

**TEXAS COASTAL MANAGEMENT PROGRAM
PROJECTS OF SPECIAL MERIT (GOMESA)
ADMINISTRATIVE & FINANCIAL GUIDANCE
CYCLE 28**

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ADMINISTRATIVE EXPECTATIONS

PRE-CONTRACT EXECUTION

Work Plan Development

The CMP project manager will use the Project of Special Merit (PSM) application materials to develop a draft workplan. The CMP project manager will conduct an environmental review and consult with a project advisor to help further develop the project timeline and deliverables. Once the draft workplan is created, the CMP project manager will communicate with the grantee project manager to finalize the workplan. **Please note, funding is not guaranteed for a PSM until the applicant and CMP staff come to a mutually agreed upon workplan and a final funding notification is provided by December 31, 2022.** If a project workplan cannot be agreed upon or if eligibility or environmental issues are uncovered during CMP staff review of the PSM's supporting documentation, the PSM funding invitation will be withdrawn by December 31, 2022.

As the CMP project manager and grantee work to develop the project scope of work, additional supporting documentation may be required before contract execution can proceed, or the additional document requirements will be written into the project work plan. GOMESA funds may be withheld or partially withheld until the supporting documents are submitted to the GLO.

PSMs do not have a defined start date and can begin upon mutual agreement of the scope of work and subsequent contract execution. Cycle 28 PSM contracts may be issued as early as April 2023, with the latest possible start date being October 1, 2023. Contracts will be issued for a three-year timeframe with the option to request two, one-year extensions.

Environmental Review Requirements

As there are no federal funds associated with PSMs and no federal oversight, a National Environmental Protection Act (NEPA) review is not required by the GLO. However, CMP staff will conduct an internal environmental compliance review of both construction/land acquisition and non-construction PSMs prior to issuing the final funding notification letter. This is to ensure the proposed work will not have long-term adverse ecological impacts to the Texas coast. This review will also ensure the project is meeting all associated funding criteria and eligibility requirements regarding project location, type of work proposed, property ownership, etc. GLO may choose to impose Special Award Conditions or withdraw funding for a PSM based on the outcomes of the environmental compliance review.

While GLO will not require a NEPA review, projects requiring certain USACE permits may still need to go through the NEPA process, as required by the United States Army Corp of Engineers (USACE). Funding needed to meet NEPA requirements may be included in the PSM application, and the project workplan will be heavily configured around this required permitting process. Early consultation with USACE on permitting requirements is highly recommended.

Project Advisors

All funded PMSs will be assigned a CCAC agency project advisor. If necessary, more than one CCAC member may participate. The advisor(s) will have a vested interest in the project results and may participate in the project's work plan development to ensure it is crafted to provide mutually beneficial end results. The CCAC advisor may receive project deliverables and provide input and guidance throughout the duration of the project, as needed.

Contracting

While effective dates will be honored, a CMP PSM grant contract is not fully executed until all GLO and grantee signatures are secured. Technically, grantees can begin work on their project's effective date but should proceed with the full understanding that, until the contract is completely signed, they run a risk of not having their work reimbursed if, for any reason, the grant contract is ultimately not signed. The GLO recommends waiting until full contract execution to begin reimbursable work.

The GLO strives to maintain uniformity and fairness in its treatment of all grantees. Using standard and unvarying language in contracts ensures each grantee is treated equitably and makes management of contracts streamlined and consistent. **Therefore, the GLO will not accept revisions to the contract or its attachments, except as necessary to correct errors or accurately reflect legal requirements and limitations.**

Kick-Off Call

The GLO will host a kick-off call with the grantee one (1) month prior to PSM grant contract execution to go over the project work plan, budget, deliverables, due dates, and project expectations. Grantees are highly encouraged to ask questions, as needed. Grantee kick-off call attendees should include the project manager, the financial reporter, and anyone else pertinent to the success of the project.

POST-CONTRACT EXECUTION

The GLO expects the grantee project manager to maintain clear and open communication with the CMP project management staff throughout the grant award period. Adhering to the project's timeframe (3-years) is paramount.

PSM Grant Agreement

CMP PSM grant funding is provided through the issuance of a binding and enforceable contract between the grantee and the GLO. This contract, called a GOMESA grant agreement, sets forth the terms and conditions of the grant to the grantee, and includes other contract documents governing the grant, such as the approved project work plan and budget.

The grantee is legally responsible for successfully completing each task and producing each project deliverable as specified in the approved work plan. If the funding amount approved for a

task is underestimated, the grantee is responsible for providing any additional funding needed to complete the project as approved.

