

Neighborhood Initiative Program
Program Notice



Policy Change: Cost Analysis Requirements

Date: October 2, 2015
To: NIP Lead Entities and Partners
From: NIP Staff
Subject: Cost Analysis Requirements

To ensure that costs associated with the demolition of NIP structures are reasonable and fall within expected parameters, current NIP policy requires that cost analyses for the demolition and greening of NIP structures are completed by an independent third party and submitted for the review and approval of SC Housing inspection staff. In recent weeks, SC Housing inspectors have been reviewing cost analyses and have noted that a significant number of them are projecting costs much higher than what is considered to fall within normal range. Several Lead Entities and Partner organizations have also contacted NIP staff expressing the same concerns.

After consulting with inspection staff, it has been decided the current policy is not achieving its desired result and will impede progress if left in place. Effective immediately, the revised policy on the requirements for submitting cost analyses is as follows:

*The **NIP-5 Cost Analysis** may be completed by a staff member of the Lead Entity/Partner or an external firm or individual may be used. Lead Entities and Partners that have staff capable of completing the cost analyses may choose to have staff complete the cost analyses in lieu of utilizing the services of an independent third party. As a reminder, there are no administrative funds available with this program. Lead Entities and Partners that choose to have staff complete cost analyses cannot be reimbursed for staff time and/or resources used to complete analyses. If an external firm or individual is used, that firm or individual may not submit a bid or be awarded a contract to perform any work or services identified in the cost analysis.*

This policy change has been revised in the **Neighborhood Initiative Program Implementation Manual** and the appropriate revisions have been made to the **NIP-5 Cost Analysis Form**. Please contact your program representative with any questions or comments regarding this policy revision.