

State Grant Project Management Procedures

Fiscal Year 2023-2024



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South Carolina
Rural Infrastructure Authority
Creating water solutions.
Improving communities statewide.

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Introduction

The South Carolina Rural Infrastructure Authority (RIA) was created under Title 11, Chapter 50 of the South Carolina Code of Laws to select and assist in financing qualified rural infrastructure projects. In 2016, this assistance was extended to qualified infrastructure projects statewide. Qualified infrastructure projects must protect public health and water quality by improving environmental facilities and services or building infrastructure capacity to support economic development and employment opportunities. Eligible infrastructure projects involve water, wastewater and stormwater activities.

RIA helps communities by making strategic investments in infrastructure that are targeted to the following program objectives:

- Improve the **quality of life** by addressing public health, environmental and regulatory concerns;
- Create opportunities for **economic impact** by building infrastructure capacity to support economic development; and
- Increase **community sustainability** by helping to maintain reliable and affordable infrastructure and encouraging regional solutions.

Assistance is offered to local governments and other eligible entities primarily through competitive grants for new or improved infrastructure facilities or studies. Once a grant is approved by RIA's Board of Directors, a Grant Agreement is issued. The Grant Agreement serves as a contract between RIA and a Grantee. The Grant Agreement outlines the terms and conditions of the assistance and specifies the timeframe and other conditions for conducting the project in accordance with the objectives outlined and approved in the application, or as otherwise amended.

These *State Grant Project Management Procedures* were developed in order to facilitate implementation of RIA state-funded projects in accordance with the Grant Agreement. Such procedures help to ensure accountability for public funds as well as compliance with program objectives. The information includes financial management, procurement, contractual documentation, reports, record keeping and close-out. ***Please note:*** *these procedures do not apply to federally funded SC Infrastructure Investment Program (SCIIP) projects. SCIIP Project Management Procedures can be found at ria.sc.gov.*

An RIA Grant Manager is assigned to every project. RIA staff will conduct a start-up technical assistance meeting to assist new Grantees as well as to help projects get underway and completed in a timely manner. RIA staff are available to support Grantees with implementation throughout the grant. Staff will monitor project activities to document compliance with grant conditions and the project's accomplishments before the grant is closed.

I. GRANT MANAGEMENT

A. Getting Started

1. A **Grant Agreement** and two original **Grant Awards** will be mailed to the Grantee upon approval of the grant application. The grant becomes effective upon return of one original of the **Grant Award** executed by the Chief Executive Official (elected or administrative) and another authorized representative of the Grantee. Both **Grant Awards** must have original signatures and one must be returned to the SC Rural Infrastructure Authority (RIA) **within 45 days of the date of award**. The Grantee will retain the other **Grant Award** in the project files which must be available to the public and RIA upon request.

Original signatures are required on certain RIA documents as indicated in Appendix B.

Signatures with *pen and ink* are considered to be original.

 - a. Depending on the type of Grantee, the Chief Executive Official may be the County Administrator, County Council Chairperson, City/Town Manager, Mayor, City/Town Council Chair, General Manager, Executive Director or Board Chairperson. In some cases, other individuals may serve as the Chief Executive Official with approval of the RIA.
 - b. The other authorized representative must be an employee of the Grantee who witnesses the Chief Executive Official's execution of the **Grant Award**.
2. A start-up technical assistance meeting will be scheduled by an RIA Grant Manager to review grant procedures as well as roles and responsibilities for the project. Attendees should include those responsible for project implementation as well as the financial or administrative representatives designated on the **Approved Signatures for Payments and Checks** form. Project engineers and grant consultants that are already under contract with the Grantee for work on the funded project should also attend.
3. Forms and other information to be completed by the Grantee and submitted to RIA **within 45 days of grant award** include:
 - a. **Approved Signatures for Payments and Checks** form. This form requires designation of at least two grantee representatives for requests for payment and disbursement of grant funds. See [Section II: Financial Management](#) for more information.
 - b. Documentation to address any special conditions specified in the Grant Award.

4. A **Subrecipient Agreement** is required if an entity other than the Grantee will be responsible for implementing any portion of the project. The Grantee must submit a proposed **Subrecipient Agreement** to RIA **within 60 days of grant award** and prior to its execution. Subrecipients include governmental or not-for-profit water and/or sewer organizations.
5. For economic development projects that involve job creation, RIA may require a **Performance Agreement** among RIA, the Grantee and the company committing to job creation. This agreement must be executed **within 60 days of grant award** and prior to the release of grant funds (unless otherwise approved). RIA will develop the Performance Agreement and the Grantee, working in conjunction with the county or other economic development staff, must have the company execute the Performance Agreement. If the grant is amended, the Performance Agreement may need to be revised. The Performance Agreement specifies:
 - a. the use of grant funds by the Grantee;
 - b. the job commitment by the company and timeframe for meeting the job requirement; and
 - c. an annual report of progress on the job creation be submitted by the company to RIA.
6. A Notice to Proceed will be issued by RIA once the above documentation has been submitted and found to be acceptable, generally within 60 days of grant award. A Notice to Proceed is required prior to incurring any costs to be paid with Grant funds. If the Grantee needs to incur grant expenses prior to RIA's notification to proceed, the Grantee must submit a written request and obtain prior written approval from RIA.
 - a. If the Grantee is ready for construction to begin – i.e., design is complete, all permits, property, rights of way (ROW) and easements have been obtained and construction bids have been taken – before RIA has issued a Notice to Proceed, the Grantee should contact RIA for guidance. The procurement procedures and proposed contract must be reviewed by RIA before the construction contract can be executed. Execution of a contract prior to RIA issuing a Notice to Proceed and/or completing its review of the procurement procedures and proposed contract is at the Grantee's own risk and such contract expenditures may not be eligible for payment with Grant funds.
7. Once the written Notice to Proceed is issued by RIA, the Grantee may begin the next steps in project implementation consistent with the requirements contained in these procedures as well as the terms and conditions of the Grant Agreement.
8. The Grantee must include the **grant number** on all reports, **Requests for Payment** and correspondence related to the grant.

