

# **ICDBG IMPLEMENTATION TRAINING FOR GRANTEES**

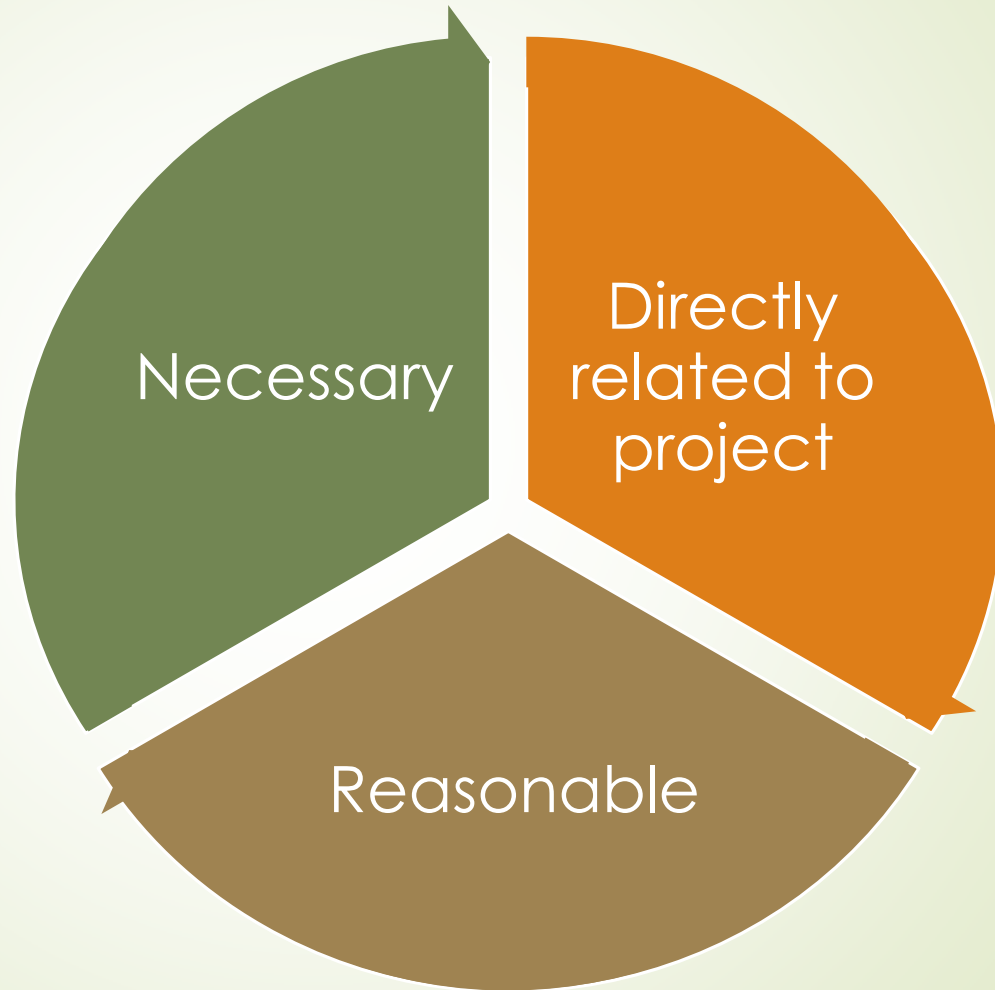
## **— Procurement**

**OFFICE OF NATIVE AMERICAN PROGRAMS**



# PROCUREMENT

**ALL  
EXPENDITURES  
MUST BE:**



# PROCUREMENT: POLICIES & PROCEDURES

- REVIEW Your **PROCUREMENT POLICIES & PROCEDURES**  
(if none exist, create them and have them adopted)
- Procurement Policies & Procedures **MUST COMPLY WITH:**
  - ❖ 2 CFR § 200 (Administrative Requirements)
  - ❖ 24 CFR § 1003.510 (Indian Preference)
  - ❖ 2 CFR § 200.317-326 (Procurement)



# PROCUREMENT: POLICIES & PROCEDURES (cont.)

Each procurement must comply with one of the adopted Procurement Procedures

- Set up Procurement Files
- Keep all records of all procurements including:
  - ❖ Requests for quotes
  - ❖ Successful and Unsuccessful quotes and bids



