

## CHAPTER VII

### PROCUREMENT STANDARDS

#### Introduction

CDBG recipients will procure a broad range of items and services, including small purchases, professional service contracts, and major construction contracts. On May 19, 1995, PL 103-355 replaced 24 CFR 85.36, which had been selected by the CDBG Program for its procurement standards. CDBG has adopted this replacement in its entirety; **EXCEPT the maximum threshold for small purchases shall remain at \$25,000**. Any reference to PL 103-355 herein carries with it this exception. All other aspects of 24 CFR 85 remains in effect.

Communities may use their own procurement procedures, which reflect applicable state and local laws, and regulations **provided** that the procurement conforms to the CDBG specified policy. (The stricter of the two shall apply.) In most cases, the CDBG procurement policy is stricter and the community must follow the procedure outlined for all phases of the CDBG funded project.

If a community does not have a written procurement policy, the CDBG policy must be adopted for all phases of the CDBG funded project. It is recommended that communities adopt procurement policies that satisfy the needs of their particular community when using their own local money. The Missouri Municipal League can assist communities with this task.

1. The CDBG grant agreement requires the community to adhere with the CDBG **conflict of interest policy**. The policy is stated in full in the Program Administration Chapter of this manual. If the community does not have its own conflict of interest policy, one should be adopted that defines conflicts and provides for employee standards of conduct. This policy may be incorporated into the local procurement policy.
2. **Competitive bidding** for all purchases of goods and services should be followed whenever possible. Competitive bidding should be fostered in the following ways:
  - a. invitations to bid on specific purchases should be made to all qualified firms;
  - b. descriptions of items or services to be purchased in the invitations to bid should be current, clear and accurate and should avoid specific brand requirements, although brand names may be used as an example of functional or quality requirements as long as "an equal" product is stated as allowed; and
  - c. all purchases or procurements of more than \$25,000 must be formally advertised through an appropriate public medium receiving the widest circulation such as local or regional newspapers or internet website if internet access is available area-wide.

**Note:** Procurement for professional services need not be formally advertised. However, there must be a competitive procurement process wherein a number of qualified professionals are invited to submit proposals. Solicitation of professional administration services must include all persons on the CDBG Administration List and the Regional Planning Commission located in the project area.

3. The lowest and best bidder must be selected to provide the required supplies, equipment, or services. The lowest, most responsible and responsive bidder must be selected for construction contracts. **The community must fully understand the definition of the terms "lowest and best**

**bidder” and “lowest, most responsible and responsive bidder.”** They are often confused and interchanged, but are very different.

- “Lowest and best” is typically used in non-construction, competitive bidding, such as equipment, professional services, and supplies. An evaluation is completed that weighs the amount of the bid with factors such as ability to perform, timeliness, character and reputation, quality of past performance, compliance with laws, quality and availability, future maintenance and service, and compliance with bid specifications. A community may “score” bidders based on weighting that reflects which criteria is most important to them. An example is included in this chapter. The top-scoring candidate may not necessarily be the lowest bidder. However, communities that select other than the lowest bidder must provide their selection criteria to CDBG. There must be written documentation to support the selection.
- “Lowest, most responsible and responsive” is typically used for competitive construction contracts. **Lowest** refers to bid amount. **Responsive** refers to a valid and correct bid. Examples of responsiveness include bids turned in prior to the deadline, bid forms filled out correctly, bids containing all required information (bonds), etc. A community may discard a non-responsive construction bid. **Responsible** refers to financial standing, skill, facilities, capacity, experience, previous work record, or any default within the last 12-month period. Discarding a construction contractor **solely** based upon the factors of “responsibility” demands much more documentation and requires the written recommendation of the community’s own attorney.

4. All bidders should be made aware of the selection criteria used by the community during the bid process. The community should state the criteria to allow the bidders to respond in kind.
5. The only award where price cannot be a selection factor is architectural or engineering services.
6. Recipients must verify that a contractor or subcontractor has a valid certificate to do business in the State of Missouri and is designated “active / in good standing.”
7. Communities must check with DED to determine if the bidder is prohibited from doing Missouri on federally supported work prior to awarding a contract.
8. Should **fewer than three bids/proposals** be received on any solicitation, approval of the process must be received from DED prior to the award of the contract.
9. The splitting of procurement to avoid bidding requirements is expressly prohibited. For example, the purposeful structuring of the purchase of materials or services into separate contracts each costing less than \$25,000 to avoid public bidding is not permitted.
10. Bidders and contractors must be required to submit bid bonds, payment bonds, and performance bonds that meet Federal standards for all construction contracts of more than \$25,000. For contracts of less than \$25,000, the recipient may follow its own requirements for bid bonds, performance bonds, and payment bonds provided a determination has been made and approved by DED that the recipient is adequately protected.
11. Positive efforts should be made to attract small and minority-owned businesses (MBE), women's business enterprises (WBE), and labor surplus area firms to bid on goods and services purchased with CDBG funds. Positive efforts are most often defined as direct solicitation.
12. Opportunities for training and employment shall be given to lower-income residents of the project area as well as businesses located or owned in substantial part by residents of the project area.