B. Progress

1. The Grantee must take appropriate action to implement the project in a timely manner.
2. Projects should be ready to go – meaning that all necessary funding is available and, for construction projects, an engineer is authorized to proceed with design, permitting and bidding – when grant funds are approved. If there is an unexpected delay, it is the Grantee's responsibility to notify RIA immediately and to provide an updated project schedule.
3. Projects are expected to be substantially underway (i.e., NTP issued, design underway and acquisition in process) within 6 months of the grant award. If the Grantee does not take appropriate action to implement the grant in a timely manner, RIA reserves the right to rescind the Grant, require the repayment of any Grant funds provided to the Grantee and terminate the project.
4. If construction work has not been advertised for bid **within 9 months** of grant award, the Grantee must provide an explanation for delays as well as an updated project schedule showing detailed tasks to be accomplished and estimated completion dates within the grant period.
5. The **Quarterly Progress Report** submitted by the Grantee must reflect the current project status, detail steps taken to address any delays as well as explain how the project will be completed within the grant period.
6. Basic and Economic Infrastructure Grant projects must be completed **within 24 months** of the grant award, unless otherwise approved. Refer to the Appendices for a diagram illustrating the various project milestones for a typical 24-month grant period.
7. Emergency and Infrastructure Planning Grant projects should be completed and closed **within 18 months** of the grant award, unless otherwise approved.

C. Grant Amendments

1. Grant amendments provide documentation of approved changes to the application and represent an amendment to the Grant Agreement. RIA approval of amendments is required if there are:
 - a. Requests to extend the grant period (generally, no more than 6 months).
 - b. Major revisions to the grant scope of work including addition or deletion of activities or customers, or changes in capacity or location of activities.

- c. Any change in the grant budget of more than 10%.
 - i. Please note that some grant budget changes are documented at close out without a separate amendment. Please contact your Grant Manager for clarification or to determine whether to submit an amendment.
2. Substantial revisions and extensions may require Board approval and may be delayed if the request is not submitted at least 45 days prior to the end of the grant period.
3. A **Grant Amendment Request** form must be submitted in writing and in advance to RIA by the Grantee's Chief Executive Official. The request must include a detailed description of the change, the reasons for the change, an updated project schedule, a detailed cost justification and a revised map, if appropriate. RIA has no obligation to approve such a request.

D. Reports

1. The Grantee agrees to submit **Quarterly Progress Reports** that provide a status update and identification of any significant issues affecting the project.
2. The initial progress report is due on the first day of the second full quarter after grant award. Progress reports are due on the first day of each subsequent quarter until final close-out of the project.
 - a. Quarters begin on January 1, April 1, July 1 and October 1.
3. Failure to submit **Quarterly Progress Reports** could result in sanctions identified in the Grant Agreement.
4. The Grantee must provide other reports or information as requested by RIA in a timely manner.

E. Project Management Forms

1. RIA will provide forms for use in the implementation of RIA grants. Such forms may be updated from time to time or additional forms may be added. The Grantee must use the most current forms, which are available as fillable PDF documents at ria.sc.gov/resources/forms-documents, unless otherwise instructed.

2. The following forms are made a part of these procedures and are available at ria.sc.gov/resources/forms-documents:
- a. **Approved Signatures for Payments and Checks** – This form designates persons approved to make requests for payment on the Grant as well as to sign checks for disbursement of grant funds by the Grantee. The form must have original signatures (with pen and ink) and be returned within 45 days of grant award.
 - b. **Subrecipient Agreement** – A **Subrecipient Agreement** is required if a local government applies on behalf of a not-for-profit water/sewer company or if an entity other than the Grantee will be responsible for any portion of the project. Please note that there are two separate forms: one for subrecipients that are local governments, and another for all other subrecipients.
 - c. **Submission Checklists** – Please use the following forms to ensure that all of the required documents are submitted to RIA to allow for a complete and timely review of all requests:
 - i. **Construction Contract Submission Checklist**
 - ii. **Professional Services Contract Submission Checklist**
 - iii. **Construction Contract Change Order Submission Checklist**
 - iv. **Professional Services Contract Amendment Submission Checklist**
 - d. **Request for Payment** – Requests for grant funds must be made on this form and must be signed by one of the persons authorized by the Grantee in Block 3 of the **Approved Signatures for Payments and Checks** form.
 - e. **Quarterly Progress Report** – This report must be submitted by the first day of each quarter, unless otherwise directed, to provide an update on the progress of the grant and to provide an explanation for any delays. If the project is not progressing as planned, your Grant Manager may schedule a meeting for technical assistance. Note that there are two separate forms: one for construction projects and one for planning projects.
 - f. **Grant Amendment Request** – This form should be used to request major changes in the approved scope of work or grant budget and any extensions of the grant period.
 - g. **Close-Out Report and Final Certifications** – A final close-out report of grant expenditures and accomplishments must be submitted at project completion and approved by RIA prior to grant close-out.

See Appendix B for
signature requirements for
RIA forms.

F. Record Keeping and Monitoring

1. The Grantee must maintain all project/grant related records for review by RIA or another State agency as may be required to ensure timely completion of the project and compliance with the terms and conditions of the Grant Agreement as well as program procedures.
2. Files should include the following:
 - a. Application and Grant Agreement
 - ✓ Approved RIA Grant Application
 - ✓ Grant Award Letter from RIA Chairman
 - ✓ Grant Agreement Letter from RIA Executive Director
 - ✓ Executed Grant Award (original document with pen and ink signatures)
 - ✓ Documentation of clearance of any grant conditions
 - ✓ RIA Notice to Proceed
 - ✓ Approved grant amendments
 - ✓ General correspondence
 - b. Financial
 - ✓ **Approved Signatures for Payments and Checks** form
 - ✓ Project budget by activity
 - ✓ **Requests for Payment** on the grant
 - ✓ Back-up documentation and approval of grant expenditures on the project (invoices, construction draw requests, purchase orders, etc.)
 - ✓ Documentation of expenditure of matching and other funds for the project
 - ✓ Monthly bank statements for reconciliation
 - ✓ General ledgers
 - ✓ Annual audit
 - c. Contracts and Agreements
 - ✓ Executed **Subrecipient Agreement** (if applicable)
 - ✓ Executed **Performance Agreement** (if applicable)
 - ✓ Grantee procurement policy (if applicable)
 - ✓ Procurement documentation for all goods and services funded by the Grant (advertisement, method of procurement, bid package, certified bid tabulation, recommendation to award, etc.)
 - ✓ Documentation to show ownership of any project-related real property, easements or rights of way
 - ✓ Executed copies of all project-related contracts
 - ✓ RIA review letter for Grant-funded contract(s)
 - ✓ Permits
 - ✓ Bonding and insurance documents
 - ✓ Contractor pay requests and approvals

