



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

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DNR

Indiana Department
of Natural Resources

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Introduction

This handbook will cover high level procurement requirements, reimbursement for expenses, and project sponsor requirements for project closeout. Land acquisition will be covered in Handbook 4 as it is a complex purchasing process.

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

LWCF Requirements

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. Indiana Code 36-1-12 (IC 36-1-12) may also apply to LWCF grants. Purchasing regulations may change since the publishing of this handbook. For the most timely information, check the Indiana General Assembly's website: [IC 5-22 Public Purchasing](#); [IC 31-1-12 Public Work Projects](#).

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

LWCF Provisions

All purchases and supplies must be bid unless another method or procedure is available. Purchases may not be artificially divided to constitute a small purchase. In all solicitations, regardless of size, *the solicitation must include a statement acknowledging that federal LWCF monies are being used in the project.*

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.

- 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.

Procurement Methods

Competitive Solicitation

Purchases < \$50,000

No quote or bid process is required if the small purchase rules or policies have been adopted by the governmental body. If the municipality has not adopted small purchase rules or policies, they must issue invitations for bids.

Purchases between \$50,000- \$150,000

At least three quotes for the product, or a comparably similar product, must be obtained. If a satisfactory quote is received, the municipality shall award a contract to the lowest responsible and responsive quoter. If no quotes are received from a responsible and responsive quoter, see “special purchasing methods” and consult with your grant coordinator.

Purchases > \$150,000

Purchases greater than \$150,000 must complete the sealed bid competitive solicitation process. Invitations to bid must comply with public notice requirements and be opened publicly with at least one witness. A contract must be awarded in writing to the lowest responsible and responsive bidder. Bids may not change substantively after they have been submitted; in price or other provisions.

Special Procurement Procedures

Requests for Proposals (RFP)

This is a procurement method used when the sealed bid process is not appropriate for the product/service. Contracts must be awarded to the responsible offeror whose proposal is most advantageous considering price and other factors. In addition to price, RFPs often include evaluation and selection criteria based on qualifications of the offeror relevant to the scope of work. Using an RFP may be appropriate when selecting a firm for professional services such as:

- Grant application/ writing services
- Environmental review and surveying
- Historical review and archeological work
- Bid solicitation and construction administration
- Design/ architecture/ engineering Services (e.g., construction drawings and site planning)

Professional service costs that are not directly related to the LWCF project scope (as approved by NPS) are not eligible for reimbursement. RFP procurement for professional services must result in either a fixed-price or cost-reimbursement contract, per 2 CFR 200.320.

Special Purchasing Methods [IC 5-22-10]

Indiana Code allows for procurement without soliciting bids or proposals in certain circumstances. Refer to [IC 5-22-10 Special Purchasing Methods](#) for the most accurate list of circumstances. Common LWCF examples of special purchasing methods include playgrounds, splashpads, and other specialized recreation equipment.

Written justification and LWCF Program approval are *required* to utilize a special purchasing method. If an LWCF project seeks to use one of these special methods, they must coordinate with grant staff early to avoid delays in the procurement process.

Product Preferences: Steel and Build America, Buy America (BABA)

Per IC 5-22-15-25, a solicitation must require that if any steel products are used in:

- The manufacture of the supplies required under the contract; or
- Supplies used in the performance of services by the contractor or subcontractor

The steel products must be manufactured in the United States, unless the head of the project sponsor's fiscal authority makes a written determination that:

- The cost of the contract requiring the use of steel manufactures in the U.S. would be more than 115% of the cost of the contract otherwise; and
- Failing to require the use of steel manufactured in the U.S. would not in any way:
 - Harm the business of a facility that manufactures steel products in Indiana; or
 - Results in the reduction of employment or wages and benefits of employees of a facility that manufactures steel products in Indiana

Per S CFR Part 184 – Buy America Preferences for Infrastructure Projects; none of the funds under an LWCF award may be obligated for an infrastructure project unless all the iron, steel, manufactured products, and construction materials used in the project are produced in the U.S., unless subject to an approved waiver. This applies to an entire infrastructure project even if funded by Federal and non-Federal funds under one or more awards.

The municipality must inform offerors in the solicitation of these requirements.