13. Cost plus a percentage of cost and percentage of construction cost method of contracting are prohibited. **All contract fees shall be based upon a unit price or "cost-plus-fixed-fee."** All contracts must include a total dollar amount.
14. Procedures should be established which verify financial, contractual, and programmatic compliance before payment is made. It is essential that recipient staff monitor contractor progress and work through reports, field inspections, payroll records review, and review of any other appropriate records.

No monies should be paid to any contractor who has failed, or has a subcontractor who has failed, to submit payroll records for the work for which he is requesting payment. Payroll records should be reviewed and any discrepancies corrected before the contractor is paid.
15. Complete files on all procurement and originally signed contracts must be maintained to demonstrate compliance with the above requirements.

### **General Procurement Procedures**

Recipients must maintain records that document the rationale for the method used for procurement, selection of the contract type, contractor selection or rejection, and the basis for the selection including cost or price. In addition, all contracts other than small purchases shall contain provisions, which describe administrative, contractual, or legal remedies when contractors violate contract terms and provide for appropriate damages. While the nature of procurements will vary by type of activity, recipients should undertake the following general steps in establishing procurement procedures.

#### Procedures

1. Determine the procurement method for the project (local or CDBG, the stricter applies).
2. Designate person(s) responsible for CDBG-related purchases. This may be the recipient's central purchasing officer.
3. Establish the need for procurement of supplies, equipment, construction, or services based on the CDBG program plan.
4. Assign appropriate persons to prepare specifications, manage solicitations, and prepare contract document. Such skills might include the following:
  - a. architectural
  - b. engineering
  - c. construction trades
  - d. legal
  - e. administration
5. Ensure that DED has issued an Authority to use Grant Funds for the project/activity related to the procurement.
6. Monitor solicitation of bids including:
  - a. preparation of bids and specifications
  - b. advertising
  - c. receipt of bids

d. evaluation of bids

7. Oversee pre-construction activities.
8. Sign contracts.
9. Monitor the receipt of goods and services as well as work progress.
10. Ensure all work is properly completed and the engineer has issued a Certificate of Completion before making final payment. In addition, for construction contracts involving State and Federal Wage Determinations, **payment should not be made until all payroll records of all contractors and subcontractors have been received by the recipient and documented as to being in compliance with applicable wage rates.**

**Bonding and Insurance**

PL 103-355 specifies bonding and insurance requirements for federally supported activities. In carrying out CDBG activities (except professional services contracts), **CDBG recipients must establish bonding and insurance requirements that ensure completion of CDBG funded construction contracts in the event of contractor or subcontractor default.** Grantees are free to use their requirements relating to bid guarantees, performance bonds, and payment bonds for contracts of \$25,000 or less in value provided a determination has been made by DED that the recipient and grant funds are adequately protected. In the event of surety performing under a takeover agreement, the bonding company must produce evidence of participation in the E-Verify program

For contracts exceeding \$25,000, recipients must require a bid guarantee from each bidder equivalent to 5% of the bid price. This may be secured through a bid bond or a certified check, a performance bond for 100% of the contract price on the part of the contractor to ensure completion of the contract, and a payment bond for 100% of the contract price on the part of the contractor to ensure payment to all persons supplying labor and materials.

An irrevocable letter of credit from a federally insured financial institution may be used for contracts of \$25,000 or less. The irrevocable letter of credit cannot have an expiration date and must remain in effect for the duration of the federally funded project.

Complete files for all procurements and contracts should be maintained to demonstrate compliance with the CDBG procurement requirements and procedures and be available for project monitoring.

## PROCUREMENT METHODS

PL 103-355 allows four methods of procurement: small purchases, competitive sealed bids, procurement by competitive proposals, and procurement by noncompetitive proposals. Each of these methods is described below. If the community has their own written procurement procedures, the stricter of the two methods (local or State) shall be followed.

