

# OFFICE OF LEAD HAZARD CONTROL AND HEALTHY HOMES

## GRANT PROCUREMENT STANDARDS

**Policy Guidance Number: 2017-04**



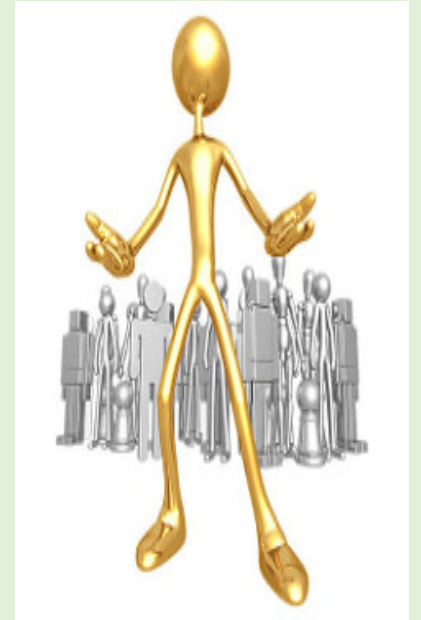


# **GRANTEES RESPONSIBILITIES**

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# GRANTEES RESPONSIBILITIES

- Provide for the fair and equitable treatment of all persons or firms involved in purchasing.
- Assure that supplies, equipment or services are procured efficiently, effectively, and at the most favorable prices.
- Promote competition in contracting.



# GRANTEES RESPONSIBILITIES

(CONTINUED)

- Provide safeguards for maintaining a procurement system of quality and integrity.
- Assure that purchasing actions are in full compliance with 2 CFR §200.317 through §200.326, the Grant Agreement, and OLHCHH's Policies.
- Per 2 CFR §200.318(a), the Grantee must use its own documented procurement procedures which reflect applicable State and local laws and regulations, if the procurements conform to applicable Federal law and the standards identified in the above.

# GRANTEES RESPONSIBILITIES

(CONTINUED)

***Contract Claims and Disputes:*** The Grantee is responsible for good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements.  
(2 CFR §200.318(k))

These issues include, but are not limited to:

- source evaluation;
- protests;
- disputes; and
- claims.



# GRANTEES RESPONSIBILITIES

(CONTINUED)

***Debarment and Suspension:*** No contract award may be made to parties listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines on debarment and suspension at 2 CFR part 180. See website:

<https://www.ecfr.gov/cgi-bin/text-idx?node=pt2.1.180>



# GRANTEES RESPONSIBILITIES

(CONTINUED)

*Prompt Payments to Contractors* must adhere to 2 CFR §200.305, Payment: The Grantee must make timely payment to contractors in accordance with the contract provisions.

When the reimbursement method is used, the Grantee must make payment within 30 calendar days after receipt of the billing, unless the OLHCHH or the Grantee reasonably believes the request to be improper (See 2 CFR §200.53, Improper Payments).



# GRANTEES RESPONSIBILITIES

## (CONTINUED)

Assistance to Small and Minority Businesses:  
*As a required effort*, Grantees should make good faith efforts to ensure those small businesses and minority-owned businesses, women's business enterprises, and individuals or firms located within or owned in substantial part by persons residing in the area where the work or services for the grant are being used when possible.





# METHODS OF PROCUREMENT



# ***BLANKET PURCHASE AGREEMENTS (BPA)***

A BPA is a simplified method of filling anticipated repetitive needs for supplies or services. The grantee (or other buyer) establishes an agreement to be able to purchase services or materials, under a specified performance work statement or product performance criteria statement, with qualified firms at specified prices. This eliminates the need for issuing individual purchase documents.



Once a BPA has been established, task or delivery orders can be placed without further competition.