- ✓ RIA review letter for any change orders
 - ✓ Any executed change orders
 - d. Reports and Project Schedule
 - ✓ **Quarterly Progress Reports** for each quarter
 - ✓ Updated project schedule
 - e. Monitoring
 - ✓ Monitoring letter and report
 - ✓ Grantee response and clearance of any issues
 - f. Close-Out
 - ✓ **Close-Out Report and Final Certifications**
 - ✓ **Grant Award Decrease for Grant Close-Out** (if applicable)
 - ✓ Documentation of accomplishments
 - ✓ Digital photos (recommended)
 - ✓ Certified "as built"/record drawings or engineer's certification
 - ✓ Final Waiver of Liens
 - ✓ Final Approval to Operate (if applicable)
 - ✓ Letter of Final Close-Out from RIA
3. Review of records:
- a. Project/grant records shall be made available for random audit and review by the State upon issuance of a minimum 24-hour advance notice. Generally, RIA will provide a 10-day advance notice of any review and such review will be done during normal work hours.
 - b. RIA routinely conducts monitoring on grant projects at or near completion. This involves a review of all records, either on-site or electronically, to ensure the program objectives are achieved and to determine if performance criteria have been satisfied. A monitoring report is issued to the Grantee after completion of this review.
4. If the Grantee fails or refuses at any time to comply with any of the terms and conditions of the **Grant Agreement**, RIA may take, in addition to any relief that it is entitled to by law, any or all of the following actions:
- a. Require repayment of all or a portion of any Grant funds disbursed;
 - b. Cancel, terminate, or suspend, in whole or in part, the Grant; or
 - c. Refrain from extending any further assistance or Grant funds to the Grantee until such time as the Grantee is in full compliance with the terms and conditions of the Grant Agreement.

G. Close-Out

1. A **Close-Out Report and Final Certifications** of grant expenditures and accomplishments must be submitted at project completion. The report may include the following information or other information as may be required by RIA:
 - a. Documentation for all Grant expenditures in accordance with the approved project budget and scope of work;
 - b. Written certification of all expenditures for matching funds or other leveraging spent on the project prior to close-out of the Grant;
 - c. Certified "as-built"/record drawings or certification by the project engineer that the project was constructed in accordance with the approved grant application or amended scope of work approved by RIA;
 - d. A quantified description of the project accomplishments as well as the impact on the system and community as a whole;
 - e. An agreement to provide maintenance of facilities, structures, or other improvements paid for, in whole or in part, with Grant funds; and
 - f. Submission of the following additional documentation:
 - i. Final Waiver of Liens
 - ii. Final Approval to Operate (if applicable)
2. Any unexpended grant funds on hand at project completion shall be returned to RIA.
3. The Grantee may not retain surplus Grant funds that result from project cost underruns. Any remaining grant funds will be deobligated from the grant prior to project close-out with a **Grant Award Decrease for Grant Close-Out** executed by the Grantee and submitted to RIA. If needed, two original **Grant Award Decrease for Grant Close-Out** documents will be provided to the Grantee. Both documents should contain original signatures (with pen and ink) with one returned to RIA and the other placed in the Grantee's project file.
4. The project will be considered complete when all RIA-approved activities have been finished and the **Close-Out Report and Final Certifications** as well as documentation of Grant funds expended, accomplishments and any other information required by RIA have been submitted.
5. A grant project may be closed by RIA once construction is complete, the grant has been monitored, and all required close-out documentation has been submitted to RIA. If the RIA-funded project is part of a larger construction contract, the grant may be closed if the RIA-funded portion of the contract is 100% complete and all RIA funds plus any required match has been expended. A Final Approval to Operate for the RIA-funded improvements must also be issued (if applicable) for the grant to be closed. If an Approval to Operate is not available, but all other close-out requirements have been met, the grant may be conditionally closed.

6. RIA will issue a notification in writing to the Grantee of the closure of the Grant.
7. When a **Performance Agreement** has been executed as a requirement of the Grant, the Grantee must work with the company to ensure that annual reports regarding job creation requirements are submitted to RIA in a timely manner even after grant close-out. If the Grant has been amended, the Performance Agreement may also require an amendment prior to grant close-out.
 - a. The company must provide evidence (e.g., payrolls, employee listings) of the number of jobs created in accordance with the Performance Agreement.
 - b. RIA will issue a written notification to the company and Grantee when the performance requirements have been met.

H. Record Retention

1. The Grantee shall maintain records relating to procurement matters for the period of time prescribed by applicable procurement laws, regulations and guidelines, but no less than three years following grant close-out.
2. All other pertinent grant and project records including financial records, supporting invoices, receipts or other financial documentation, contracts, agreements, reports and other records shall be retained for a minimum of three years after notification in writing by RIA of the closure of the Grant and after any required audits have been completed.
3. However, if any litigation, claim, or audit is initiated before the expiration of any such period, then records must be retained for three years after the litigation, claim, or audit is resolved.

II. FINANCIAL MANAGEMENT

A. Financial Procedures

1. The Grantee must maintain a financial management system using generally accepted accounting principles to provide adequate accountability for the Grant.
 - a. The Grantee's records must disclose accurate information about the grant award, obligations, unobligated balances, assets, liabilities, expenditures and revenues. Records should include a cash receipts journal, cash disbursements journal and a general ledger.
 - i. The general ledger must include clearly labeled entries for grant transactions. The activity dates must match those reflected on checks and bank statements.
 - b. The Grantee's financial management system should have a cash management system that minimizes the time between receipt and disbursement of grant funds. See [Section IIE: Grant Expenditures](#) for additional information.
 - c. The Grantee's financial management system must have budget control procedures that make it possible to compare actual expenditures with budgeted amounts for each supported activity and to correct any variances.
 - d. The Grantee's financial management system must make it possible to relate financial information to performance or productivity.
 - e. The Grantee's financial management system must also have sound internal control procedures that cover cash, real and personal property and other assets.
2. All accounting records must be supported by source documentation. This documentation must show that expenditures occurred during the grant period, were only for allowable costs and were approved by authorized officials. Records should also document that checks were only written for invoiced amounts.
3. The Grantee must maintain separate accounting records for each new grant awarded and track grant transactions separately. In some cases, it may be appropriate to establish a separate bank account to help in tracking grant funds.
4. The State Treasurer's Office (STO) will issue checks or make electronic payments/direct deposits for RIA grant payments. Direct deposits will be made to the Grantee's bank account set up through the STO for other state payments. In such cases, Grantees will need to credit the RIA grant payments to the account designated for this RIA grant. If a direct deposit account has not been established with the STO, it is recommended that an account be established at www.Treasurer.sc.gov/ach prior to submission of the [Approved](#)

Signatures for Payments and Checks form to RIA. You may request that the STO designate the terms to be “immediate payment” by writing a letter and providing justification to the STO.

Until such time as you are enrolled in the electronic payment/direct deposit method, checks will be sent directly to the mailing address on file with the STO for the Grantee. Such checks must be immediately deposited upon receipt into the bank account designated for this RIA grant. Checks will typically be mailed to the address which was listed on the Grantee’s previously filed federal *Request for Taxpayer Identification Number and Certification Form (W-9)*. The W-9 form may have been filed many years ago and may require updating. If there has been a change of address, please notify the STO as well as RIA immediately.