### 1. Small Purchases

Formal bid solicitation procedures are not required under the Regulation for the purchase of items that cost less than \$25,000. However, three written quotes should be obtained for all purchases in excess of \$250. What is being purchased, either goods or services, should be clearly written. For purchases of less than \$250, the purchasing officer may obtain informal price quotes by telephone or face-to-face inquiry. Price quote must be obtained from at least three qualified vendors. Prices obtained orally should be documented for the files.

### 2. Competitive Sealed Bids

Competitive Sealed Bids (formal advertising) are used when the goods or services are expected to be over \$25,000 in cost. The invitation shall be publicly advertised for a period NOT less than three consecutive weeks (21 days) to allow sufficient time prior to the opening of bids. CDBG suggests allowing a period of 7 days between the final advertisement and the designated bid opening. Bids shall be solicited from an adequate number of known suppliers. The invitation, including specifications and attachments, must clearly describe the goods or scope of services required permitting bidders to be responsive to the invitation. All bids must be opened publicly at the time and place stated in the invitation for bids. A firm-fixed price contract award must be made in writing to the responsive bidder whose bid is lowest, most responsible and responsive. All unsuccessful bidders must be notified in writing.

### 3. Procurement by Competitive Proposals

Procurement by competitive proposals may be used if conditions are not appropriate for the use of formal advertising. This type of procurement is most commonly used for professional services. The only area in which price is not used as a selection factor is in procurement of professional architectural or engineering (A/E) services. A/E firms may also be procured under qualifications for surveying and other services that require an A/E degree. **Price must be a selection factor in the purchase of other types of services, such as easement acquisition, archeological services, legal, etc.** Only fixed price (a specified price to be paid when the items or services are delivered and accepted) or cost-reimbursement (price is usually reimbursed as costs are incurred) may be awarded. When using procurement by competitive proposals, the following requirements apply:

- a. Proposals must be obtained from three or more qualified sources.
- b. A Request for Qualifications/Proposals, which identifies all the factors that will be used to evaluate proposals and qualifications, including the importance that price or cost will play in the selection, must be issued and publicized. A period of at least 7 days to respond to an RFP or RFQ should be allowed.
- c. For administration services, in order to comply with CDBG policy, a copy of the RFP must be made available to the area Regional Planning Commission as well as ALL grant administrators on the most current CDBG Administrators List in addition to all other

procurement procedures. Failure to follow required procurement will either disallow the use of CDBG funds to pay for the service, or the process will have to be repeated correctly.

- d. All proposals received must be evaluated. A written method for evaluation, which includes the significant factors used to determine the contract selection award, must be prepared and publicized along with the Request for Proposals.
- e. The award may be made to the respondent whose proposal would be most advantageous to the recipient, considering prices and other factors identified in the Request for Proposals. The basis for selection must be documented in writing for grant files. See the sample ranking form at the end of this chapter
- f. Unsuccessful respondents must be notified promptly in writing.

#### 4. Procurement by Noncompetitive Proposals

A noncompetitive proposal is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. Circumstances under which a contract may be awarded by noncompetitive proposals are limited to the following: (a) after solicitation from a number of sources, competition is determined inadequate; (b) the items or services required are available only from one source; (c) the State authorizes the noncompetitive method; or (d) a public emergency is such that the urgency will not permit a delay beyond the time needed to employ one of the other methods described above. The mere fact that a contractor is performing other consultant services for the grantee is not in itself an adequate justification for a non-competitive proposal award. **DED must approve the method of procurement prior to contract award where fewer than three qualifications /proposals/bids have been obtained.**

#### Construction Projects

All construction procurements should follow the competitive sealed bid (formal advertisement) procurement method. A number of firms are generally able to supply these services. To facilitate competitive bidding, a list of prospective contractors for each type of activity should be assembled. The list should include reputable firms or persons who have a good performance record, including minority and project area contractors. Prospective contractors from the appropriate category should be invited to bid.

DED, HUD, and the Department of Labor maintain a list of excluded bidders. Recipients are required to contact DED to ensure that prospective contractors are eligible. (See the Labor Standards Chapter.)

#### Missouri Reciprocity Law

Missouri State Statute 34.076 says that Missouri communities are legally compelled to award contracts to Missouri bidders when the bid is within the percentage of bid preference established by another state's reciprocity law. This law applies to all bids over \$500.00. Specific inquiries regarding this requirement should be directed to the Missouri Office of Administration, Division of Purchasing, at (573) 751-2387.

