|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Guide for Review of Procurement** | | | | |
| **Name of Program Participant:** | | **Appropriation(s):** | | |
| **Staff Consulted:** | | | | |
| **Name(s) of Reviewer(s):** |  | | **Date:** |  |

**NOTE:** All questions that address requirements contain the citation for the source of the requirement (statute, regulation, NOFA, or grant agreement). If the requirement is not met, HUD must make a finding of noncompliance. All other questions (questions that do not contain the citation for the requirement) do not address requirements, but are included to assist the reviewer in understanding the participant's program more fully and/or to identify issues that, if not properly addressed, could result in deficient performance. Negative conclusions to these questions may result in a "concern" being raised, but not a "**finding.**" [24 CFR 570.900(b)(3)]

**Instructions:** Use this Exhibit to monitor a program participant’s procurement of goods or services through its Community Development Block Grant disaster recovery (CDBG-DR) award. This Exhibit is divided into two sections: Type of Grantee and Applicable Rules and Regulations. Please note that Exhibit 3-20, *Guide for Review of Procurement,* should be used if the program participant is a unit of general local government. Also use Exhibit 3-20 if the program participant is a state government that has adopted 24 CFR Part 85 in full.

**Questions:**

A. TYPE OF GRANTEE

1.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Is the program participant a state? *If yes, proceed to Section B. If no, use 24 CFR 85.36 and Exhibit 3-20 to evaluate the procurement actions*. | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

B. APPLICABLE RULES AND REGULATIONS

2.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Has the state adopted 24 CFR. 85.36, or part 85 in full? *If yes, use part 85.36 and Exhibit 3-20 to evaluate the procurement actions. If no, proceed to next question.* | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

3.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| a. As required by 24 CFR 570.489(g), has the state established or adopted procurement policies and procedures?  Note: Oftentimes, state program participants will not formally establish or adopt policies particular to disaster recovery. Rather, they will utilize pre-existing rules established by the state and applicable to the administering agency as a whole. Typically, procurement policies can be found through an online search by entering “State of [insert] procurement.”  Examples of state procurement rules include:   * State of Iowa, http://das. iowa.gov/gse/ procurement/adminrules.html * State of Texas, http:// www.window.state.tx.us/procurement/pub/manual * State of Mississippi, http://www.dfa. state.ms.us/Purchasing/OPT.html | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| b. Do the policies specify methods of procurement (e.g., small purchase, sealed bid/formal advertising, competitive proposals, and noncompetitive proposals) and their applicability? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| c. Do the policies include standards of conduct governing employees engaged in the award of administration of contracts? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| d. Are the contracts reviewed in compliance with the applicable policies and procedures? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

4.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Do the reviewed contracts use either of the following cost methods:  (1) cost plus a percentage of cost, or  (2) cost plus a percentage of construction costs?  Note: Per §570.489(g), the cost methods of “cost plus a percentage of cost” and “cost plus a percentage of construction costs” are not allowed. “Cost plus a percentage of cost” contracts are those in which the amount of profit paid is calculated as a percentage of cost, so that profit increases commensurate with increases in cost. In other words, the fee rises as the contractor's costs rise. “Cost Plus a Percentage of Construction Costs” contracts are those in which the amount of profit paid is calculated as a percentage of construction costs, so that profit increases commensurate with increases in cost. Both types are disallowed because they provide little incentive for the contractor to control costs, and there is limited certainty as to the final contract amount. | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

5.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| As required by §570.489(g), do the contracts include clauses required by Federal statutes, executive orders and implementing regulations? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |