

Milestones and Requirements for Kansas Public Water Supply Loan Fund Loans

- 1) If the municipality intends on using loan funds to reimburse for engineering costs associated with the project (planning, design, and construction phase) the engineering contract for those services must be submitted to KDHE for review and approval. Engineering contracts must contain KPWSLF contract provisions.
- 2) Reimbursements for incurred costs can be obtained by submitting invoices accompanied by an Outlay Report and Request for Disbursement Form, which is located in Exhibit E of the loan agreement or can be downloaded from the KPWSLF web page at <http://www.kdheks.gov/pws/loan/outlay.xls>. For assistance in completing the form, please contact Frances Parks-Rice at 785-296-5258. If the municipality wishes to have the funds directly deposited contact Brenda Diegel at 785-296-4262 to make arrangements.
- 3) Funds received from certain loans can be considered federal funds for Single Audit Act purposes. If a loan agreement indicates the project will use federal funds in Exhibit C, item 8, you must keep records and have audits performed that track the use of Federal Funds. The CFDA number and Federal Award number will be listed in Exhibit C, please share this with your accountant.
- 4) Final plans and specifications must be reviewed and approved by KDHE prior to the project being advertised for Bid. KDHE's review will include verification of the presence of required KPWSLF clauses and forms, including Davis Bacon provisions. Once that approval is obtained, the bid must be advertised for at least 30 days prior to bid opening. Advertisement must be documented by an affidavit of publication or by detailed records and receipts for direct mailings.
- 5) Once the successful bidder is determined, but prior to the award of the contract, the municipality must submit the required documents as indicated on the KPWSLF bid document approval checklist. KDHE will review the documents for compliance and then authorize the award of the contract. The bid document approval check list will be attached to the KDHE authorization to advertise for bid letter, but can also be found on the KPWSLF web page.
- 6) After the contract is awarded, but prior to the notice to proceed, a preconstruction conference must be coordinated with the KDHE Construction Representative Wade Keitel. Wade can be contacted at 785-296-1988 or by email at wkeitel@kdheks.gov.
- 7) KDHE must be provided a copy of the construction contract documents which includes the signed agreement, performance and payment bonds, notice of award, and notice to proceed.
- 8) Prior to the project being 50% completed a Final Plan of Operation must be submitted to KDHE for review and approval. A template can be found on the KPWSLF web page
- 9) If the municipality's water conservation plan does not incorporate the most current guidelines, prior to the project being 90% completed the Municipality must execute a water conservation plan using the most recent municipal water conservation plan guidelines provided by the Kansas Water Office. Please contact Tina Rajala with the Kansas Water Office by email at Tina.Rajala@kwo.ks.gov, or by phone at 785-296-0875 to start this process.
- 10) Prior to the project being 90% completed an Operation and Maintenance manual must be submitted to KDHE for review and approval (does not apply to waterline projects). Templates for water treatment

plant projects and for wells, storage, and pump station projects can be found on the KPWSLF web page.

- 11) Once the project is complete, a final inspection must be coordinated with the KDHE Construction Representative and a Construction Completion Certification must be submitted to KDHE. The Construction Completion Certification can be found on the KPWSLF web page.
- 12) One year after the project is completed; the municipality must submit a letter to KDHE that certifies whether the project has met performance standards. Templates for these letters can be found on the KPWSLF web page.
- 13) The loan agreement includes a Financial Integrity Assurance Contract (FIAC) that requires quarterly and annual financial information to be sent to the Kansas Rural Water Finance Authority for the life of the loan. Please contact Elmer Ronnebaum at 785-336-3760 to obtain the reporting template for quarterly information and to make arrangements to provide an annual financial audit.
- 14) All iron and steel products used in the project must be produced in the United States. With each loan disbursement request submitted to KDHE that includes a construction contract invoice, an assurance form must be signed by the municipality that certifies compliance with this requirement. The form can be found on the KPWSLF web page.

The loan fund project is required to comply with Davis Bacon prevailing wage rate requirements Summarized below. For more details please review your loan agreement (Exhibit C). For compliance with Davis Bacon requirements it is important that the municipality understand the following:

- 1) When plans and specifications are submitted to KDHE for review, the contract documents must include a KPWSLF section for loan fund requirements and in this section the appropriate wage rate determination should be inserted. Wage rate determinations can be found at www.wdol.gov and must be appropriate for the county or counties that work is being performed in and for the type of work being performed. Contact this office if you need assistance in determining the appropriate wage rate.
- 2) Prior to the project being advertised for bids the municipality must check www.wdol.gov to ensure the wage rate determination in the contract documents is still current, if it is not, it must be replaced with the most current version.
- 3) While the solicitation for bids remains open, the municipality must monitor www.wdol.gov weekly (updates, if any, are made on Fridays) and if the wage rate determination in the contract documents is no longer current, the municipality must include the current determination by addendum. The wage rate determination in effect as of the day of bid opening will remain in effect for the entire contract period. If a wage rate is updated less than 10 days prior to the bid opening, and there is not enough time to notify all plan holders of the addendum, you must notify KDHE. KDHE will then determine which wage rate will be used for the contract.
- 4) If the contract is not awarded within 90 days of bid opening the wage rate determination must be updated to the determination that is in effect as of the day of contract award.
- 5) If a project will require a classification of worker that is not found on the wage rate determination included in the contract documents, the contractor must request an authorization of additional classification and rate using Standard Form 1444. This form must also be signed by the municipality and then submitted to KDHE.
- 6) For each week any contract work is performed on site, the construction contractor must submit weekly a copy of all payrolls (including any subcontractor payrolls) to the municipality. The municipality must review a representative sample of these payrolls weekly to verify appropriate rates are being paid

according to the wage rate determination included in the contract. It is important that the municipality knows all the subcontractors used on the project and when they will be on site.

- 7) The municipality must conduct interviews of a representative sample of employees (of contractors and subcontractors) to verify appropriate wages are being paid. Interviews should use Standard Form 1445 or an equivalent form to document the interviews. Standard Form 1445 can be found KPWSLF web page.
- 8) With each loan disbursement request submitted to KDHE that includes a construction contract invoice, an assurance form must be signed by the municipality that certifies that weekly payroll data has been reviewed and indicates the number of interviews conducted. This form can be found on the KPWSLF web page.
- 9) The municipality must review any use of apprentices and trainees to verify registration and certification with the U.S. Department of Labor.

Should you have any questions, please contact William Carr at (785) 296-0735 or wcarr@kdheks.gov.