## PROCEDURES FOR CONSTRUCTION PROCUREMENT

1. Determine that the Request for Release of Funds for the activity or project related to the proposed construction contract has been approved by DED. (See the Environmental Review Chapter.)
2. Prepare the specifications. CDBG bid terms and conditions and contractor certifications are to be included in all bid documents and construction contracts. Please refer to the Contract Management Chapter of this Manual.
3. Secure applicable Davis-Bacon wage rate decisions from DED, as discussed in the Labor Standards Chapter. Review wage decisions from DED to determine if any additional classifications are necessary. Contact DED 10 days prior to bid opening to verify that the Federal wage decision has not been changed. If changes have been made, send them as an addendum to all contractors who received the bid package.
4. Include the correct goals of the Federal Equal Opportunity Construction Contract Specifications for minorities and females in the bid document and contracts. These requirements are governed by the *Federal Register* regulations of October 29, 1978 and September 7, 1979. The goal for female participation is 6.9 percent. Minority participation goals are detailed in the September 7, 1979 regulations. These goals are applicable to all projects of the contractor, not just the project(s) funded in whole or in part by CDBG funds. Therefore, each construction craft and trade in the contractor's work force, which is required in an area covered by the goals and timetables, falls under these provisions. Recipients must ensure that bid documents incorporate these goals.
5. Include all items listed in the Contract Management Chapter in all specifications for bidding and contracting.
6. Some recipients require their city attorney to review the bid documents according to their own ordinances for liability purposes.
7. **Publish Request for Bids** in a newspaper of general circulation or place advertisement on an area-wide internet website once a week **for three consecutive weeks** (21 days) prior to bid opening. (Grantees using the internet as advertisement must ensure that bidders and the public are aware that the internet publications will be used in lieu of newspaper advertisement) Grantees must directly solicit minority and women-owned firms. A longer advertising period may be necessary for more complex projects to allow bidders more time to prepare their proposals. Retain a newspaper copy and/or affidavit of each advertisement or documentation of the advertisement placed on the internet in the CDBG Contract Management file.
8. Addenda to the bid documents, if any, must be sent to all potential bidders who obtained the original bid documents. Addenda cannot be issued after 72 hours prior to bid opening, or as prescribed by Missouri law. If an addendum is required within 72 hours prior to bid opening, the bid opening date may be extended exactly one week.
9. Maintain a log of bidders who were sent or obtained bid documents. All bids received during the bidding period should be logged with the name of the bidder and the time and date of receipt. No bid may be accepted if it is late.
10. Hold a public meeting to open bids. All bids must be read aloud during this meeting. Minutes of the meeting must be maintained to document the project, the time and date of bid opening, and the bidders and bid amounts in order of opening.
11. Review all bids to determine if they are legally and technically responsive. Bidders must be evaluated as to their ability to perform as previously defined. The contract must be awarded to the

**lowest, most responsible and responsive bidder.** If all the bids exceed the budgeted amount, reevaluate the specifications to determine whether one aspect of the project was inaccurately described. In this situation, it may be necessary to reject all bids.

12. The Grantee **MAY NOT NEGOTIATE** with a bidder. The Grantee can either reject all bids or provide needed funds from other sources. Prior to the bid process, the Grantee can take action to help mitigate problems that arise from bids that exceed allowable funds. If the Grantee has reason to believe that available funds will be inadequate for the full scope of proposed work, it can request deductible or add-on alternatives in the bid process. When deductible or add-on alternatives are requested, the bid document must specify the method and order in which alternatives will be applied in determining the low bid. Whenever estimated costs are very close to the amount of available funds or the cost estimates are based on roughly comparable projects, the deductible alternative approach is very useful. It can eliminate the need to respecify the bid package and repeat the entire bid process with unavoidable delays in the project. Do not use deductible alternatives that reduce the original scope of the project that was funded.
13. Once all bids have been received, **references should be checked.** The only way for a community to secure good information about how a person or firm performed similar duties is to call the other cities and counties and ask their opinion.
14. **Prior to awarding the contract**, the Grantee must obtain verification of contractor eligibility from DED. This may be accomplished by telephone or in writing. If telephone verification is obtained, document the date of the call, the person contacted and the highlights of the discussion. Recipients should request a written letter confirming eligibility from DED. **In addition, verify that the contractor is registered with the Secretary of State and has a valid certificate to do business in the State of Missouri. You must also check with DED to ensure that the bonding company that the contractor is using to provide the payment and performance bonds is on the Department of the Treasury's Listing of Approved Sureties. It is vital that you furnish the correct spelling and the exact name of the firm(s) for all of the above.**
15. Award the contract. The contract must be awarded to the lowest, most responsible and responsive bidder. If the contract is awarded to other than the lowest bidder, a written statement documenting valid reasons why the lowest bidder(s) was not selected must be prepared and submitted to DED for approval prior to contract award. Ensure that all compliance provisions and environmental clearances have been met before awarding the contract.
16. Send a Start of Construction Notice to DED within ten (10) days of the contract award. This notice is included in the Labor Standards Chapter.
17. A pre-construction conference must be held to acquaint the contractor with Federal and Missouri requirements such as the Labor Standards Provisions, Equal Employment Opportunity Requirements, and Section 3. Requirements for weekly wage records and employee interviews should be specifically addressed at this conference. It is also appropriate to brief the contractor on how payments will be processed, what forms are to be used, and how the CDBG office will monitor financial, program, and contract compliance. The recipient may want to use this meeting, or a similar one, to review contractor record-keeping and accounting systems to ensure that the contractor can control and account for CDBG funds, property, and other assets. A pre-construction conference report should be prepared to document the subject(s) discussed at the meeting and placed in the Contract Management file.
18. Send a Notice to Proceed to the contractor. This document officially notifies the contractor that construction may begin.

