

# 2024 CDBG Recipient Workshop

## Procurement

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## “Big Picture Takeaways”

- » “Responsible Entity” Responsibilities
- » Locally Adopted Policies
- » Highest Quality / Lowest Price
- » “If it’s not documented... it didn’t happen”

# Conflicts of Interest

- » Prohibited conflicts:
  - Persons with CDBG responsibilities, decision-making power or information may NOT:
    - Obtain a financial (or any!) interest or tangible benefit from a contract
    - Solicit nor accept favors/anything of monetary value
    - Applies to family members and business ties
  
- » If there is any doubt, the involved individual should recuse self and disclose conflict
  
- » “If it looks like a conflict of interest...” (perception = reality)

# Responsible Contractors

- » Must check the Federal list of debarred contractors on SAM.gov
  - What is a “contractor”?
  
- » Need to search the “Excluded Parties List System,” not just an active SAM.gov account.
  
- » Include screenshot *with date and time stamp* in the contractor clearance form
  - Be sure to check PRIOR to awarding contracts!

# Procurement Methods

- » Construction – Buildings and Utilities
  - » Iowa Code Chapter 26
  - » <https://www.legis.iowa.gov/docs/code/2022/26.pdf>
  - » Different thresholds depending upon type of project and type of recipient
  - » If below a given threshold, follow “other general goods and services” procedures
  - » You still need to publish the bid notice in a newspaper of general circulation

# Procurement Methods

- » All Professional Services – (A/E, TA, Lead Inspector)
  - » Formal competitive selection
  - » More than one offer submitted
  - » Fixed price or cost-reimbursement contract
  
- » “RFQ” / “RFP” rather than sealed bids
  
- » You still need to publish the RFQ/RFP notice in a newspaper of general circulation

# Procurement Methods

- » All Other Goods and Services
  - » Not relevant to “traditional” CDBG projects
  - » Consider CV microenterprise/food banks, or the new Neighborhood Revitalization program
  - » Determine anticipated *aggregate total purchase cost*, not individual line-item cost
  
- » Any service, regardless of price, requires a contract with CDBG provisions.
  
- » Goods and materials only, if less than \$5,000, do not require a contract

# Procurement Methods

1. Small Purchase Method (less than \$5,000)
2. Simple Purchase Method (between \$5,000 - \$50,000)
3. Sealed Bids Method (greater than \$50,000)
  - *(Remember– all construction procurement follows Iowa Code Chap.26 – Public Construction Bidding, while still publishing the bid notice in a newspaper)*
4. Competitive Proposal Method (greater than \$50,000)
  - Also used for professional A/E or technical services at any price



# Procurement Methods: Noncompetitive Procurement

- » Also called “sole source”
- » Offer is only possible from one source
- » This method may be used only under VERY limited circumstances:
  - Emergency
  - Express authorization from HUD or IEDA
- » Document everything!

# Procurement Methods: Single-Source Provider Method

- » So, what is “single-source”?
- » Offer/bids solicited from multiple sources but only one legitimate response, or competition from multiple sources is deemed inadequate.
- » Requires approval from IEDA prior to signing contract.

# Bonding

- » Bid Bonds
- » Performance Bonds
- » Payment Bonds
  
- » Recipient may petition IEDA to accept their own bonding policy
  
- » Recipients are expected to comply with all state requirements regarding bonding for public improvement projects:  
<https://www.legis.iowa.gov/docs/code/2019/573.pdf>
  
- » Recipients should consult with legal counsel to determine how state requirements may impact their CDBG project.

# Contract Provisions

- » CDBG contract language required for all contracts:
- » Access and Maintenance of Records
  - Three years after the closeout between HUD and IEDA
- » Civil Rights (incl. Section 3, as amended)
- » Termination Clause
  - Not just a copy/paste that one is needed, but an actual termination clause specific to the contract
- » Restrictions on Lobbying
- » Lead-Safe Housing Regulations (as applicable)
- » Recycled Materials
- » Regulation Pertaining to Reporting

# Contract Provisions

Construction contracts greater than \$2,000

- » Federal Labor Standards (verbatim), which includes:
  - » Davis-Bacon and related acts (Incl. current wage rates)
  - » Contract Work Hours and Safety Standards Act
  - » Copeland Anti-kickback Act
- 
- » Note: Housing Rehab/Upper Story/Housing Conversion contracts of less than 8 units excluded from above.

# Contract Provisions

All Contracts greater than \$10,000

- » Federal Executive Orders 11246 and 11375
- » Provides that no one be discriminated in employment

All Contracts greater than \$100,000

- » Clean Air and Water Acts
- » Section 306 of the Clean Air Acts
- » Section 508 of the Clean Water Acts
- » Executive Order 11738 (Administration of the above)

# Certification of Compliance

- » The Certification of Compliance Form became effective with all FY 2016 awarded projects and has been updated
- » Find it in Appendix 2 of the Management Guide (in the Procurement section)
- » It is required to be uploaded into IowaGrants – the Required Uploads section, prior to the 1<sup>st</sup> construction claim, and applies to ALL procurement for the specified award

# Resources

- » CDBG Management Guide, Chapter 2 and Appendix 2
- » <https://www.iowaeda.com/cdbg/management-guide/>
- » IEDA website with recorded trainings and slides
- » <https://www.iowaeda.com/cdbg/training-resources/>



# Questions?

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