



Memorandum

Subject: **ACTION:** Special Experimental Project No. 14 (SEP-14) Date: September 10, 2015
Livability Initiative Approval for the Buena Vista Town
Center Project, Saginaw County, Michigan

From: /s/ Thomas D. Everett
Director, Office of Program Administration

In Reply Refer To:
HIPA-30

To: Russell L. Jorgenson
Division Administrator
Lansing, MI

This is in reference to Mr. Jeff Forster's August 27 email that transmitted a workplan from the Michigan Department of Transportation (MDOT) for the experimental use of Housing and Urban Development (HUD) contracting requirements pursuant to 24 CFR 135 and Section 3 of the Housing and Urban Development Act of 1968. Since HUD's contracting requirements are not consistent with FHWA's contracting requirements, it is necessary to approve this project under SEP-14 for this jointly funded FHWA/HUD project.

On June 25, 2010, the FHWA issued a final notice in the Federal Register announcing the availability of a pilot program under SEP-14 to evaluate the application of HUD requirements on Federal-aid highway projects that may otherwise conflict with Federal-aid highway program requirements.

In submitting the workplan, MOOT expressed their desire to combine funding sources for an integrated project that is procured and bid under a single contract while complying with FHWA's contracting requirements and the training, employment, and contracting requirements of HUD's Section 3 program.

MDOT's workplan is approved under the SEP-14 Livability Initiative subject to the following conditions:

1. Per HUD requirements, all contracting documentation must include the Section 3 clause, verbatim, found at 24 CFR 135.38.
2. If MOOT elects to use a contract provision to implement the HUD Section 3 "Business Concerns" preference, then the proposed SEP-14 work plan will need to be modified to explain how this will be done at either the prime contractor or sub-contractor level.

Subject to the above, we consider MDOT's workplan to be acceptable and in compliance with the work plan requirements of the June 25, 2010 notice. Thank you for the opportunity

to review and comment on this SEP-14 request. Should you have any questions, please contact Gerald Yakowenko (202) 366-1562 or John Hoyer (651) 291-6111.

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