- 19. A copy of the Certificate of Completed Work must be obtained from the project engineer to ensure completion of the project. This certificate must cover all work included in the project, including other funding agencies and grantee's cash and in-kind. Ten percent of the construction inspection funds will be withheld until a Certificate of Completion has been issued.**

## **PROCEDURES FOR PROFESSIONAL SERVICES PROCUREMENT**

Professional services in such areas as architectural/engineering, real estate appraisals, audit services, and other similar services fall into this category. The procurement by competitive proposal method is authorized to solicit this type of service. An applicant may, at its option, procure professional services either before the application is prepared or after a grant is awarded. The procurement procedure described in this chapter must be followed if CDBG funds are used for payment of the professional service.

CDBG funds may not be used for payment of services performed in preparation of an application or other preliminary work completed prior to funding. Also, no bonuses may be awarded with CDBG funds to a firm or individual if a grant is awarded. Some firms may require that services performed in preparation of an application be compensated, and, if so, they must be financed from sources other than CDBG.

Applicants must comply with state law, HB 322 (RsMo 1983, Section 8.285-8.292), in the procurement of architectural, land surveying, or engineering services, unless the city/county has its own procedure. In any event, PL 103-355 must be complied with if CDBG funds are involved in the compensation of such services.

Evaluation factors for professional services should include at a minimum:

1. The specialized experience and technical competence of the firm with respect to the type of services required;
2. The capacity and capability of the firm to perform the work in question, including specialized services, within the time limitations fixed for the completion of the project;
3. The past record of performance of the firm with respect to such factors as costs, quality of work, and ability to meet schedules; and
4. The firm's proximity to and familiarity with the area in which the project is located.
5. Reference and experience of previous work on CDBG/RD/DNR grant projects.
6. Documentation of compliance with E-Verify requirements.

A contract should be entered into which states the terms and conditions for the parties involved. DED suggests using NSPE Agreement #1910-1 "Standard Form of Agreement between Owner and Engineer for Professional Services" or DED's "Model Contract for Administrative Services." Copies of both forms are included in the Contract Management Chapter.

Applicants/grantees that do not follow the proper procedure (as provided herein) will be required to perform the procurement procedure again if the grant is awarded (assuming CDBG funds are used for those services), or these costs may be determined ineligible.

Maximum Fees: CDBG funding of costs for professional services will be limited by a schedule based on total construction costs as described below. CDBG funding of construction inspection will be limited to a maximum 75% of engineering design costs. The limits imposed for professional services

costs do not preclude a grantee from using local funds to pay a higher amount, if it so desires. DED will pay for only the engineering and inspection costs of its own construction monies.

Engineering Services: ASCE Manual No. 45 describes the percentage of construction cost method of compensation. The curves indicated in the ASCE Manual will be used as a guide to the maximum amount of CDBG funds allowable to a grantee. While the State may use this as a method of determining the amount of CDBG funds allowed to a city/county grantee, the grantee may not use these curves as the only basis for determining the compensation of an engineering firm. DED suggests using either a cost plus a fixed fee, with a maximum amount, or a lump sum, as described in the ASCE Manual.

TABLE A (below) indicates the percentage of construction costs for projects of an above-average complexity, which includes water treatment plants, complex bridges, pumping stations, intercepting and relief sewers, sanitary sewer lines under 24 inch diameter, and water distribution lines under 16 inch diameter.

