

## Process for Bids Exceeding Available Funds and Consideration of Additional Funding Requests Water Sector Program

Water Sector Program (WSP) grantees that accept bids using the public bid process which bids received exceed available funds may choose to request additional funding from the Water Sector Commission (WSC). Grantees should value engineer the project to reduce costs while maintaining compliance with all design requirements, codes, and standards. Grantees should be sure that the project continues to meet the all required standards and codes after any changes. As a reminder, any changes to project scope must be submitted to the Office of Community Development – Local Government Assistance (OCD-LGA) for review.

After completion of the value engineering review, the Grantee should determine if additional funding is needed to complete the project. If so, then the following is the process for any requests for additional funding.

1. Requests for additional funding must be submitted to the OCD-LGA and contain the following:
  - a. Letter from Grantee signed by Chief Executive Officer.
  - b. Letter from project engineer explaining the following:
    - i. Value engineering process completed and results in an effort to reduce costs without a reduction of project scope.
    - ii. Effects of reducing project scope in order to meet current budget and available funds.
    - iii. Amount of additional funding needed to ensure intent of project is addressed and continues to meet all required standards and codes.
    - iv. Statement ensuring that all federal and state standards and codes will be met through the completion of this project.
  - c. Revised cost estimate including changes due to value engineering and any other changes signed and stamped by project engineer.
  - d. Tabulation of bids received.
2. OCD-LGA will review submission to ensure all needed documentation is included in the request.
3. OCD-LGA will circulate request to WSP working panel for review and comments.
4. OCD-LGA will provide request and any comments from WSP working panel to WSC for consideration.
5. WSC will review request and take one of the following actions:
  - a. Deny the request for additional funding.
  - b. Approve the request for up to 5% of the WSP grant amount and award funds to grantee.
  - c. Approve the request for funds exceeding 5% of the WSP grant amount and make a recommendation to the Joint Legislative Committee on the Budget (JLCB) for award of funds.
6. OCD-LGA will notify Grantee of WSC action taken.
7. If additional funds are awarded, then OCD-LGA will amend grant agreement to include additional funds.