5. If a Grantee would like to use alternate financial procedures from those included in this document, such procedures must be detailed in writing, signed by the Grantee’s chief executive official, and submitted in advance to RIA for consideration. Alternate procedures must reflect generally accepted accounting procedures and internal controls. In addition, the Grantee may be required to provide a written certification that there have been no audit findings related to such financial management and internal control procedures in the previous two years.
6. Failure to comply with RIA financial procedures or to submit alternate procedures for prior approval by RIA may result in sanctions as listed in the Grant Agreement.

B. Approved Officials

1. The Grantee must designate officials that are approved to review and certify requests for payment of grant funds and to make disbursements in a timely manner for eligible expenses that do not exceed the grant award. This designation means that only approved individuals will be permitted to request grant payments and sign checks for the expenditure of grant funds.
2. The Grantee shall designate at least two financial representatives who are approved to request payments and sign checks in Block 3 of the **Approved Signatures for Payments and Checks** form. The form is able to accommodate six representatives who may be approved to request grant funds and sign checks. This allows several options for providing two signatures on all checks for grant-funded activities. However, additional forms may be submitted to accommodate more approved signatures, if necessary. Original signatures (with pen and ink) are required on this form.
3. The Grantee’s Chief Executive Official must authorize the approved financial representatives, unless otherwise designated by state or local law. If the Chief Executive Official also needs to request payments or sign checks, then the next highest elected

official or Board official must authorize the signatures on the form. The following examples are provided to ensure that the **Approved Signatures for Payments and Checks** form is completed accurately.

- a. The Town Administrator authorizes the Town Clerk and Financial Manager to request funds and sign checks.
 - b. The Mayor authorizes the Town Administrator and Financial Manager to request funds and sign checks.
 - c. The Council Chair (or Mayor Pro-Tem) authorizes the Mayor and the Town Administrator to request funds and sign checks.
 - d. The Executive Director of a Water/Sewer Authority authorizes the Finance Director and Finance Clerk to request funds and sign checks.
 - e. The Board Chairperson of a Water/Sewer Authority authorizes the Executive Director and Finance Director to request funds and sign checks.
9. The person authorizing the financial representatives (the person listed in Block 4) may not sign **Request for Payment** forms or checks. Only those persons listed in Block 3 of the **Approved Signatures for Payments and Checks** form may sign RIA's **Request for Payment** form or the checks to pay for expenditures with RIA funds.
 10. If there is a change in personnel, it is the Grantee's responsibility to submit to RIA a new **Approved Signatures for Payments and Checks** form in advance of further **Request for Payment** submissions or expenditures by checks.

C. Allowable Costs

1. Grant funds shall be used only for specified activities approved in the grant application, unless otherwise approved in writing by RIA.
2. For Basic and Economic Infrastructure Grants, grant funds may be used for approved construction activities. Ineligible grant expenses include, but may not be limited to, any non-construction costs such as engineering, legal fees, acquisition of property including easements or rights-of-way, permitting and application or administrative expenses. Service lines or connections on private property, impact fees, operating or maintenance expenses, or furnishings and fixtures that are not permanently attached to improved facilities are generally ineligible as well. Such costs that are related to the project must be paid for with non-RIA funds and are not counted toward any matching funds requirement.
3. For the Infrastructure Planning Grants, engineering and other consultant fees (except grant administration) are eligible activities for RIA grant funds.

4. Funds obligated or expended prior to the grant award or activities that have not received written approval from RIA shall not be eligible for payment by Grant funds.
5. Grant funds may not be used to reimburse in-kind labor. However, in-kind expenses may be counted toward the matching requirement in some cases, if approved in advance by RIA and properly documented.
6. The Grantee is responsible for cost overruns required to complete the project, unless otherwise approved.

D. Requests for Payment

1. Prior to the first **Request for Payment**, the Grantee must ensure that any **Subrecipient Agreements** and/or third-party contracts have been successfully reviewed by RIA. In some cases, RIA may also require a review of the construction contract's schedule of values.
2. The Grantee must submit a **Request for Payment** form for eligible expenses and documentation as follows:
 - a. One of the officials listed in Block 3 on the **Approved Signatures for Payments and Checks** form will certify, to the best of his/her knowledge, information and belief that the work on the project for which payment is requested has been in accordance with the terms and conditions of the Grant Agreement.
 - b. Invoices or other documentation (including change orders to the contract), that RIA may reasonably require to document the incurred expenses, must be submitted with the **Request for Payment** form. Such invoices must be certified as valid expenses by an official representative of the Grantee who is knowledgeable about the work that has been completed.
3. Requests for payment may be submitted on an advance or reimbursable basis. Requests will only be considered if there is an approved invoice for eligible work or services completed that is due and payable. Reimbursement requests must be accompanied by a copy of the check written to the contractor for the RIA-eligible work.
4. Payment requests must be approved by RIA in accordance with the approved scope of work and budget. Checks or deposits are issued from the State Treasurer's Office and will be mailed to the Grantee or directly deposited into the Grantee's designated bank account. The Grantee may receive notification from RIA after the payment is made, but it is the Grantee's responsibility to monitor for receipt of the payment in order to ensure timely disbursement of the funds.
5. RIA may make, and the Grantee shall accept, full or partial disbursements for actual, eligible expenses up to the total grant amount as provided in the Grant Agreement.

6. RIA may issue payments jointly to the Grantee and a vendor supplying goods or services on the project, if deemed appropriate.

E. Grant Expenditures

1. Grant funds received by the Grantee must be disbursed in a timely manner, generally within 10 calendar days of the date of receipt/deposit.
2. Unless otherwise authorized by RIA, there should be two original signatures on all checks for grant-funded expenses. These signatures must be of two of the officials listed in Block 3 on the [Approved Signatures for Payments and Checks](#) form.
3. Disbursements of RIA funds will only be made for goods or services that have been provided in accordance with the contract and any approved change orders or amendments.
4. All financial documentation (e.g., executed purchase orders or contracts, approved contractor payment requests or invoices, etc.) supporting the Grantee's requests for payment and the disbursement of grant funds must be kept on file and be available for inspection at any time.

F. Match Expenditures

1. Generally, grant disbursements should be made on a pro-rata basis with the Grantee's required match, if applicable, for eligible expenditures unless RIA's funds are designated for specific line item(s) or unless otherwise approved.
2. The Grantee is required to keep appropriate financial documentation (including purchase orders, invoices, contractor pay requests, checks, bank statements, etc.) to demonstrate the required match has been provided, if applicable.
3. In order to document other funds spent on project-related activities, the Grantee may be requested to validate the total project expenditures.