TABLE B (below) indicates the percentage of construction costs for projects of average complexity, which include conventional bridges, roads and streets, storm sewers and drains, sanitary sewers 24 inches and larger diameter, and water distribution lines 16 inches and larger diameter.

NET CONSTRUCTION COST	TABLE A	TABLE B
\$40,000	13.67%	10.27%
50,000	13.22	9.99
60,000	12.76	9.71
70,000	12.43	9.52
80,000	12.10	9.32
90,000	11.87	9.17
100,000	11.63	9.01
150,000	10.44	8.56
200,000	10.25	8.11
250,000	9.85	7.85
300,000	9.45	7.59
350,000	9.18	7.42
400,000	8.91	7.24
450,000	8.72	7.12
500,000	8.52	7.00
550,000	8.38	6.90
600,000	8.24	6.80

Administrative Services: Administrative line items include all publishing fees, construction line items are for construction only; acquisition line items are for purchase price and expenses incidental to transfer of title; asbestos inspection is for actual inspection costs. Grantees should not contract for the total administration amount unless the grantee has agreed to pay for all other items. If a cultural resource survey is required to clear environmental issues, the recipient should obtain three quotations and submit to DED through the amendment process as described in the Financial Section. Also, after

1990, engineering firms or any principal or employee thereof cannot perform both engineering and administration, regardless of the source of payment.

Sample Request for Qualifications/Proposals: If CDBG funds are used for professional services, copies of the RFQ must be sent to those minority-owned and female-owned firms in close proximity to the community and the company awarded any contract must be in compliance with E-Verify requirements.

The Request for Proposals (RFP) must be made available to the area Regional Planning Commission as well as ALL grant administrators on the CDBG Administrators list.

Failure to follow required procurement process will either disallow the use of CDBG funds to pay for the service or the process will have to be repeated correctly.

**SAMPLE**  
**REQUEST FOR QUALIFICATIONS**  
**PROFESSIONAL ENGINEERING SERVICES**

The City of Anytown requests qualifications for engineering services to assist in a proposed CDBG project financed in part with Community Development Block Grant (CDBG) funds. Other funding sources may involve USDA/RD or DNR. The City intends to provide improvements to its municipal water distribution system. The proposed improvements include the replacement of water lines in the downtown portion of the city, construction of a new water tower to be located one mile south of the junction of highway 50 on JJ, and the reconstruction of asphalt roadway that may be disturbed during construction.

Information provided to the City must include at a minimum:

1. The specialized experience and technical competence of the firm with respect to water system improvements or related work;
2. The capacity and capability of the firm to perform the work in question, including specialized services, within a period of twelve months, beginning August 1, 2011; (example)
3. The past record of performance of the firm with respect to such factors as control of costs, quality of work, and ability to meet schedules;
4. The firm's proximity to and familiarity with the area in which the project is located; and
5. References from all previous clients involved with the firm within the past five years. Ability to begin work immediately and guarantee submittal to DNR within twelve months plus (3) above shall receive primary consideration.
6. Reference and experience of previous work on CDBG/RD/DNR grant projects.
7. Documentation of compliance with E-Verify requirements.

This information must be submitted no later than July 31, 2011, 5:00 p.m., at Anytown City Hall. For more information, please contact Gerald Brown at (417) 555-9897.

The City of Anytown is an Equal Opportunity Employer and invites the submission of qualifications from minority and women-owned firms.

**SAMPLE**  
**REQUEST FOR PROPOSALS**  
**PROFESSIONAL ADMINISTRATION SERVICES**

The City of Anytown requests proposals for administrative services to assist in a proposed project financed with \$250,000 in Community Development Block Grant (CDBG) funds. The city's \$300,000 bond issue is financing the remainder of the project. The project consists of replacement of 4,500 l.f. of 6" municipal water distribution lines in the southern portion of the city, construction of a 150,000 gallon elevated storage tank to be located one mile south of the junction of highway 50 on JJ, and the reconstruction of asphalt roadway that may be disturbed during construction.

Administration services shall include, but are not limited to, the implementation of the project in conformance with the following CDBG compliance area: environmental review, financial management, procurement, labor standards, equal opportunity/civil rights, citizen participation, acquisition/relocation, and close-out.

Information provided to the city shall include at a minimum:

1. The specialized experience and technical competence of the firm with respect to CDBG grant administration and related work on jointly funded projects with RD and DNR.
2. The past record of performance of the firm with respect to such factors as accessibility to clients, quality of work, and ability to meet schedules;
3. The firm's proximity to and familiarity with the area in which the project is located;
4. The capability of carrying out all aspects of grant related activities;
5. Cost of services; and
6. References from previous clients of related work with the firm within the past five years.
7. Documentation of compliance with E-Verify requirements.