Special Award Conditions (SAC)

PSM grant agreements may include special award conditions (SACs) requiring additional GLO review and approval of project aspects prior to the commencement of work or construction. Grant agreements for land acquisition projects will include a special award condition requiring GLO review and approval of due diligence deliverables prior to the land transaction.

SACs typically place a hold on either the entire funding request or a certain dollar amount. **PSM funds cannot be utilized, in the amount listed on the SAC, until the SAC is removed by the GLO.** Grantees must submit SAC requirements to the GLO within 90 days of the grant agreement execution. Failure to do so will delay the use of funding. Grantees will receive written notification from the CMP project manager when the SAC is removed, and funds can be utilized.

Reporting

Progress reports and reimbursement requests are due on or before the tenth day of the month following the reporting period. Progress reports must provide a brief description of each task's status, describe major accomplishments for the reporting period, list deliverables/milestones and provide the date completed/submitted, identify any obstacles encountered, and describe plans for the next reporting period. If a task has not started, this should be noted in the progress report.

Reimbursement request requirements are detailed below.

The grantee will submit progress reports, deliverables, and reimbursement requests to the GLO via the CMPreceipts@glo.texas.gov mailbox either monthly or quarterly. Reporting frequency is determined by project and entity type. Generally, construction/land acquisition projects and nonprofit organizations report monthly and all other entities and project types (i.e., non-construction projects, universities, local and regional governments) report quarterly, unless specified. Reporting frequency requirements are denoted in the project work plan which will be contained in Attachment A of the grant agreement. Reimbursement requests must be submitted with progress reports every month or quarter, even if they contain a \$0 request.

Progress reports, deliverables and reimbursement requests should be submitted on or ahead of the date specified in the work plan. If a delay is anticipated, the grantee should email the GLO project manager notifying them of the impending delay.

Contract Amendments

Informal contract amendments are amendments that do not substantively change the project scope or outcome (e.g., changes to deliverable and task due dates within the 3-year contract period and budget revisions that do not increase or decrease the project budget). Grantees must submit a written request for an informal contract amendment to the GLO independent of routine progress reports. For budget revisions that do not change the overall budget, grantees must submit a completed Budget Amendment form. The form is available for download at <http://www.glo.texas.gov/coast/coastal-management/forms/index.html>.

Formal contract amendments include changes to the project scope, increases or decreases to the project budget, and extensions to the project duration beyond the 3-year contract period. Grantees must submit a written request with acceptable justification to the GLO for consideration at least 60 days prior to the expiration of the contract. Grantees may request a contract extension provided additional time is required for successful completion of the project and the term of the contract does not extend beyond the award period. Requests will be considered on a case-by-case basis. Grantees must fulfill tasks as described in the grant agreement as projects are awarded based on the information provided in the original application.

Acknowledgement of CMP Funds

Publications, materials, and permanent signage produced with grant funding must include the required acknowledgement statements as well as the CMP logo. Acknowledgement language is provided in the grant agreement. Reports, papers, requests for proposals, and bid solicitations must provide the acknowledgement and logo on the front cover or title page of the document.

Signage acknowledging the use of CMP/GLO funding must be installed at all construction and land acquisition project sites. During the construction of a project, grantees are responsible for producing and installing temporary signage. Acknowledgement language for temporary signage is provided in the grant agreement. The GLO will provide grantees with permanent signage for the project site. Grantees are responsible for the installation of permanent signage and associated costs.

Performance Monitoring, Evaluations and Risk Assessment

To ensure compliance with expectations, GLO staff will provide the grantee with a “Project Monitoring and Review Timeline” at the beginning of the grant contract. The timeline will detail how CMP staff will review, audit, and assess a project’s compliance during the grant and provide information on consequences of non-compliance. Please note, adherence to this schedule can play a role in securing future grant funding.

The GLO will perform quarterly project evaluations and annual risk assessments. These mechanisms will be used by GLO staff to identify contracts that may need additional monitoring and/or oversight and identify areas of risk. Additional monitoring activities may include telephone calls, meetings, desk reviews and site visits. Grantees will be notified in writing if non-compliance issues are identified during either the quarterly or annual reviews.

Site Visits

The GLO will conduct at least one site visit during the grant period for construction/land acquisition projects. Grantees must provide the GLO or other agencies of the state or federal government reasonable access to the site for project monitoring.

