



*Indiana Land & Water
Conservation Fund Program
Handbook 6: Procurement,
Billings, and Closeout*

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DNR

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of Natural Resources

Handbook 6: Land and Water Conservation Fund (LWCF) Procurement, Billings & Closeout Process

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Introduction

This handbook covers high-level procurement requirements, reimbursement for expenses, and project sponsor requirements for project closeout. Land Acquisition is covered in Handbook 4 because it is a complex purchasing process.

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Procurement, Billings & Closeout Process

The State is the administrator responsible for state and federal code compliance, enforcing legal processes, and cashflow to the grantee. Grantees must sign and agree to the State Grant Agreement, which includes directives that the grantee adhere to all state and federal purchasing/procurement processes and procedures.

Procurement

Federal regulations in 2 C.F.R. Part 200 Cost Principles (Subpart E) apply to all LWCF grants. [eCFR :: 2 CFR Part 200 -- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)

State regulations in Indiana Code 5-22 (IC 5-22) apply to all LWCF grants. [State Purchasing Requirements](#).

Pre-agreement Costs

There are a limited number of expenses that may be incurred prior to federal grant approval. These expenses must be incurred within three years prior to the federal submission date (time from application to the state and state submission to NPS is included in the pre-agreement timeline). *Pre-agreement costs must be included in the project application and cost narrative to be eligible for reimbursement.*

Pre-agreement costs that are eligible for reimbursement include:

- Grant application preparation services
- Archaeological fees
- Architectural/engineering preliminary design services

Procurement Guidelines

Competitive Solicitation

In general, state and federal purchasing requirements include competitive pricing solicitation for any purchase of \$1,500 or greater. It is the project sponsors' responsibility to obtain estimates or quotes from a minimum of three vendors for products and services. When possible, the solicitation process must include a Minority-owned or Women-owned Business Enterprise (MBE/WBE) or an Indiana Veteran-Owned Small Business (IVOSB).

Records must be kept of the solicitation process, estimates, and bids for audit purposes.

Informal Solicitation

Purchases costing between \$1,500 and \$4,999.99 require only informal pricing comparison. Project sponsors contact suppliers to obtain accurate and complete product pricing via U.S. Mail, email, fax, or telephone. Pricing comparisons should include vendor name, contact information, item name, description, quantity, unit cost, and total cost.

Formal Solicitations

Purchases costing \$5,000 to \$74,999.99 require a formal pricing solicitation. The vendor must provide a formal quote including vendor name, contact information, product, quantity, unit cost, total cost, date, and when the quote expires.

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Request for Proposals (RFP)

Solicitations of purchases costing \$75,000 or more require a formal written RFP or other bid solicitation process. RFPs must be sent to vendors at minimum of seven days prior to the due date.

When writing product or service specifications, it is important to:

- Not use manufacturer names or manufacturer specifications
 - Detailed specifications should be used to ensure quality and like products are being quoted.
- Compare like products
 - Example: INDOT fencing should not be compared to chain link fencing for tennis court installations; however, three fence vendors should provide quotes for like chain link fence.

Professional Services

Competitive solicitation must be used for professional services. Records of the RFP and resulting bids must be kept. A written explanation of the process used in hiring a consultant (including bid tabs and a summary of award) must be submitted to the grants section with the contract.

The RFP must include a statement that federal LWCF grant monies are being used for the project. Also, that federal regulations will not allow payment of consulting fees on a percent of the construction contract basis. The consultant may be paid according to: (1) fixed price, (2) hourly basis, (3) daily basis, or (4) actual expenses incurred. The contract must specify the payment method.

Typical eligible consultant costs include:

- Feasibility studies
- Site planning
- Environmental Review preparation
- Archaeological work
- Construction plans and specifications
- Cost estimates

Design costs for items not within the project scope (as approved by NPS) are not eligible costs.

Development Contracts

Contracts for project (facility) development do NOT require competitive bidding if less than \$150,000 total contract cost.