1, 2, 3 and 5 above shall receive priority weighting in the final selection.

The above information should be submitted no later than July 31, 2011, 5:00 p.m., City Hall, 111 First Street, Anytown, MO 66000. For more information contact City Clerk at 555-555-5555.

The City of Anytown is an Equal Opportunity Employer and invites the submission of proposals from minority and women-owned firms.

## **SAMPLE FOR COMBINED PRESELECTION REQUEST FOR PROPOSALS**

### **PROFESSIONAL GRANT WRITING AND ADMINISTRATION SERVICES**

The City of Anytown requests proposals for preparation of a grant application and subsequent administration services to assist in a proposed project to be partially financed with Community Development Block Grant (CDBG) funds. The remainder of the project is being financed by the city's \$300,000 bond issue. The project consists of municipal water system improvements.

Grant application preparation shall include, but is not limited to, preparation and submittal of all completed grant forms by the appropriate deadline, LMI determination, coordination with preliminary engineering report, etc.

Administration services shall include, but are not limited to, the implementation of the project in conformance with the following CDBG compliance areas: environmental review, financial management, procurement, contract management, labor standards, equal opportunity/civil rights, citizen participation, acquisition/relocation, and close-out.

Information provided to the city shall include:

1. The specialized experience and technical competence of the firm with respect to CDBG grant preparation and administration and related work on jointly funded projects with RD and DNR funds.
2. The past record of performance of the firm with respect to such factors as accessibility to clients, quality of work, and ability to meet schedules;
3. The firm's proximity to and familiarity with the area in which the project is located;
4. Capability of carrying out all aspects of grant related activities;
5. Cost of services (clearly separate the cost associated with grant preparation and administration services); and
6. References from previous clients of related work with the firm within the past five years.
7. Documentation of compliance with E-Verify requirements.

1, 2, 3 and 5 above shall receive priority weighting in final selection.

The above information should be submitted no later than June 30, 2011, 5:00 p.m., City Hall, 111 First Street, Anytown, MO 66000. For more information contact City Clerk at 555-555-5555.

The City of Anytown is an Equal Opportunity Employer and invites the submission of proposals from minority and women-owned firms.

**SAMPLE FOR COMBINED PRESELECTION  
REQUEST FOR QUALIFICATIONS  
PROFESSIONAL ENGINEERING SERVICES:**

**PRELIMINARY ENGINEERING, DESIGN, AND INSPECTION SERVICES**

The City of Anytown requests qualifications for preliminary engineering services, subsequent engineering design services, and construction inspection services, to assist in a proposed public facilities project to be partially financed with Community Development Block Grant (CDBG) funds. The remainder of the project is being financed by the city's \$300,000 bond issue. The project consists of municipal water system improvements.

Information provided to the city must include at a minimum:

1. The specialized experience and technical competence of the firm with respect to water system improvements or related work;
2. The capacity and capability of the firm to perform the work in question, including specialized services, within a period of twelve months beginning \_\_\_\_\_ (*example: June 1, 2011*);
3. The past record of performance of the firm with respect to such factors as control of costs, quality of work, and ability to meet schedules;
4. The firm's proximity to and familiarity with the area in which the project is located; and
5. References from previous clients of related work with the firm within the past five years.
6. References and experience on jointly funded CDBG/RD/DNR grant projects.
7. Documentation of compliance with E-Verify requirements.

The firm will be selected based on the above qualifications. Once the most qualified firm is selected, a cost for preliminary engineering will be negotiated separately from the cost for engineering design. Contracting for these two activities shall occur separately and costs/payments associated with each will be clearly defined. Contracts executed for engineering design and construction inspection services shall be contingent upon the award of the grant and commitment of all project funds.

The ability to begin work immediately and guarantee submittal to DNR within twelve months plus (3) above shall receive primary consideration.

The above information should be submitted no later than June 30, 2011, 5:00 p.m., City Hall, 111 First Street, Anytown, MO 66000. For more information, contact City Clerk at 555-555-5555.

The City of Anytown is an Equal Opportunity Employer and invites the submission of proposals from minority and women-owned firms.

## COUNTY PROCUREMENT AND CONFLICT OF INTEREST POLICY

**BE IT RESOLVED:** that the County of \_\_\_\_\_ hereby notifies the Department of Economic Development that its procurement is completed in accordance with Chapter 50 of the Missouri Revised Statutes, County Finances, Budget and Retirement Systems, Sections 50.760 to 50.790, including all other applicable sections and applicable waivers that have been established under Section 50.783.