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 sub-recipient) is *billing* the DNR (i.e., grant recipient) for reimbursement of expenses incurred.

A total of 10% of the total grant award amount will be retained until after final inspection. The 10% 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 LWCF 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 six to eight weeks
- Billings are for a maximum 50% reimbursement of expenses incurred
 - The percentage can vary due to total project cost, and partial or final billing
 - Where in-kind contributions are used, they must be included in the grant billing form and factored into the total costs incurred for a given billing period
- Donated value, whether materials, land or labor, is treated as project sponsor match. They are not directly reimbursed
- Electronic copies of billings should be submitted once per fiscal quarter
 - 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.*

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

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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) Cancelled check (if applicable) – one copy, front and back
- 9) Copy of electronic funds transfer (EFT), if applicable

In-Kind Contribution

- 10) Donated labor form – one copy per person
 - a. 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 is 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

Final Billing

The final billing cannot be submitted until the project is 100% complete and has been inspected by the grant coordinator. The payout will include all remaining grant award balance, including the 10% retainer, unless the project was under-budget. Final billing documents should be submitted to the grant coordinator as soon as is feasible after construction is complete.

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) As-built site design, if applicable
 - a. If the project was only partially completed
 - b. If the project underwent a scope change amendment
- 5) Photos of completed project
 - a. Required: LWCF scope items and the LWCF acknowledgement sign
 - b. Optional: people enjoying the new outdoor recreation resource

Project Inspections & Site Visits

Construction Inspection

Grant staff will visit the project during the latter stages of construction, ideally between 60-80% completion. This inspection should include the project sponsor, consultant, and contractors, if possible. Scheduling for this inspection is based on progress reported via the project's quarterly reports. During a construction inspection, project sponsors can expect grant staff to ask about:

- ADA standards
- Safety signage and railings, where applicable
- LWCF acknowledgement signage
- Substantial completion date
- Potential plans for ribbon cuttings or grand openings

Final Inspections

Grant staff will visit the project once it has finished construction. The LWCF acknowledgement sign must be installed prior to final inspection. A small punch-list is allowable at final inspection, but grant staff reserve the right to withhold inspection approval if substantial ADA and safety elements are incomplete. These concerns may be resolved with photos, or the grant staff will require a follow-up final inspection.

Final inspections may be organized alongside ribbon cuttings or grand openings, if schedules allow.

Local Celebrations

Grant staff greatly appreciate the opportunity to celebrate local project completion with our project partners. If a project sponsor wishes to invite a representative from either the grant team or Indiana DNR to speak at a groundbreaking, ribbon cutting, or grand opening, please keep the following in mind:

- **Scheduling:** Please allow at least three weeks' notice for events, if you would like a member of the state grant team in attendance. If you wish to invite the Indiana State Parks Director, or a member of the DNR's Executive Office, please notify your grant coordinator more than 30 days in advance.
- **Speaking:** If you would like a DNR representative to give remarks at the celebration, please include the request in the initial invitation. Grant staff must work with DNR Division of Communications to approve any remarks made at ribbon cuttings.
- **Scissors & Ribbon:** Indiana State Parks has large scissors and ribbon available for use in project celebratory events. If you would like to use DNR's scissors and ribbon, let the grant coordinator know at least three business days prior to the event.

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- **Photography:** If invited, DNR reserves the right to take pictures at the event. If a project sponsor has any photos from the event that they would like to share with DNR, we welcome them. Photos taken at celebratory events may be shared with the National Parks Service or used in DNR's publications and social media platforms.

Closeout

LWCF project closeouts have two levels (1) state and (2) federal. Until both levels of closeout procedures are complete, the grantee is responsible for providing information related to closeout procedures.

State Closeout

State closeout procedures must be completed within the grant deadline, to meet federal closeout deadlines. As such, LWCF projects must aim to complete construction 90 days prior to the grant deadline per the State Grant Agreement. If an LWCF project cannot meet this milestone, the project sponsor must contact the grant coordinator to assess the need for a time extension amendment.

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.

Federal Closeout

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 submitted to NPS for final review and approval. Once approved and 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 & Stewardship discusses the responsibilities and expectations for maintaining an LWCF project into perpetuity.