# PROCUREMENT: POLICIES & PROCEDURES (cont.)

**MUST HAVE POLICIES & PROCEDURES COMPLYING  
WITH 2 CFR § 200.320 FOR THE FOLLOWING -**

## PROCUREMENT METHODS:

- ❖ Micro Purchase
- ❖ Small Purchases
- ❖ Sealed Bids
- ❖ Competitive Proposals
- ❖ Non-Competitive Proposals





# PROCUREMENT: TYPES OF PROCUREMENT

THERE ARE **THREE TYPES OF PROCUREMENT** THAT ARE MOST COMMONLY USED:

1. **Micro purchase methods are used for:**
  - ❖ Micro purchases that equal **\$10,000 or less** (or \$50,000 or less if the Grantee extends the threshold) and
  - ❖ Simplified acquisitions that equal **\$250,000 and less**
2. **Formal Procurement methods are used for purchases that are **greater than \$250,000** and are done through either:**
  - ❖ **Sealed bids** - generally used for construction contracts - or
  - ❖ **Competitive Proposals (e.g., RFPs)** - commonly used for professional services such as Audits, Architects/Engineers, etc.
3. **Noncompetitive Proposals** – used in only specific circumstances



# PROCUREMENT: MICRO PURCHASE THRESHOLD

AS OUTLINED IN 2 CFR §200.320 ([eCFR :: 2 CFR 200.320 -- Procurement methods](#)), IT IS POSSIBLE FOR GRANTEES TO **INCREASE THEIR MICRO PURCHASE THRESHOLD FROM \$10,000 TO \$50,000** BY DOING THE FOLLOWING:

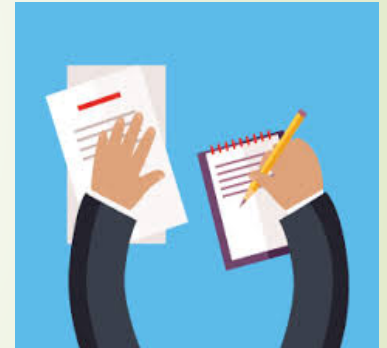
1. Grantee **self-certifies** a threshold up to \$50,000 **annually**;
2. Grantee **maintains documentation** to be made available to the Federal agency or pass-through entity and auditors in accordance with [§200.334](#).
3. The **self-certification must include a justification, clear identification of the threshold, and supporting documentation of any of the following**:
  - (a) A **qualification as a low-risk auditee**, in accordance with the criteria in [§200.520](#) for the most recent audit; or
  - (b) An **annual internal institutional risk assessment** to identify, mitigate, and manage financial risks



# PROCUREMENT: REQUIREMENTS

➤ Purchases must be made using full and open competitions per 2 CFR §200.320(b) ([eCFR: 2 CFR 200.320 -- Methods of procurement to be followed](#))

- ❖ Cannot place **unreasonable restrictions** on companies
- ❖ Cannot require **unnecessary** experience
- ❖ Cannot require **excessive bonds**
- ❖ Cannot specify only a **brand name** product
- ❖ Cannot hire consultants on retainer without competition





# PROCUREMENT: SEALED BIDS

**For contracts GREATER THAN \$250,000:**

- List what you want (Specifications)
- Estimate the cost
- Prepare the contract
- Prepare Invitation for Bids
- Prepare Bid Package
- Advertise for Bids, usually in the newspaper



REMEMBER INDIAN PREFERENCE REQUIREMENT!!



# PROCUREMENT: SEALED BIDS (cont.)

## SEALED BIDS (>\$250,000)

For contracts above \$250,000:

- Send bid packages to interested vendors
- Keep bids unopened and in a secure place
- Open bids in public at the date, time and place that you stated in the announcement
- Review the bids, and award the bid to the lowest responsive bidder



# PROCUREMENT: SEALED BIDS (cont.)

- SEALED BIDS (> \$250,000)
- Review and sign the firm fix-priced contract
- No awards, sub-grants or contracts to debarred or suspended parties
- Check the HUD Departmental Enforcement Center website for listing of debarred and suspended parties: [SAM.gov](https://www.sam.gov) | Home

**KEEP ALL RECORDS**



# PROCUREMENT: COMPETITIVE PROPOSALS

- When do you use Competitive Proposals?
- Evaluate the proposals
  - ❖ Use the Criteria listed in the Request for Proposals (RFP)
- Negotiate services – ask questions / re-evaluate
  - ❖ Cost is usually **not** the only deciding factor
- Sign contract with party providing the best offer (based on evaluation & listed criteria)
- Make sure and notify unsuccessful bidders