Geographic Information Systems Data Products

Data, databases, and products associated with electronic Geographic Information Systems (GIS) that have been collected, manipulated, or purchased with CMP grant funds will be subject to all applicable terms of the Texas Administrative Code (TAC) Rule §205.10, State Agency Geographic Information Standards ([texreg.sos.state.tx.us/public/readtac\\$sub.ListRegister?p_reg_id=288527](http://texreg.sos.state.tx.us/public/readtac$sub.ListRegister?p_reg_id=288527)).

Any GIS data to be transferred or exchanged that is collected, manipulated, or purchased with funds from this contract must be documented as specified in the Federal Geographic Data Committee's (FGDC) Content Standard for Digital Geospatial Metadata (CSDGM). The federal metadata standard is available online at www.fgdc.gov/metadata/csdgm.

Any electronic spatial data collected, manipulated, or purchased with CMP grant funds shall be transferred in a mutually acceptable GIS format, along with appropriate documentation. Non-spatial data deliverables (textual, spreadsheet, database, etc.) must be delivered in standard text, image, or database formats, and on mutually acceptable delivery media. Grantees are expected to comply with these guidelines. Grantees who cannot comply with these guidelines must provide a written justification detailing why an exception is warranted.

Ownership and Intellectual Property

All right, title, and interest in, and to, all reports, drafts of reports, data, drawings, computer programs and codes, and/or any other information or materials acquired or developed by the project will be jointly owned by the GLO and the grantee with both having the right to use, reproduce, publish, distribute, or otherwise use or exploit, and authorize or license third parties to use, reproduce, publish, distribute, or otherwise use or exploit, all such information or materials, and exercise any intellectual property rights, without the necessity of obtaining permission from the other Party and without expense, charge, or accounting to the other Party.

The PSM Grantee may obtain intellectual property rights for any work that is subject to intellectual property rights and was developed, or for which ownership was acquired, under this project; provided however, that the GLO or the State of Texas shall each have a royalty-free, non-exclusive, fully paid-up and irrevocable license to reproduce, publish, publicly display, create derivative or new works from or otherwise use, and authorize others to use, all such works or intellectual property for government purposes.

In no event shall the GLO or the State of Texas be charged or required to pay for the use of any data, intellectual property, or any other information or materials acquired or developed under this Contract.

Audit Compliance

All PSM grantees are subject to single audit requirements per TxGMS.

If a grantee expends more than \$750,000.00 during its fiscal year in state awards, the grantee must have either a financial audit or a program-specific audit conducted for that year in accordance with TxGMS. At its discretion, the GLO may also accept a federal single audit of the grantee prepared in

compliance with Title 2, Code of Federal Regulations, Part 200, if the GLO determines that the federal single audit sufficiently addresses internal controls and other grant requirements as they relate to this state award. The GLO will also accept a state single audit or coordinated audit that has been conducted in accordance with Section 783.008 of the Texas Government Code and TxGMS. If applicable, grantee shall complete and return the Audit Reporting Form no later than September 1 of each year until the Contract is terminated. The Audit Reporting Form may be downloaded at: <http://www.glo.texas.gov/coast/coastal-management/forms/index.html>.

Period of Retention

The PSM grantees are required by state law to retain project files for a seven-year period following the official grant award closeout date or until final audit resolution is reached. Following closeout, grantees will receive a letter from the GLO specifying the period of retention for the grant award.

Special Provisions for Construction/Land Acquisition Projects

Permitting

Grantees are solely responsible for obtaining all local, state, and federal permits or other authorizations. Funding of a project does not exempt a grantee from obtaining required permits or authorizations or place an obligation on a permitting or authorizing local, state, or federal agency to issue a permit or authorization for the project.

Permits or authorizations may require project modifications or post-project monitoring that increases the project cost. Grantees must secure the appropriate budgetary commitments to ensure permitting requirements are met. Grantees are solely responsible for identifying and securing any additional funding required to complete the project. The Land Commissioner is not obligated to award additional funds to cover cost overruns.

Land Surveys

When undertaking a construction or land acquisition project, grantees may be required to obtain a land survey. The type of survey required varies depending on the conditions of the property and the type of activity proposed in the application.

Land Acquisition Appraisal Requirements

PSMs may acquire fee simple or other interest in land. Grantees must obtain a property appraisal that complies with the Uniform Standards of Professional Appraisal Practice (USPAP). **A yellow book appraisal is not required as there are no federal funds associated with PSM money.** Compliance with USPAP is a requirement for all certified and licensed appraisers.

