



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration  
OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT  
One Capitol Hill  
Providence, RI 02908-5890

DATE: September 2, 2014  
TO: All CDBG-DR Grant Recipients  
CC: Michael Tondra, OHCD  
FROM: Laura Sullivan, CDBG-DR Project Manager *LS*  
SUBJECT: **Policy for CDBG-DR Contract Amendments** (Budget Amendments and Extensions)

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CDBG-DR award recipients may request contract amendments from OHCD. DR funds are considered committed when the contract is executed. Inclusion in a HUD-approved Action Plan is only a reservation, not a commitment of funds. The request process, described below, is determined by the type of amendment.

Be advised that any contract amendments that trigger a "substantial amendment" to the State's CDBG-DR Action Plans will be subject to HUD's review, if approved by OHCD. Refer to the 2010 Floods Action Plan or the Hurricane Sandy Action Plan for the respective definitions of an Action Plan substantial amendment at <http://www.planning.ri.gov/community/development/disaster/index.php>.

Amendments are categorized as follows:

1. **For budget amendments involving transfers of previously committed funds among line items within or among activities covered under a single contract.** The recipient shall send a memorandum to OHCD requesting the budget amendment. Attachments shall include documentation that costs are necessary and reasonable, and an updated budget. The Amendments which fall into this category do not require publication of the notice to amend.
2. **For budget amendments involving transfers of previously committed funds among activities covered under different contracts (same disaster).** The recipient shall send a memorandum to OHCD requesting the budget amendment. Attachments shall include a) documentation that costs are necessary and reasonable, b) updated schedules (benchmarks) for each activity, c) explanation of any delays, and d) updated budgets for each affected contract. The Amendments which fall into this category do not require publication of the notice to amend.

3. **For budget amendments involving requests for additional funds for activities already under contract with OHCD (or tentatively awarded via a HUD-approved Action Plan) for CDBG-DR assistance.** The recipient shall send a memorandum to OHCD requesting the budget increase, and include justification for the budget increase request with supporting documentation, and an updated budget. Examples of supporting documentation may include procurement records, change orders, detailed cost estimates, revised scopes of work, etc. The Amendments which fall into this category do not require publication of the notice to amend.
4. **For budget amendments involving transfers of previously committed funds to new activities (i.e. activities not currently supported with CDBG-DR funds).** The recipient shall send a memorandum to OHCD requesting the budget transfer, full application materials, and a copy of the public notice. The Amendments which fall into this category require publication of notice to amend, unless the new activities were previously included in a prior public notice of intent to apply for CDBG-DR funds. The notice of amendment shall be published in a newspaper of general circulation in the community, with a public comment period of at least seven days, not including the day of publication, prior to submittal of the request to OHCD.
5. **For contract extensions.** The recipient shall send a memorandum to OHCD, signed by the chief executive or chief elected official, requesting the extension. The request shall specify specific performance benchmarks tied to dates, to demonstrate that the project(s) can complete by applicable expenditure deadlines.

Category 1 amendments are routinely approved, when the recipient provides sufficient documentation that all costs are necessary and reasonable, and is in full compliance with the contract terms.

The above notwithstanding, all budget amendments are at the sole discretion of OHCD. OHCD may consult the review committee regarding category 3 and 4 amendments. Amendments shall only be granted via written approval by OHCD.