**FURTHER BE IT RESOLVED:** that the County of \_\_\_\_\_ operates in accordance with Chapter 105 of the Missouri Revised Statutes; Public Officers and Employees – Miscellaneous Provisions regarding conflict of interest of any person who is designate as a decision-making public servant.

**SIGNED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 200\_\_**

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Presiding Commissioner

Attest:

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County Clerk

**SAMPLE**

**PROCUREMENT EVALUATION/COST CRITERIA RANKING SYSTEM**

1. Determine type of procurement and whether cost is required to be a factor in your selection.
2. Select from the **Category** list, and identify those factors (1-11) you believe to be most important and relevant to this procurement and this project. (You may choose all of them.) Remember that these same factors should be specified in the bid solicitation process so that all potential bidders may construct their bids appropriately.
3. In order to gain a 100-point scale, assign points to the factors (1-11) chosen from the **Category** list. Assign higher points to factors you consider more important. Enter your points in the **Weight** column. Since the procurement standard asks for two categories, lowest (referring to price) and most responsible (referring to desired qualifications), a determination must be made how the weight is distributed. (Typically, the state procurement process assigns 40-50% to the cost.)
4. Upon receipt of the bids, each bidder should be rated (from 1-10 points) in regard to how their bid reflects each factor.
5. When rating the **Cost** factor, award the lowest bidder all 50 points in the **Rating** column. \* Then, award each bidder a relative numerical value from 1-49 points in the **Rating** column consistent with how their costs compare with the lowest.
6. You may tailor factors in the **Category** column as appropriate to both your project and the type of solicitation.

	<b>CATEGORY</b>	<b>RATING</b>	<b>X</b>	<b>WEIGHT</b>	<b>=TOTAL</b>
1. <b>Project Requirements:</b> (Firm's analysis, preparation, and interest level)	_____	_____	<b>X</b>	_____	= _____
2. <b>Design Approach/Methodology:</b> (Firm or individual's creativity and problem solving abilities)	_____	_____	<b>X</b>	_____	= _____
3. <b>Key Personnel and Roles:</b> (Qualifications and professional skills of key individuals)	_____	_____	<b>X</b>	_____	= _____
4. <b>Previous Experience, Firm:</b> (Related projects and jointly funded grant projects)	_____	_____	<b>X</b>	_____	= _____
5. <b>Previous Experience, Individual:</b> (Related projects of key personnel)	_____	_____	<b>X</b>	_____	= _____
6. <b>Resources and Ability:</b> (Quality and importance/availability of consultant or in-house support services)	_____	_____	<b>X</b>	_____	= _____
7. <b>Technical Project Management:</b> (Abilities in technical function, such as project cost controls, construction observation, and time scheduling)	_____	_____	<b>X</b>	_____	= _____

<b>8. Responsiveness to Owners' Concerns:</b>	_____	<b>X</b>	_____	= _____
(Firm's ability to communicate and form successful working relationships)				
<b>9. Firm/Individual's Proximity to Project:</b>	_____	<b>X</b>	_____	= _____
(The extent to which the physical location of the firm/individual is relevant to the project site)				
<b>10. References/Past performance:</b>	_____	<b>X</b>	_____	= _____
(Firm's past performance, customer satisfaction including quality and timeliness of completed tasks)				
<b>11. Cost:</b>	_____	<b>X</b>	_____	= _____
(Determine bid price submitted)				
			<b>GRAND TOTAL</b>	_____

**\*\*PROCUREMENT HELPFUL HINTS\*\***

- ❖ Your efforts at procurement will be rewarded in your budget and project readiness.
- ❖ Regardless of the position of other Federal or state agencies, negotiation with a bidder is not allowed in a CDBG funded project.
- ❖ Bid your project with alternative(s) and/or add-on deductibles (see the Contract Management Chapter) to help ensure adequate funds for the project.
- ❖ Care must be taken not to reduce the scope of the project that was funded with alternatives.
- ❖ Build your preferences into your selection criteria and apply and document them when evaluating the responses received.
- ❖ Do not circumvent the free and open competitive process.
- ❖ Remember, conflict of interest applies in procurement of materials, services, and construction.
- ❖ Make sure your bidder is eligible to work in the State of Missouri, is not on the list of debarred contractors, and can provide 100% payment and performance bonds from a qualified surety.
- ❖ Review all proposals and bids for work content and lump sum dollar amount