Project Maintenance

Grantees undertaking projects that result in a physical improvement (e.g., earth-moving activity, construction, habitat restoration) must maintain the improvement for the useful life of the project. The GLO will determine the useful life of the project in consultation with the grantee. However, in most cases, the useful life is a minimum of 20 years.

FINANCIAL REQUIREMENTS

Financial Assistance Standard Terms and Conditions

Grantees should review and understand the grantee grant agreement requirements and all applicable assurances, certifications, Texas Grant Management Standards and travel rules and guidelines.

Invoices and Reimbursements

The GLO will pay project expenditures on a reimbursement basis. The grantee is expected to make the initial outlays for the project. The GLO will only reimburse the grantee for allowable, budgeted expenses. Any costs incurred prior to the effective date or after the termination or expiration of the grant agreement are not eligible for reimbursement. Payments are directly linked to grant performance and may be withheld if project schedules are not met and/or deliverables are not submitted.

Grantees are required to submit reimbursement requests and documentation with the corresponding progress report on or before the 10th day of the month following the reporting period. Reimbursement requests should be submitted to the CMPreceipts@glo.texas.gov. If a grantee does not incur expenses during the reporting period, a \$0 invoice should still be submitted. For the final invoice, documentation for reimbursement requests must be submitted within 60 days from the date the expense is incurred.

Reimbursement requests must be submitted on the approved GLO forms, which may be downloaded at <http://www.glo.texas.gov/coast/coastal-management/forms/index.html>. Grantees must include documentation that adequately supports the expenses. Documentation of direct costs must be acceptable to the GLO. Grantees should be set up for direct deposit for reimbursements.

Unallowable costs

Unallowable costs, as defined in TxGMS Collection of Unallowable Costs, are ineligible for reimbursement regardless of whether the cost was disclosed in the application. Unallowable costs include, but are not limited to, costs related to alcohol, contingency, entertainment, fund-raising, food (not associated with travel), tips, and snacks/drinks for employees/volunteers.

Reimbursement for volunteer time on PSM grant agreements is prohibited as there is no monetary exchange involved.

Withholding

To ensure completion of the project in accordance with the grant agreement, the GLO may withhold an amount equal to five percent (5%) of the budget. Final disbursement will occur upon project completion and submission of final deliverables.

Budget Categories

Salary

Salary includes the wages of the subrecipient's personnel working directly on the project. For reimbursement documentation, grantees are required to submit time sheets or another form of documentation from the payroll system for all grantee staff paid by the grant. Documentation must be acceptable to the GLO.

Fringe

Fringe benefits include allowances and services provided to employees by the grantee as compensation in addition to regular salaries and wages. Fringe benefits should be limited to no more than 35% of salaries and wages. For reimbursement documentation grantees are required to submit time sheets or another form of documentation from the payroll system for all grantee staff paid by the grant. Documentation must be acceptable to the GLO.

Travel

Travel costs include expenses for transportation, lodging, subsistence, and related items incurred by employees traveling for project-related purposes. Grantees must claim actual expenses for travel not to exceed the maximum allowable rates. Reimbursement of per diem rates is not permitted. Itemized receipts and proof of payment must be submitted for reimbursement documentation.

Reimbursement for lodging, travel, and other incidental direct expenses must be limited to the rates established in the Texas Administrative Code and the State of Texas travel guidelines, *Textravel*. Additional information is available at <https://fmx.cpa.state.tx.us/fmx/travel/textravel/>. Lodging and meal reimbursement must not exceed the allowable U.S. General Services Administration per diem rates at <https://www.gsa.gov/travel/plan-book/per-diem-rates>. Mileage rates must not exceed the allowable State rate at <https://fmx.cpa.state.tx.us/fmx/travel/textravel/rates/current.php>.

Travel-related expenses to attend specific meetings, conferences or events must be included in the grant agreement work plan. If not included in the original work plan, the grantee must submit an acceptable justification and receive the GLO project manager's written approval prior to the travel.

Grant funds should only be spent on travel necessary to complete the goals and deliverables delineated in the project work plan. Travel should occur within Texas. Grant funds may be used to travel to one (1) out-of-state conference, meeting, or workshop if the grantee can provide proof that they will actively participate in the event (i.e., were invited to attend for a specific purpose, are presenting work or project results). Out-of-state travel is limited to the contiguous United States and must be strongly justified and approved by the GLO project manager.

Supplies

Supplies include all personal property with an acquisition cost of less than \$5,000 per unit. Supplies must be purchased during the contract period for the purpose of implementing the project. Grantees must comply with TxGMS General Procurement Standards when procuring supplies. Itemized receipts and proof of payment are required as reimbursement documentation.