G. Audit Requirements

1. The Grantee must include an examination and accounting of the expenditures of Grant funds in its first annual audit following the completion of the project. A copy of the audit report must be made available to RIA or its designated representative, if requested.
2. The audit must adhere to the following requirements, whichever is applicable:
 - a. Generally accepted auditing standards established by the American Institute of Certified Public Accountants (AICPA); or
 - b. The General Accounting Office (GAO) Standards for Audits of Governmental Organizations, Programs, Activities, and Functions, latest revised edition (Yellow Book).
3. The Grantee must notify RIA of any audit findings related to RIA's grant or general grant management and will reimburse RIA for unauthorized and unwarranted expenditures disclosed in the audit, if so directed by RIA.
4. Failure to comply with state audit requirements could impact a Grantee's ability to receive future RIA grants until such compliance is achieved.
5. Upon request by RIA, the Grantee shall make available, and cause any contractor to make available, for audit and inspection by RIA and its representatives all the books, records, files and other documents relating to any matters pertaining to the project.

III. PROCUREMENT AND CONTRACTS

A. General Procurement

1. All purchases of goods and services funded, in whole or in part, with the grant shall be made according to the established procurement laws, regulations and guidelines of the Grantee, provided that its policies are substantially in conformance with the Model Procurement Ordinance for Local Governments developed in accordance with the SC Consolidated Procurement Code.

If the Grantee has no procurement laws, regulations or guidelines, the procedures outlined in "Article 5: Source Selection and Contract Formation" of the SC Consolidated Procurement Code may be used as a guideline for the procurement of goods and services and "Article 9: Construction, Architect-Engineer, Construction Management, and Land Surveying Services" for construction funded, in whole or in part, with an RIA grant.

Likewise, the procedures outlined in Article 5 of the SC Consolidated Procurement Code and "Chapter 4: Procuring Professional Services Independent of Construction Services" of the SC Manual for Planning and Execution of State Permanent Improvements may be used as a guideline for the solicitation of proposals for planning studies funded, in whole or in part, with an RIA grant.

2. Solicitations must clearly explain all requirements that the bidder/offeror must fulfill in order for his or her bid/offer to be evaluated by the Grantee. Solicitations for goods and services as well as construction must be based on a clear and accurate description of the material, product, or work to be performed, and cannot contain features which unduly restrict competition. Some of the situations that may be considered to be restrictive of competition include, but are not limited to:
 - a. Placing unreasonable qualifying requirements on bidders/offerors.
 - b. Requiring unnecessary experience and excessive bonding.
 - c. Requiring mandatory attendance at pre-bid conferences (unless it's an unusually complicated project).
 - d. Allowing non-competitive pricing practices between firms or affiliated companies.
3. The Grantee should take all necessary and reasonable steps to ensure that minority business enterprises, as defined in state law, have the maximum opportunity to participate in the performance of contracts and subcontracts financed, in whole or in part, with funds provided by RIA.
4. The Grantee may not award contracts to any contractors who are ineligible to receive contracts under any applicable laws or regulations of the state.

5. If the Grantee fails to adhere to procurement procedures that are in conformance with the Grant Project Management Procedures, RIA may call for repayment by the Grantee of Grant funds that were expended in a disallowable manner or the Grantee may be subject to other sanctions as referenced in the Grant Agreement.
6. Any disputes arising out of a contract funded, in whole or in part, with grant funds are the responsibility of the Grantee and should be resolved in a timely manner in accordance with applicable contract conditions, local procedures and/or state requirements.
7. Upon request, the Grantee must make available to the Grantee's auditor, RIA and its representatives, as well as the public, the Grantee's records and other documentation of the procurement process for the approved grant project.

B. Construction Procurement

1. The Grantee should obtain all necessary federal, state and/or local permits required for the construction of grant-funded improvements prior to bid advertisement, unless otherwise authorized by RIA.
2. The Grantee must certify that all necessary real property and/or right of ways/easements have been acquired prior to bid advertisement, unless otherwise authorized by RIA.
3. Article 3 of the Model Procurement Ordinance for Local Governments establishes competitive sealed bidding as the preferred method of procurement for construction. For RIA-assisted construction contracts, competitive sealed bids will be required unless local procurement laws, ordinances, regulations or guidelines specify the use of other source selection methods. Please consult with RIA on the use of other selection methods.
4. RIA does not provide a standard bid package or contract agreement for construction. Grantees should refer to the Engineers Joint Contract Documents Committee (EJCDC) standard contract documents available from the American Society of Civil Engineers (ASCE), the National Society of Professional Engineers (NSPE), the Associated General Contractors of America (AGC) or similar organizations.
5. Bids should include all work approved in the RIA application budget and cost estimate. Bids must include quantities and itemized costs for all work to be completed. In the event the activity being bid does not reasonably lend itself to unit price bidding, then a schedule of values with such detail must be obtained from the low bidder and submitted to RIA for approval prior to disbursement of grant funds.

6. In general, contingency and allowances that are itemized in a bid must be paid for with other funds. Changes to the scope of work in a construction contract must be documented through the change order process.
7. The minimum required work should be included in the base bid. Where feasible, alternates should be included in the event that bids come in under or over budget. If alternates are used, the bid document must clearly indicate how the low bid will be determined.
8. To ensure maximum competition, a single brand name should not be used in the bid specifications unless an "or equal" clause is included. When "or equal" is used, the specifications should also identify the essential features required to determine that a product/manufacturer is equal.
 - a. According to state procurement guidelines, if an "or equal" clause is not included, multiple acceptable brand names should be provided. However, if a single brand is specified without an "or equal" clause, it is considered a sole source and justification must be provided to RIA for review.
9. The Grantee must submit any sole source or emergency procurement documentation for RIA review in advance of contract execution.
10. It is recommended that the construction contract require retainage to be withheld from payments to the contractor in an effort to ensure timely completion of the project.
11. While the Model Procurement Ordinance for Local Governments does not specify a dollar limit for contracts or purchases, the following requirements are based on "Article 5: Source Selection and Contract Formation" of the SC Consolidated Procurement Code:
 - a. Small purchases under \$100,000 (Section 11-35-1550):
 - i. Up to \$10,000 – A single quote is acceptable if price is certified by Grantee to be fair and reasonable.
 - ii. Over \$10,000 and up to \$100,000 – A written request for written quotes from a minimum of three qualified sources must be made and documentation of at least three responsive and responsible quotes must be maintained unless adequate public notice is provided in the South Carolina Business Opportunities or through other central electronic advertising. The award must be made to the lowest responsible and responsive offeror.

b. Construction Contracts and Purchases of \$100,000 or more (Section 11-35-1520):

- i. Prepare an invitation for bids and solicit competitive sealed bids or proposals.