# PROCUREMENT: BONDING REQUIREMENTS & GENERAL CONTRACT PROVISIONS

## REVIEW THE FOLLOWING:

- **24 CFR § 1003.501(a) and 2 CFR § 200** – Applicability of Uniform Administrative Requirements / Cost Principles
- **24 CFR § 1003.501(a)(8) and 2 CFR § 200.326** – Bonding Requirements
- **24 CFR § 1003.502 and 2 CFR § 200.327** – Contract Provisions
- **24 CFR § 1003.501 and 2 CFR § 200.501** – Audit Requirements

Include the minimum provisions in the regulations in the bid documents as appropriate





# PROCUREMENT: GENERAL CONTRACT PROVISIONS (cont.)

## ALL CONTRACTS AND SUB-CONTRACTS MUST INCLUDE PROVISIONS FOR:

- Energy efficiency standards
- Retention of records
- Access to records by awarding agency, auditors
- Indian Preference – 24 CFR § 1003

## OTHER PROVISION REQUIREMENTS:

- Copeland Anti-Kickback Act - [Employment Law Guide - Prohibition Against Kickbacks in Federally Funded Construction \(dol.gov\)](#)
- Contract Work Hours and Safety Act - [Contract Work Hours and Safety Standards Act \(CWHSSA\) | U.S. Department of Labor \(dol.gov\)](#)
- Clean Air Act ([Summary of the Clean Air Act | US EPA](#)) / Clean Water Act ([Summary of the Clean Water Act | US EPA](#))
- Remedies for Breach of Contract
- Termination of Contract



# PROCUREMENT: OTHER

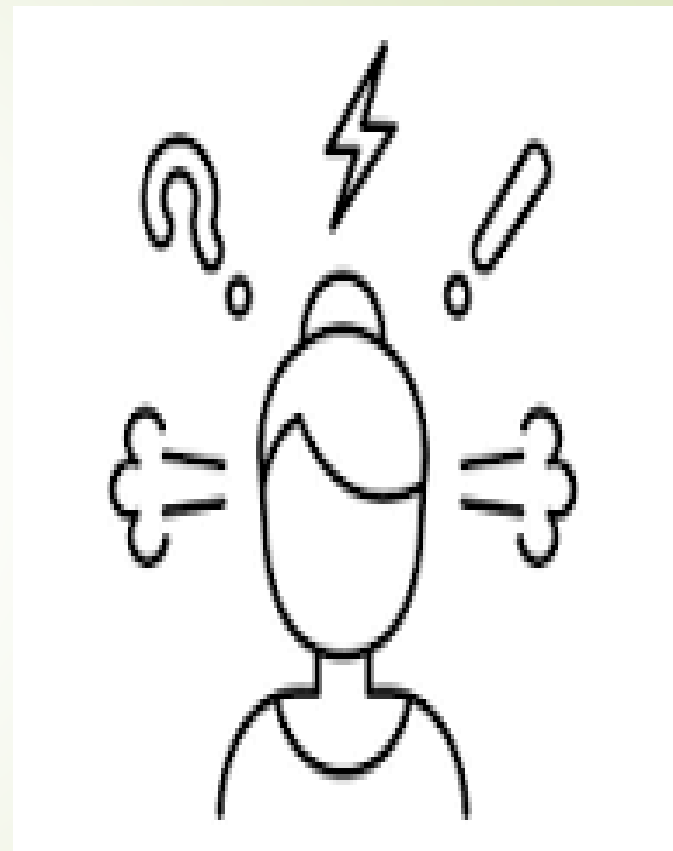
THE FOLLOWING REQUIREMENTS DO NOT APPLY TO ICDBG PROJECTS AND CONTRACTS:

- Equal Employment Opportunity requirements outlined in 2 CFR § 200 Appendix II
- Davis Bacon Act - 2 CFR § 200 Appendix II



# OVERWHELMED?!? NEED HELP???

- **Contact your Area ONAP**
- Your GMS is here to help guide you towards solutions & understanding
- Additional Training & Technical Assistance may also be available



[https://www.hud.gov/program\\_offices/public\\_indian\\_housing/ih/codetalk/training](https://www.hud.gov/program_offices/public_indian_housing/ih/codetalk/training)

# HUD CONTACTS: AREA ONAP POCs

All Area ONAP Offices and Contact Information is listed on the ONAP Codetalk website:

[ONAP and Tribe Contacts.pdf](#)

**Bookmark this link** on your computer so you have a quick and easy way to reach-out for help or guidance going forward



**QUESTIONS?**

*thank you*

