by grantee
 - Value of labor by grantee employees
 - Value of machinery or materials used for construction of project



Requests for Reimbursement

- Request for reimbursement form
- Invoices
- Progress reports
- Uniform status funds

Requests for Reimbursement

- Invoice tracking spreadsheet
- Lump sum contracts not sufficient
 - Cost plus contracts not reimbursable
 - Multipliers not reimbursable

Accounting and Auditing

- Generally accepted accounting principles
- 2-7-503, MCA
- 20-9-213, MCA
- Tribal governments
 - OMB circular A-133



Records Retention

- Maintain all records of MCEP-funded activity.
- Organize files.
- Retain files for five years at local government's offices after grant closeout or at the conclusion of any litigation or claims.
- Access to records upon request

Ethics, Conduct and Conflicts

- Read all applicable statutes; some waivers and exemptions apply.
- Each individual is responsible for compliance with laws.



Procurement

- The grantee's responsibility
- Must follow applicable statutes
 - MCA Title 7, Chapter 5, Parts 23 and 43
 - Local requirements
- Free and open competition



Procurement

- May not divide or sequence activities to circumvent procurement methods
- Must send documentation of procurement to Commerce
- Must send copies of advertising, selection process and executed agreements to Commerce



Starting Construction

- Review of bids and specifications
- Debarment
- Pre-construction conference
- Executed documents

Public Notice and Participation

- Progress reports
 - Council or commission meetings
- Project signage
- Press releases
 - Groundbreaking, ribbon cuttings, tours



Public Notice and Participation

- Newsletters, websites, regular outreach
- Complaints about projects happen!
 - Determine who will manage complaints and how they will be addressed.
 - Keep written records.
 - Resolve complaints quickly.



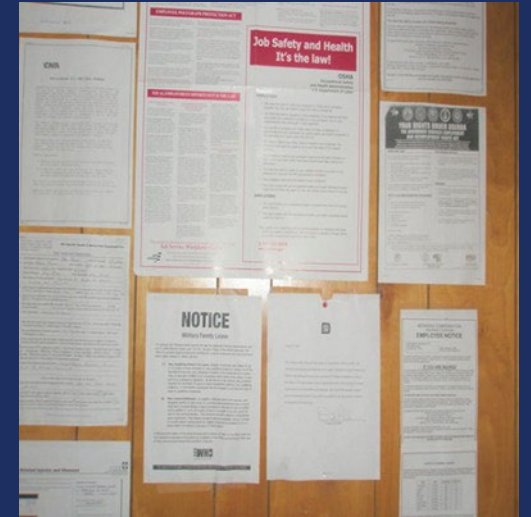
Non-Discrimination

Full compliance with:

- Montana Human Rights Act
- Civil Rights Act of 1964
- Age Discrimination Act of 1975
- Americans with Disabilities Act of 1990
- Section 504 of the Rehabilitation Act of 1973
 - All contractors and subcontractors must comply

Prevailing Wages

- Montana's Prevailing Wage Act
 - 18-2-401, et seq, MCA
 - All contracts exceeding \$25,000
 - Grantees should be prepared to document appropriate payment.
- Federal Davis Bacon Wages may supersede



Project Monitoring

Ongoing monitoring

- Regular communication
- Photo submission
- Correspondence



Project Monitoring

On-site monitoring

- Visit the project/grantee offices
- Review key project requirements
- Discuss any issues and resolve any monitoring concerns

Purpose of Monitoring

- Provides technical assistance
- Determines whether the grantee is:
 - Complying with state law and program requirements.
 - Carrying out project activities as set forth in contract scope of work.
 - Charging eligible costs incurred.
 - Properly using and accounting for funds.

Purpose of Monitoring

Original and complete documentation must be kept in the grantee's local government or district offices.



Project Closeout

- Submit a certificate of substantial completion.
- Submit a project completion report within 90 days.
 - Copy of the long-term O&M manual
 - Summary of citizen comments/complaints
 - Statement of costs
 - Certification of grantee
 - Proposed and actual accomplishments

Exhibit 2-G Project Completion Report

TSEP recipients must complete the Final Project Completion Report, to describe the accomplishments of the project as described in the TSEP contract signed between the grantee and the Department of Commerce. All certifications must be signed by the TSEP recipient's Chief Elected Official or Executive Officer.

The Final Completion Report consists of the following components:

- ☐ 1. Final Project Performance Report
 - ☐ **Proposed Accomplishments:** Describe the accomplishments in quantifiable terms if applicable (e.g. approximately 3,100 feet of water pipe installed and /or 150 people in 45 households served). Also describe the accomplishments, which are not easily quantifiable (e.g. achieved compliance with State water quality standards or eliminated serious threats to public health.)
 - ☐ **Actual Accomplishments:** Provide an explanation for any differences between the original proposed accomplishments and the final accomplishments.
 - ☐ **Open-Ended Action Items:** Describe any liens from contractors or suppliers, open-ended action items pertaining to enforcement of applicable prevailing wage or other labor requirements, or other third-party claims against the project which will require restitution, escrow of funds or liquidated damages.
 - ☐ **Citizens Summary:** Provide a summary of any citizen comments or complaints regarding the TSEP project received by the local governing body or the local TSEP project manager. The summary must include the recipient's assessment of the citizen comments and a description of any action taken in response to the comment or complaint.
- ☐ 2. Statement of Cost: TSEP Funds and Non TSEP Funds (Include a Final Uniform Status of funds spreadsheet identifying all expenditures in the project)
- ☐ 3. Certification of Grantee
- ☐ Attachments:
 - ☐ **Certificates:** A copy of the project engineer's Certificate of Substantial Completion with the attached punch list, or final inspection report, or letter giving final acceptance of the completed project.
 - ☐ **Operation & Maintenance:** Except for bridge projects, a copy of the long-term operations and maintenance plan. At a minimum, include the cover page and index of the plan.



Project Closeout

- Submit a final request for reimbursement.
 - Two percent retainage or remaining balance released after approval of the closeout documentation and final request for reimbursement has been received.
- Submit a final closeout letter.
 - Retain all project records at local government offices for five years after closeout.



Questions?

We're here to help. Contact us at
406-841-2270 or doccdd@mt.gov.

All photos were provided by the
Montana Department of Commerce.