A notice of the invitation for bids or proposals must be issued, allowing a reasonable time – typically 30 days – prior to bid opening. Such notice must include advertising in the South Carolina Business Opportunities.

- ii. Bid solicitations must include specifications and all contractual terms and conditions applicable to the procurement.
- iii. Bids must be publicly opened on a date and time designated in the invitation for bids in the presence of one or more witnesses. The name and amount of each bid and any other relevant information must be recorded.
 - Local procurement policies as well as the requirements of other funders should be followed regarding the conduct of public bid openings.
 - If a virtual, public bid opening is desired, the Grantee must ensure that such a format is consistent with applicable procurement policies and other requirements. Such bid openings should be advertised in advance and instructions on how and when to access such meetings should be made available (e.g., included in Instructions to Bidders).
 - If a virtual, public bid opening is held, a representative of the Grantee and a witness (which could be the project engineer), at a minimum, should be physically present for the bid opening.
- iv. If an award is made, it must be to the lowest responsive and responsible bidder whose bid meets the requirements in the bid documents.
- v. A notice of an intended award must be posted for five business days and sent electronically to all bidders on the same day, with a statement of the bidder's right to protest. If only one bid is received and it is determined to be responsive and responsible as well as within the construction budget, an award may be made without posting a notice of an intended award.
- vi. Any Notice of Intent to Award or Notice of Award should not be issued until RIA's review of the contract documents and procurement process.
- vii. The Grantee must ensure that bids do not expire prior to entering into a contractual obligation. RIA recommends requiring bids to remain valid for 60-90 days after opening.

- viii. If bids received pursuant to an invitation for bids exceed available funds, the Grantee should contact the RIA Grant Manager before taking any action. If it is determined that circumstances do not permit the delay required to resolicit competitive sealed bids, and the base bid, less deductive alternates, does not exceed available funds by an amount greater than 10% of the construction budget established for that portion of the work, a contract may be negotiated with the lowest responsible and responsive bidder. The governmental body may change the scope of the work to reduce the cost to be within the established construction budget but may not reduce the cost below the established construction budget more than 10%. (Section 11-35-3020)
 - ix. For bids that exceed the construction budget by more than 10%, it may be appropriate to revise the scope of work and re-bid the project or commit additional funding to the project. A [Grant Amendment Request](#) may also be required. The Grantee is required to provide RIA with a written commitment, with original signature, for any additional funds required for construction prior to executing the contract.
 - x. For construction contracts exceeding \$100,000, the Grantee should obtain:
 - a. A bid guarantee from each bidder equivalent to at least 5% of the bid price. The "bid guarantee" must be a firm commitment in the form of a bid bond, certified check or other negotiable instrument as assurance that the bidder is prepared to execute a contract within the time specified for the bid amount.
 - b. A performance bond from the contractor for 100% of the contract price to secure the contractor's fulfillment of all obligations under the contract.
 - c. A payment bond from the contractor for 100% of the contract price to assure payment of all persons supplying labor and material under the contract.
- It is recommended that the contractor be required to have hazard insurance.
- xi. The Grantee must submit to RIA all proposed construction contracts for work within the scope of the Grant prior to executing those agreements. The [Construction Contract Submission Checklist](#) may be used to ensure the required documents are submitted to RIA for review.

xii. Contract Submission Requirements:

- Evidence of bid advertisement and dates,
- Construction bid packages (including the instructions to bidders, general conditions, specifications, drawings and addenda),
- The certified bid tabulation and recommendation of award letter including the contract amount and any accepted alternates (an explanation of any bid discrepancies should also be provided),
- Copy of the winning bidder's response,
- Bid bond,
- Contract agreement (complete but unexecuted),
- Certification by the Grantee that all necessary property, ROW and/or easements have been acquired,
- Certification by the Grantee that any required federal, state and/or local permits have been secured and
- Commitment of additional non-RIA funds (if applicable).

c. Construction Contracts Using Alternate Delivery Methods (11-35-2910)

- i. "Article 9: Construction, Architect-Engineer, Construction Management, and Land Surveying Services" in the SC Procurement Code allows for alternate construction delivery services for infrastructure facilities. Design-Bid-Build is RIA's preferred delivery method for the procurement of construction contracts. Alternate delivery methods – such as Design-Build and Construction Manager at Risk – may be utilized for more complicated projects.

These alternate delivery methods may be used on projects funded, in whole or in part, with grant funds only if such procedures are allowed in written, local procurement policies and procedures. **Grantees that desire to use an alternate delivery method on an RIA-funded project must submit a written request to RIA providing a copy of local procurement guidelines and outlining the rationale and process.** Please consult with RIA staff for guidance prior to selecting such a method. In addition, design and construction contract documents must be successfully reviewed by RIA prior to execution.

ii. Alternate Delivery Contract Submission Requirements:

- Request for proposals package (including the instructions to bidders, evaluation criteria and any addenda),
- Evidence of solicitation and dates,
- An evaluation and ranking of the proposals received and the recommendation of award,
- Copy of the selected offeror's response,

- Certification that the alternate delivery method selected adheres to local and/or state procurement policies,
 - Bid bond (if required),
 - Contract agreement,
 - Certification by the Grantee that all necessary property, ROW and/or easements have been acquired or will be acquired prior to construction,
 - Certification by the Grantee that any required federal, state and/or local permits have been secured or will be prior to construction (when available),
 - Commitment of additional non-RIA funds (if applicable), and
 - Additional project-specific information requested by RIA.
 - iii. The Grantee must not begin the construction phase of the project until RIA has issued a Notice to Proceed and approved the alternate delivery method.
 - iv. RIA grant funds may only be used for approved construction activities related to the project.
 - v. Grantees that utilize alternate delivery methods may be required to provide RIA with detailed project and cost updates (e.g., guaranteed maximum price) – in addition to those required elsewhere – at intervals appropriate to the delivery method being used.
 - vi. Chapters 11 and 12 of the [SC Office of the State Engineer's Manual](#) contain more specific guidance on procurement through alternative delivery methods.
12. While not required, any signs to be installed at the project site must be pre-approved by RIA and must acknowledge funding by RIA. Non-RIA grant funds must be used to cover the costs.

C. Construction Contracts and Change Orders

1. The Grantee is responsible for implementation of the project in accordance with the program requirements notwithstanding the Grantee's designation of, or contract with, any third party or parties for the undertaking of all or any part of the project.
2. The Grantee must provide RIA with a copy of the executed construction Notice to Proceed prior to the disbursement of any grant funds.