Contract requirements

- 1) Grantees must include in the bid invitations, notices, and RFP that federal Land and Water Conservation Fund monies will be used to assist in the park development, and all relevant federal and state requirements and special provisions will apply. Build America, Buy America is a component of said federal requirements.
- 2) Project plans and bid specifications/package must be submitted to the DNR grants coordinator for approval prior to advertising for bids.

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- 3) Copies of the bid tabulation sheet and summary of award must be submitted within 30 days after award of the contract.
- 4) Change orders to the contract should first be cleared with the DNR grant coordinator before the change order is negotiated.

Exceptions

Lowest bid or estimate does not necessarily have to be chosen. Sponsors should consult with their grant coordinator if the low bid or estimate does not meet project requirements or if a single source justification seems necessary.

Billing for Reimbursement

Billing for reimbursement, hereafter referred to as "Billing," of project expenses may begin after the State Grant Agreement (SGA) is fully executed. In essence, the project sponsor (i.e., grant subrecipient) is *billing* the DNR (i.e., grant recipient) for reimbursement of expenses incurred.

Five percent of the total grant award amount will be retained until after final inspection. The 5% will be paid out with the final billing.

Prerequisite

Property deeds with the "Federal Protection for Outdoor Recreation" encumbrance language (below) must be recorded and a copy submitted to the grant coordinator for official records. The encumbrance clause should include the entire property, even if the LWCF-funded project area is less than the complete property. Encumbrance of area to exceed the LWCF-assisted area is to ensure a viable recreation entity.

If portions of the area need to be excluded, for reasons such as indoor recreation facilities or office buildings, project sponsors must work with the grant coordinator. These areas must be approved and depicted on the 6(f)(3) boundary map as well as included in the deed.

Encumbrance language

"As stated in Section 6 of the Land and Water Conservation Fund Act (Public Law 88-578, as amended), property acquired or developed with Fund assistance shall be retained and used for public outdoor recreation in perpetuity. No property acquired or developed shall not be wholly or partly converted to other than public outdoor recreation uses without the approval of the Secretary of the Interior. Approval of the National Park Service must be granted prior to any action taken."

General Information

- Project sponsors must be registered with the State of Indiana as a vendor.
 - Grant coordinators will assist with this step.
- Payments are made via electronic transfer, which may take 6–8 weeks.
- Billings typically are for 50% reimbursement of expenses incurred.
 - The percentage can vary due to total project cost and partial or final billing
 - At times, the reimbursement is greater than 50% of expenditures due to in-kind contributions, volunteer labor, force account labor, etc.
- Land donation values are treated as project sponsor match. They are not directly reimbursed.
- Electronic copies of billings should be submitted twice per year (preferred).

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- At minimum, once per year submissions are acceptable.
- If necessary and with grant coordinator approval more frequent billings can be accepted.
- All billings are submitted to the grant coordinator.

Documentation

Each billing requires the submission of several documents in accordance with state and federal audit requirements. Grant coordinators will (1) review all documents to verify expenditures match the project and cost narratives, (2) coordinate with project sponsor or designated financial person with any questions or corrections, (3) complete and submit all required documentation to DNR Accounting or Finance, and (4) verify payment has been made to the grantee.

All billings require a Grant Billing form (State Form 55081 (R/1-20)). *See Supplemental Forms for an example and instructions for completing this form.*

Acquisition

- 1) Grant Billing form
- 2) Recorded warranty deed with LWCF protection language for each parcel transferring title land to the park and recreation board

Acquisition payment documentation

- 3) Claim Voucher (if used by community)
 - a. Copy of front and back
 - b. Must be signed by proper board member and city/county officials
 - c. Must include LWCF Project name and number
 - d. Warranty number of check payment
- 4) Canceled check – one copy per claim voucher, front and back of check
- 5) Copy of electronic funds transfer (ETF), if applicable

Supplemental documentation

- 6) Negotiated purchase – Statement of Just Compensation and Offer to Purchase – One copy signed by the former landowner.
- 7) Bargain sale acquisition – Waiver of Just Compensation Form 78 – one copy signed by the former landowner
- 8) Condemnation – One copy of the court order indicating the land value
- 9) Relocation information – One copy of the relocation forms and supporting data. Special forms for computing the relocation costs are available from the grants coordinator
- 10) Closing statements – One copy of closing statement or other documentation showing incidental expenses were paid by the board whether or not federal reimbursement is being requested