Grantees are prohibited from purchasing computer software not included as a reimbursable item in the grant agreement.

Equipment

Equipment includes tangible, non-expendable personal property with a useful life of more than one year and an acquisition cost of more than \$5,000 per unit. Grantees must comply with TxGMS Property Standards – Equipment when procuring equipment. Grantees are prohibited from purchasing equipment not included as a reimbursable item in the grant agreement. Written approval must be received from CMP staff before an equipment purchase can be initiated. Itemized receipts and proof of payment are required as reimbursement documentation.

A grantee purchasing equipment may retain title to the equipment purchased if the entity agrees the equipment will continue to be used for work that meets GOMESA authorized uses. A grantee may charge for the use of the equipment purchased using GOMESA funds if the money generated is directly used for repair and maintenance of the equipment. The entity cannot charge the GLO for future use of the equipment.

Contractual

The contractual category includes all grantee subcontracts, subawards, vendor/service contracts, purchase orders, work orders or other legally binding contracts required, as determined by the grantee, to implement the project. This budget category will include “professional services” as defined in Texas Government Code Chapter 2254 (i.e., architects, landscape architects, land surveying, land appraisers), engineering contracts, construction contracts and university subawards. Per the CMP grant agreement, these grantee subcontracts must comply with TxGMS Subaward and Contract Procurement Standards when procuring contractual services. Competitive bidding procedures must be followed as required. Per State law, architectural and engineering services **cannot** be competitively bid and must be acquired using a Request for Qualifications.

Subawards and subcontracts must be held to the same requirements as the initial contract, including limitation of Indirect Costs (IDC) to 15% of the modified total direct costs (MTDC).

Grantees must provide the GLO with a copy of each subcontract, subaward, vendor/service agreement, purchase order, work order of any other contractual agreement and any subsequent amendments within 10 business days after execution. Subcontracts and subawards must include GLO funding acknowledgement language found in the GOMESA grant agreement. Grantees must submit invoices and proof of payment (e.g., canceled checks or copies of bank statements) as reimbursement documentation.

A competitive procurement process is required per the following applicable thresholds:

- < \$10,000 - no RFP/RFQ required - Can issue purchase order directly to vendor.
- < \$25,000 - informal RFP/RFQ process. Must invite a minimum of three bidders but only one bid response required.
- > \$25,000 - formal RFP/RFQ process required

Other

Costs include any anticipated purchases excluded from all other budget categories, including printing, registration fees, equipment rental, fleet vehicle use and volunteer time. Grantees must include itemized receipts or invoices for budgeted expenses and documentation (e.g., canceled checks or copies of bank statements) verifying the grantee has paid all invoices submitted for reimbursement.

Computer Software: Grantees are prohibited from purchasing computer software not included as a reimbursable item in the grant agreement.

Tuition Rates: Reimbursement of tuition costs is prohibited unless reimbursement is in lieu of salaries and/or wages earned by a student working directly on the project. The amount paid in tuition must not exceed the amount a student would have earned if paid a student wage by the grant. Only direct tuition expenses will be reimbursed; CMP funds cannot be used to cover fees associated with tuition (i.e. athletic fees, health service fees, etc.).

Volunteer Services: Reimbursement for volunteer time on PSM grant agreements is prohibited as there is no monetary exchange involved.

Equipment Rates: Equipment rates may be reimbursed under the Other budget category. Grantees should use the rate schedule established by the governing county commissioner's court or city council for the project's location. If the county or city does not have established rates, grantees should use rates established by FEMA at <http://www.fema.gov/schedule-equipment-rates>.

Indirect and Allocated Direct Costs

Indirect and Allocated Direct costs include the costs of continuing operation as established by the Negotiated Indirect Cost Rate Agreement (NICRA) and the Cost Allocation Plan (CAP). Reimbursement of these costs is allowed in a PSM grant agreement.

The Commissioner will limit indirect costs charged when using GOMESA funds to a maximum of 15% of MTDC as an allowable cost for reimbursement, if the recipient of GOMESA funds has a current indirect cost rate negotiated with a contracting federal agency. This maximum 15% indirect cost rate must be applied to MTDC as negotiated in the recipient's NICRA. The recipient's subawards and subcontractors must also comply with the maximum 15% indirect cost rate limitations. The recipient may not charge "other operating costs" (i.e., administrative costs, equipment usage fees, computer usage fee, etc.) in addition to indirect costs, if such costs are already included in the calculation to determine the recipient's indirect cost rate. A copy of the NICRA must be submitted with the application.