

September 17, 2003

ALABAMA CDBG INTERGOVERNMENTAL  
POLICY LETTER NUMBER 17

REVISION 3

TO: Persons Interested in State  
CDBG Program

FROM: John D. Harrison  
Director

POLICY ON TIMELY START UP

Meeting Conditions

Generally speaking, all conditions of a grant as detailed in the Letter of Conditional Commitment (LCC) must be met within seventy-five (75) days of the mailing date of the LCC. For each day over the specified due date, the State will have the option of terminating the grant proposal or taking other actions as determined appropriate, such as reducing the approved administrative budget by \$500.00 per day.

Starting Activity

Construction contracts must be fully executed within one hundred eighty (180) days of the date of the State's letter submitting the grant agreement. Should a community fail to meet this benchmark, the State may terminate the project. At that point, all administrative and engineering costs will become unallowable and have to be reimbursed to the State. The State reserves the right to grant an extension where reasons for not entering a construction contract, within the timeframe, were clearly valid.

With respect to comprehensive projects the one hundred eighty (180) days will apply to one (1) infrastructure activity and the first five (5) houses under rehabilitation contract in a housing rehabilitation project. With respect to in-kind projects, the one hundred eighty (180) days will apply to either materials having been purchased or documented time being spent on the project site.

If the one hundred eighty (180) day start-up deadline cannot be met, a written request should be submitted for an extension prior to the deadline date.

#### Submission to State

Within **10 days** of the full execution of the prime construction contract(s), a copy of the applicable **wage decision** and the **Notice of Start of Construction** form should be submitted to the State. This action provides the State with evidence of compliance with Policy Letter Number 17, provides the State with evidence of the correct wage decision “lock-in” date, indicates appropriateness of payment, and provides timely information required for HUD and Department of Labor mandated reports.

Effective Date: Immediately

Attachment

This Policy Letter supersedes Policy Letter 17 Revision 2 and Policy Letter 17(a) Revision 1