3. All change orders must be submitted to RIA for review.
 - a. Major change orders must be submitted to RIA for review in advance of being fully executed. A major change order involves adding, deleting or changing the location of primary activities or represents more than a 10% change in total contract price.
 - b. If a change order involves a major change in the scope of work, cost or location of activities, a **Grant Amendment Request** may also be required. Such change orders should not be executed until RIA has reviewed and approved the grant amendment.
 - c. Minor change orders must be submitted with or prior to the next **Request for Payment** of grant funds as part of the invoice documentation.
 - d. If all grant funds have been expended, submit all subsequent change orders prior to the final payment on the contract.
4. In addition to the submission of the change order for review, the Grantee must submit the following to RIA:

Change Order Submission Requirements:

- a. Contract change order form indicating engineer's recommendation
 - b. Description of changes to the contract including itemized quantities and costs
 - c. Engineer's justification of the need for the change order
 - d. Documentation of how costs were determined if different from the contract unit prices and determination by the engineer that such costs are reasonable
 - e. Map showing location of any new or revised activities
 - f. Commitment letter from the Grantee for any costs which exceed or are not covered by RIA's grant or other construction funding commitments previously approved
5. The **Construction Contract Change Order Submission Checklist** may be used to ensure that the required information is submitted to RIA for review.
6. Construction is considered complete when all contract requirements have been fully met and a final approval to operate has been obtained by the Grantee (if required).
7. The final release of liens should be obtained from the contractor prior to or concurrent with the release of the final contract payment.

D. Infrastructure Planning Grant Procurement

1. Planning Grant recipients must competitively solicit a firm to carry out funded planning activities using either a Request for Qualifications (RFQ) for activities that specifically require engineering services or a Request for Proposals (RFP) for other professional services. Please note that many planning grants will include a combination of engineering and other services. In this case, please consult RIA to determine the appropriate procurement method.
 - a. For engineering services, an RFQ should be used. This method does *not* incorporate price as a selection factor. Chapter 4 of the [SC Office of the State Engineer's Manual](#) contains more specific guidance on procurement of engineering services using an RFQ.
 - b. For other professional planning services, an RFP using price as one of the selection factors should be used. Please note that many engineering firms perform planning services that do not require a licensed engineer and should be solicited with an RFP. Examples include rate studies, regional feasibility studies, and financial or management analyses. The SC Consolidated Procurement Code (Section 11-35-1530) outlines procedures for competitive sealed proposals.
 - c. If a consulting firm assisted with the preparation of the application for grant funds and also wishes to respond to the solicitation for planning services, special care must be taken to ensure fair and open competition. Such firms should not be consulted at all between grant award and selection of a firm to carry out the project. To ensure fairness, you may include the grant application and any related information prepared by the consultant with the solicitation for planning services.

Grantees should ensure that procurement documents and contracts adhere to all RIA grant program requirements including those listed in [Section IIIA: General Procurement](#).

2. Solicitations should include all work approved in the RIA application budget and cost estimate. RFPs must include each deliverable to be included in the contract documents and include a payment schedule. If necessary, RIA may require further detail prior to the disbursement of grant funds.
3. When using the RFQ/RFP process, the following steps should be followed.
 - a. The Grantee must develop a written solicitation outlining the scope of the services required and the selection criteria. The document must clearly explain all technical and financial requirements that the bidder/offeror must fulfill in order for its bid/offer to be evaluated by the Grantee. Solicitations for planning studies must be based on a clear and accurate description of the work to be performed. An RFP, in particular, should include a detailed scope of work.

- b. The bidder/offeror must be required to submit detailed qualifications of the firm and personnel to be involved with the contract.
 - c. The solicitation must state the relative weights of the factors to be considered in evaluating qualifications or proposals. Price must be an evaluation factor for an RFP, but should not be a factor for an RFQ (engineering services only).
 - d. The RFP/RFQ must be advertised in the South Carolina Business Opportunities for a reasonable time – typically 30 days – prior to the deadline for submission. Such notice must include advertising in the South Carolina Business Opportunities. Proposals may also be directly solicited from qualified firms.
 - e. A qualified review committee, consisting of an uneven number of members, must be established to review and rank the proposals using the published selection criteria. The Grantee must document the review and selection process.
 - f. Proposals must be evaluated using only the criteria stated in the solicitation. Such criteria may include, but are not limited to, qualifications of personnel, past performance and experience on similar projects as well as the ability to meet the project schedule. Once the evaluation is complete, all responsive offerors must be ranked from most advantageous to least advantageous to the Grantee, considering only the evaluation factors stated in the solicitation.
 - g. Interviews of the top-ranked respondents may be conducted and should also be evaluated according to the published selection criteria.
 - h. Award must be made to the responsible offeror/bidder whose proposal is determined in writing to be the most advantageous to the Grantee, taking into consideration the evaluation factors set forth in the solicitation. Under this procurement method, the contract does not need to be awarded to the lowest bidder provided that the final price is reasonable and the selection is made following the stated criteria.
 - i. After selection, the Grantee should negotiate a contract with the top-ranked offeror/bidder. Both scope and price may be negotiated. However, scope changes may require submission of a [Grant Amendment Request](#) form to RIA. If the Grantee is not able to reach an agreement with the top-ranked firm, negotiations may be initiated with the next highest scorer.
 - j. A contract may not be executed until RIA has successfully reviewed it. Once a final contract has been negotiated, but *prior* to execution of the contract, the Grantee must submit the unexecuted contract and all procurement documentation to RIA for review. Please see the [Professional Services Contract Submission Checklist](#).
4. It is recommended that the contract require final payment to be withheld until approval of the final deliverable by the Grantee and RIA.
5. RIA must successfully review all proposed planning study contracts for work within the scope of the Grant prior to executing those agreements. The [Professional Services Contract Submission Checklist](#) should be used to ensure the required documents are submitted to RIA for review. In addition to the submission of the contract, the Grantee must submit the following to RIA for review.

Contract Submission Requirements:

- a. Request for proposals or qualifications package (including the project scope of work, schedule, submission requirements, evaluation criteria and addenda),
- b. Evidence of solicitation and dates,
- c. The committee ranking and recommendation of award,
- d. Copy of the winning offeror's response,
- e. Contract agreement (complete but unexecuted),
- f. Commitment of additional non-RIA funds (if applicable).

