

PROCUREMENT

Procurement Regulations

- ▣ **Use Procurement Guidelines when:**
 - Hire a contractor, whether to administer a program, complete a task or do construction, those contractors must be procured competitively.
- ▣ **Use Procurement for:**
 - Purchasing services, supplies, materials, or equipment
- ▣ **Procurement Regulations:**
 - Regulatory/Statutory Citations §570.502, § 570.610, § 85.36
 - CPD Notice 96-05
- ▣ **Don't forget:** state and/or local laws that also may apply!

“essence of good procurement”

- ▣ Clearly identify what you need
- ▣ Seek best product at best price
- ▣ Clearly identify responsibilities
- ▣ Keep good records
- ▣ Assure quality

The Four Methods

- ▣ Small purchase procedures
- ▣ Sealed bids
- ▣ Competitive proposals
- ▣ Non-competitive proposals

Small Purchase Procedures

- ▣ **WHAT:**
 - ▣ Under \$100,000
 - ▣ No need for issuing an RFP or RFQ
 - ▣ Typically used for equipment/materials
 - ▣ Services: professional consulting, environmental review, planning
 - ▣ Should not be used to acquire construction contractors

Small Purchase Procedures

▣ HOW

- ▣ Under this method, send request for quotes to potential vendors, then receive competitive written quotations from an *adequate number* of qualified sources
 - ▣ Quotes should include pricing info
 - ▣ Keep all quotes in files
- ▣ The award should be made to the lowest responsive and responsible source

Sealed Bids (Formal Advertising)

- ▣ Use for all construction contracts, or for goods costing more than \$100,000
- ▣ The winning bidder:
 - Conforms to all the material terms and conditions of the bid notice
 - Lowest in price

Sealed Bids

- ▣ Formal advertising must meet these conditions:
 - A complete, adequate and realistic specification or purchase description is available
 - Two or more responsible suppliers are willing and able to compete effectively for your business
 - The procurement lends itself to a firm fixed-price contract, and the selection of successful bidder can appropriately be made, principally on the basis of price

Sealed Bids

- ▣ **Publication Period:** Published in newspaper, sufficient time before bid open.
- ▣ **Clear Definition:** Invitation must be clearly defined
- ▣ **Public Opening:** All bids must be opened publicly
- ▣ **Selection and Contracting:** Written award notice must be sent to lowest bidder, if it conformed to the bid notice
 - ▣ Except Women/Minority Owned Business or Section 3 Residents- can select if within 10% of lowest quote
- ▣ **Rejection of all bids:** All bids may be rejected

Competitive Proposals

- ▣ Competitive proposals are used for professional services if cost exceeds \$100,000
- ▣ *Adequate number* of qualified sources
- ▣ Two-methods
 - RFP asks for qualifications and cost information
 - RFQ may be used for architecture and engineering services only

Competitive Proposals

- ▣ **Publication Period:** Advertisement published, with sufficient timeframe
- ▣ **Clear Definition:** The RFP/RFQ must identify the general scope of work, evaluation factors, price, and their relative importance
- ▣ **Technical Evaluation:** Must provide a mechanism for technical evaluation, determination, and selection
- ▣ **Award:** Made to the proposal which is most advantageous to you, not necessarily lowest

Non-competitive Proposals

- ▣ May be used only when it is infeasible under the other three procedures, and one of the following circumstances applies:
 - Item is available from one source only
 - Public emergency or urgent situation does not permit the delay of the other procedures
 - Where, after solicitation of a number of sources, competition is determined inadequate

Conflict of Interest

- ▣ You must develop a written code of standards that helps to prevent conflicts of interest in procurement
- ▣ The code shall prevent financial interest or other benefits earned for any of these persons due to a CDBG-related Procurement action.
- ▣ Cannot solicit/ accept gratuities, favors or other items of monetary value from contractors
- ▣ Examples

Excluded Parties

- ▣ Grantees must not make any award (contract) to any organization which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549
- ▣ To learn more about excluded parties, go to:
<http://www.epls.gov/>

EXAMPLES

- ▣ You are rehabbing the building where your services are offered.
- ▣ You need to purchase materials for 6 single-family homes.
- ▣ You need architecture plans for your new facility.
- ▣ You need to purchase a stapler.
- ▣ You need to select an audit firm.
- ▣ You need to purchase health insurance benefit for employees

ANY QUESTIONS

OTHER FEDERAL REGULATIONS

- ▣ Procurement
- ▣ Women and Minority Owned Businesses
 - Suzanne Kelley
- ▣ Section 3
 - Suzanne Kelley
- ▣ Davis-Bacon and Related Act (DBR)
 - Charles Froseth