Development

- 1) Grant Billing form
- 2) Invoices
 - a. One copy from firms or individuals performing work or supplying materials or equipment
 - b. LWCF project name and number
 - c. Eligible costs identified if nonproject items are included

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- 3) Claim Voucher corresponding to invoices (if used by community)
 - a. Copy of front and back
 - b. Must be signed by proper board member and city/county officials
 - c. Must include LWCF Project name and number
 - d. Eligible costs identified if nonproject items are included
- 4) Canceled check – one copy per claim voucher, front and back of check
 - a. Total of LWCF eligible costs identified
- 5) Copy of electronic funds transfer (ETF), if applicable
 - a. Total of LWCF eligible costs identified

Force Account

- 6) Force Account Labor form – One copy per individual per pay period
 - a. Overtime pay is only eligible in extenuating circumstances
- 7) Payroll – one copy per individual per pay period
 - a. Indicate pay for work on project
- 8) Canceled check (if applicable) – one copy, front and back
- 9) Copy of electronic funds transfer (ETF), if applicable

In-Kind Contribution

- 10) Donated Labor form – one copy per person
 - a. Must be signed by the donor and park board supervisor
 - b. Per-hour value of the labor donations
 - i. \$10 for unskilled labor
 - ii. \$20 (with documentation) for supervisory/skilled volunteer trail building
 - iii. Skilled trade – person’s normal rate
 1. A statement of their hourly wage on company letterhead must be provided.
- 11) Donated materials
 - a. Letter from the donor, which briefly describes the items and indicates they were given for the park project
 - b. Value of the donation determined by two quotes of prices for similar materials provided by two local commercial suppliers. The lower value will be used.
- 12) Donated equipment use
 - a. Letter from the donor briefly describing the equipment and its use in the project
 - i. Must indicate the dates, hours, and type of work performed
 - b. Quotes of local rental rates from other suppliers and the donor may be used to determine the donated rate per hour
- 13) Donated (permanent) equipment or facilities
 - a. Quotes from suppliers for the purchase price of same or similar equipment determine the value
- 14) Donated cash – included in regular billing documentation as sponsor match

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Final Billing

The final billing cannot be submitted until the project is 95%–100% complete and has been inspected by the grant coordinator. The final billing includes the 5% retainage; the payout will include all remaining grant award balance unless the project was under cost. Final billing documents should be submitted to the grant coordinator within 30 days of project completion approval.

Final billing requires additional documents for NPS project closeout.

Final billing documents

- 1) Grant Billing form
- 2) All applicable documents listed in “Acquisition” and “Development” sections (above)
- 3) Updated LWCF boundary map, if applicable
 - a. Indicating acquired properties
- 4) Closeout Map
 - a. An updated map indicating type and location of fund-assisted facilities and or acquired properties
- 5) Photos of completed project are optional, those showing people enjoying the new outdoor recreation resource are preferred.

Closeout

Project closeout has two levels (1) State and (2) Federal. State closeout (or completion) happens when the final billing is processed, paid out, and the SGA contract closed. At this point, the project sponsor has completed all requirements as set forth in the federal contract, and the State has reimbursed all expenditures submitted by the grantee.

The federal grant closeout begins after the final billing has been paid to the grantee. The federal closeout is handled by the grant coordinator, DNR financial staff, the NPS program officer, and federal financial staff. The grant coordinator will complete several documents, which are then submitted to NPS for final review and approval. Once approved and after the DNR has been reimbursed for the final payout to the grantee, the LWCF Project is truly complete. Congratulations to all!

Beyond Closeout

Project sponsors’ responsibilities continue after the project is complete. LWCF projects are encumbered and remain viable outdoor recreation resources into perpetuity. Forever is a long time.

Handbook 7, Post-completion Compliance and Stewardship, discusses the responsibilities and expectations for maintaining an LWCF project into perpetuity.