# ***MICRO-PURCHASES***

**Micro Purchases (2 CFR §200.67) must not exceed \$3,500 and may be made without securing competition if the Ordering or Approving Official considers the price to be reasonable.**



# ***SMALL PURCHASE PROCEDURES***



***SMALL PURCHASE PROCEDURES*** (2 CFR §200.320(b)) relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold which is \$150,000 (see 48 CFR 2.101, Definitions)

# SEVEN METHODS TO DETERMINE FAIR AND REASONABLE PRICES (CONTINUED)

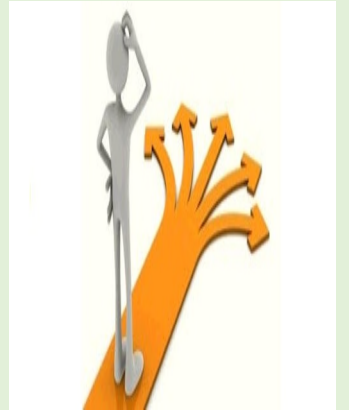
- **Competition** at least 3 quotes.
- **Comparison** of proposed prices list with current published price lists, current catalogs, current advertisements, similar items in a related industry.
- **Price History** compare with previous buys not older than 6 months.



# SEVEN METHODS TO DETERMINE FAIR AND REASONABLE PRICES

(CONTINUED)

- **Market Research** contacting knowledgeable individuals in the Government and industry.
- **Value Analysis** used for non standard or one of a kind items.
- **Comparison** of proposed price with independent Government estimate.
- **Personal knowledge** of the item being purchased by the Contracting Officer.



# ***SEALED BIDS***

***SEALED BIDS*** [Formal Advertising] (2 CFR § 200.320(c)) bids are publicly solicited, and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price.



# ***COMPETITIVE PROPOSALS***



***COMPETITIVE PROPOSALS*** (2 CFR §200.320(d)), this technique is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. *Full and Open Competition*



# BASICS OF COMPARING PRICES

- **Specifications** - review to ensure that items are the same or similar, if not then determine the differences.
- **Quantities** - quantity can make a difference in prices since vendors offer quantity discounts.



# BASICS OF COMPARING PRICES

(CONTINUED)

- **Packaging** - it is a good practice to follow industry standards, unless there is a compelling need not to do so.
- **Delivery Terms - F.O.B. Destination** (Free on Board Destination) – seller pays and **F.O.B. Origin** your organization pays.
- **Delivery Schedule** - short delivery schedule can affect the costs to the vendor and the price the your organization pays for the product.



# BASICS OF COMPARING PRICES

(CONTINUED)

- **Market Conditions** -availability and demand of the products at the time of purchase can change the cost of the product/service.
- **Warranty** - length & coverage of warranty can affect the **price** of the items, since the vendor must be concerned with the **cost** of the maintenance for that period.



# ***NONCOMPETITIVE PROPOSALS***



***NONCOMPETITIVE PROPOSALS*** (2 CFR §200.320(f)), procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the circumstances below apply:

- The item is available only from a single source;
- The public exigency (an urgent need or demand) or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the Non-Federal Entity;
- After solicitation of several sources, **competition** is determined inadequate.

**A WRITTEN SOLE SOURCE JUSTIFICATION MUST BE SUBMITTED FOR ALL NONCOMPETITIVE PROPOSALS**

# SOLE SOURCE JUSTIFICATION LETTER

Write a sole source justification letter with sentences providing only this Information:

- Use a formal letterhead and do not handwrite the sole source justification letter.
- First, describe the products, goods, or services that are to be acquired and the estimated or exact amount of the contract to be awarded.
- Next, specify the supplier, provider, reseller, distributor, or manufacturer you recommend. Provide complete company name, address, and contact information.

# SOLE SOURCE JUSTIFICATION LETTER

(CONTINUED)

- Then justify the use of sole source by presenting the exact key reasons why this particular product or service is unique and unavailable from other sources.
- Demonstrate how you determined that there was only one source for the product or service, providing a market research for instance.
- Explicitly request that a sole source be approved for the procurement of the requested items or services.



# SOLE SOURCE JUSTIFICATION LETTER

## (CONTINUED)

- Finally, Sign your name and title. Be sure to provide correct, complete contact and reference information for future correspondence.
- Since things sometimes get a little more complicated than usual, remember to consult your Acquisition, Contract or Procurement Office for further information if you need additional help.



*The End*