E. Infrastructure Planning Grant Contracts and Amendments

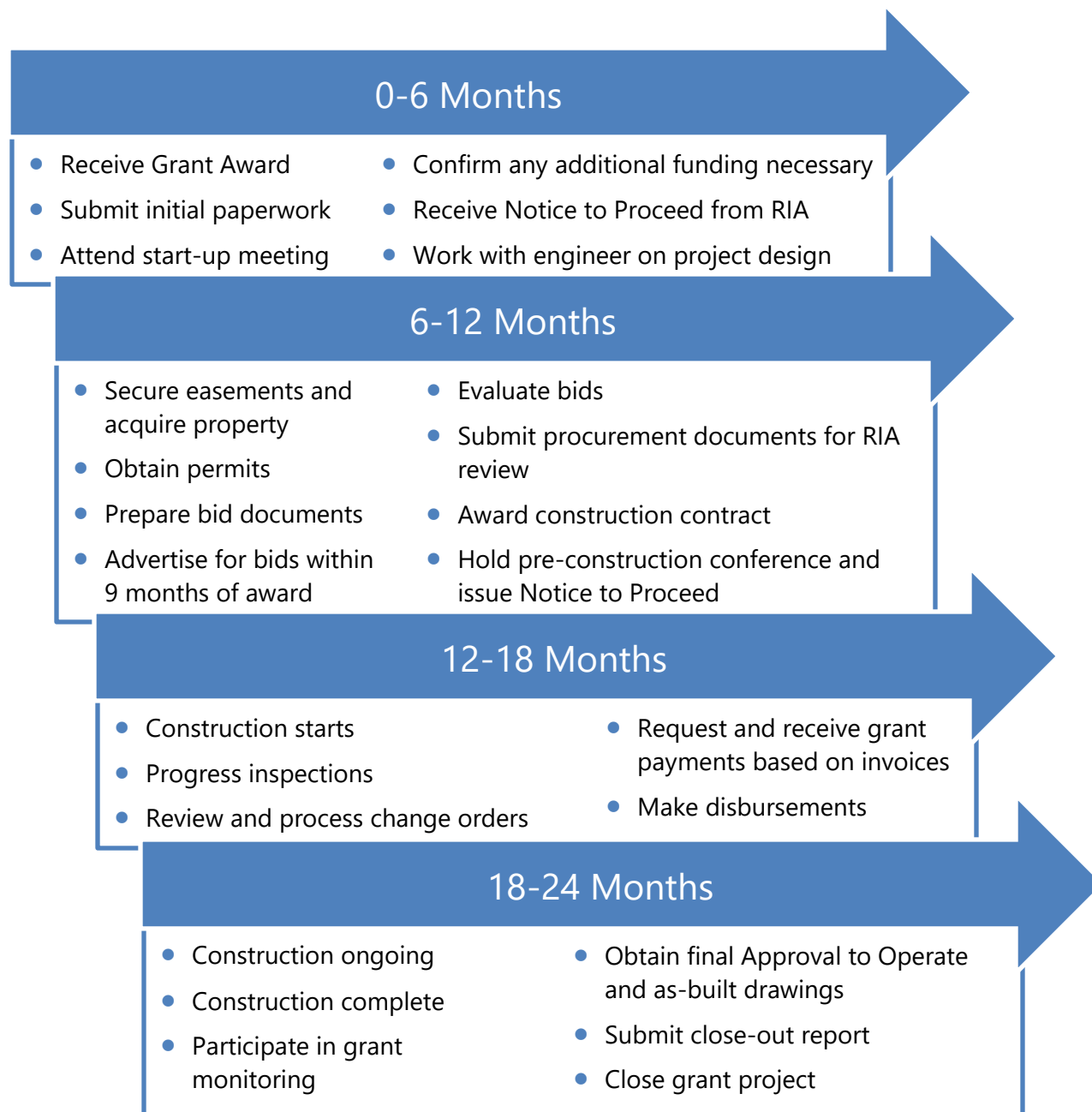
1. The Grantee is responsible for implementation of the Infrastructure Planning Grant in accordance with the program requirements notwithstanding the Grantee's designation of, or contract with, any third party or parties for the undertaking of all or any part of the project.
2. All contract amendments must be submitted to RIA for review in advance of being executed.
 - a. If a contract amendment involves a major change in the scope of work, a **Grant Amendment Request** may also be required. Such contract amendments should not be executed until RIA has reviewed and approved the grant amendment.
3. In addition to the submission of the change order for review, the Grantee must submit the following to RIA:

Contract Amendment Submission Requirements:

- a. Draft contract amendment, including description of changes to scope, costs or timeframe,
 - b. Justification of the need for the contract amendment,
 - c. Documentation of cost reasonableness, and
 - d. Commitment letter from the Grantee for any costs which exceed or are not covered by RIA's grant or other funding commitments previously approved.
4. The **Professional Services Contract Amendment Submission Checklist** may be used to ensure that the required information is submitted to RIA for review.
 5. RIA must be provided a copy of the draft final report for review prior to issuance of the final payment on the study contract in order to ensure that all project elements have been appropriately addressed
 6. The project is considered complete when all contract requirements have been fully met and both the Grantee and RIA have successfully reviewed final reports/deliverables.

IV. APPENDICES

A. Typical Grant Period Timeline for Construction Projects



B. Signature Requirements

Original signatures (with pen and ink) are required on certain RIA documents. The following list is provided to assist Grantees in ensuring that original signatures are provided where needed.

Original signatures are required on the following RIA documents.

Hard copy form (with pen and ink signature) must be mailed or delivered to RIA.

- **Grant Application**
- **Funding Commitment Letters** (original or revised)
- **Grant Award**
- **Approved Signatures for Payments and Checks**
- **Grant Award Decrease for Grant Close-Out** (if applicable)

The following forms must be signed by hand but may be submitted electronically.

Please scan the signed form and email to RIA.

- **Request for Payment**
must be signed by an approved individual from Box 3 of the RIA Approved Signatures for Payments and Checks form
- **Grant Amendment Request**
- **Subrecipient Agreement**
- **Performance Agreement**
- **Close-Out Report and Final Certifications**

Electronic signatures are acceptable on all other RIA forms unless otherwise specified.

C. Project Forms & Documents

The following forms are available as fillable PDFs at ria.sc.gov/resources/forms-documents.

1. **Approved Signatures for Payments and Checks**
2. **Subrecipient Agreements:**
 - a. **Subrecipient Agreement for a Local Government**
 - b. **Subrecipient Agreement for a Non-Government Entity**
3. **Submission Checklists:**
 - a. **Construction Contract Submission Checklist**
 - b. **Professional Services Contract Submission Checklist**
 - c. **Construction Contract Change Order Submission Checklist**
 - d. **Professional Services Contract Amendment Submission Checklist**
4. **Request for Payment**
5. **Quarterly Progress Report Forms:**
 - a. **Quarterly Progress Report for Construction Projects**
 - b. **Quarterly Progress Report for Planning Projects**
6. **Grant Amendment Request**
7. **Close-Out Report and Final Certifications**

If a **Performance Agreement** is required, please contact RIA for more information.