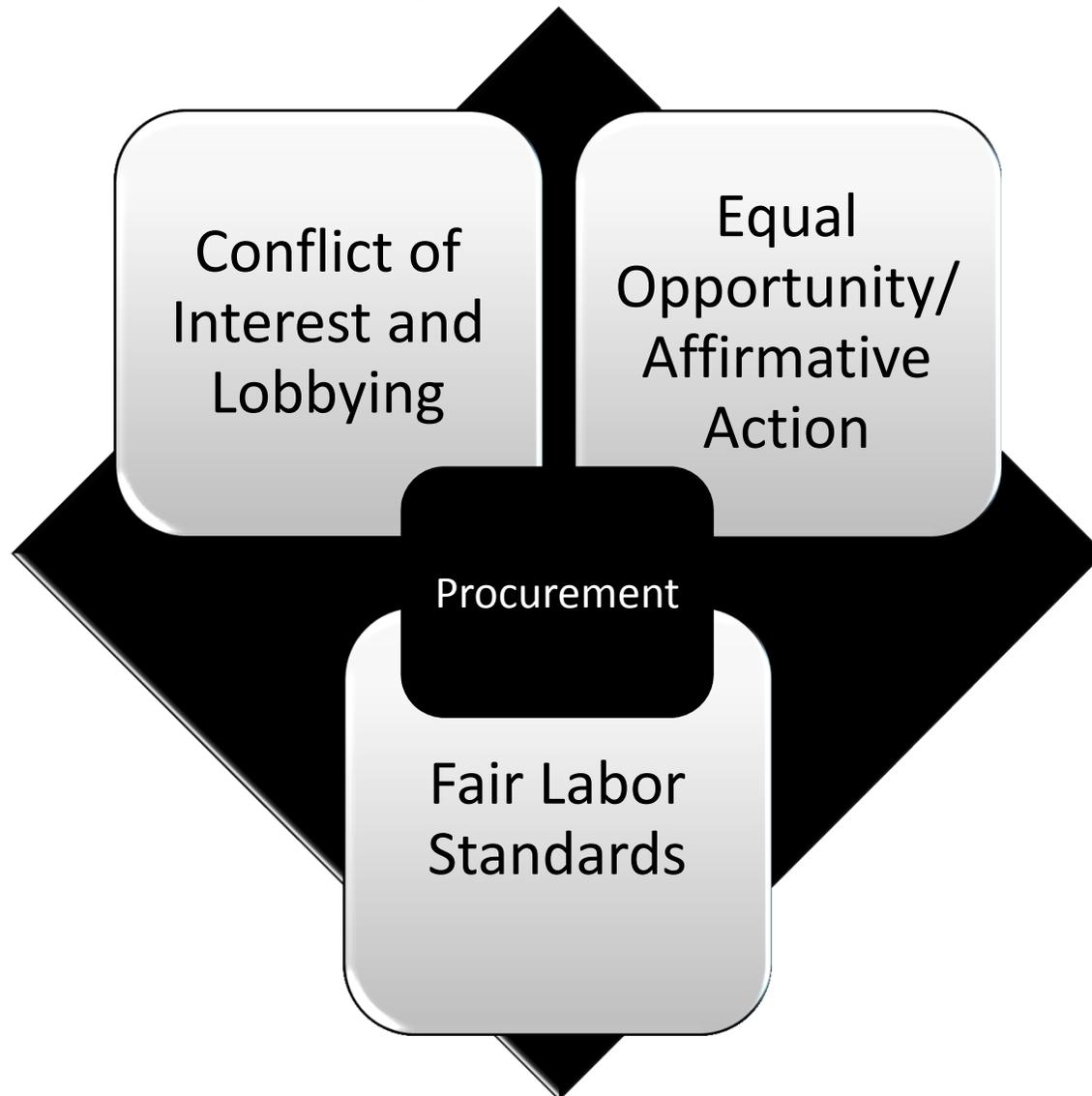


Department of Administration  
Division of Housing

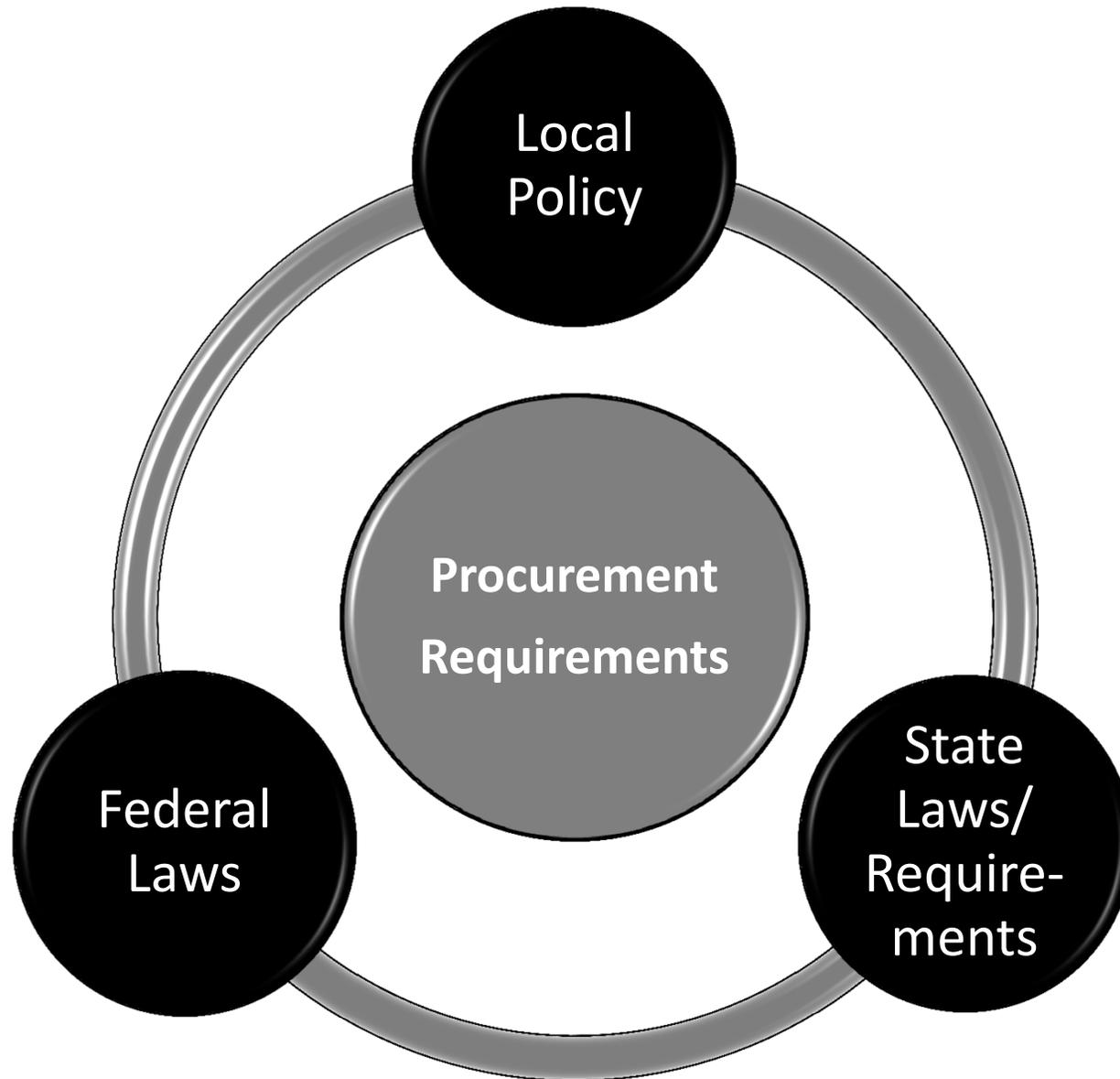
# Chapter 3: Procurement Requirements



# Procurement Connection to Other Requirements



# CDBG-PF Procurement Requirements



# Local Procurement Policy: Best Practices

(Handbook, p. 2-4; 24 CFR Part 85.35-.36)



- Open and free, fair competition



- Economy and efficiency



- Checks and balances



- Authorization by official(s)



- Cost or price analysis

# Restrictive of Free and Open Competition

(Handbook, p. 3)



- Unreasonable qualifying requirements

- Unnecessary experience/excessive bonding requirements

- Specifying only brand name products

- Non-competitive Awards

- Non-competitive contract awards

# Debarred & Ineligible Contractors

(Handbook, p. 4)

*The UGLG must ensure awards are not made to any party which is debarred or suspended, or is otherwise excluded from or ineligible for participation in federal assistance programs. (Executive Order 12549, 24 CFR 85.35)*

**Check status of contractors and  
subcontractors on  
System of Award Management:  
<http://sam.gov>**

# Equal Opportunity and Affirmative Action in Procurement

## Take Affirmative Steps To:

- Use of local, small businesses (other factors beyond location must also be considered)
- Use of minority-owned and/or women-owned business enterprises (**MBE/WBE**)
- Use labor surplus area firms
- Award contracts for work to be performed to eligible businesses located in or owned by residents of the distribution area to ensure that the employment and other economic opportunities generated by federal financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low- and very-low income persons

(Handbook, p. 4-5)

# Equal Opportunity and Affirmative Action in Procurement

## Strategies:

- Incorporate such businesses in solicitation whenever they are potential sources
- Ensure such businesses are solicited when identified as potential sources
- Divide procurement requirements, when economically feasible, to permit maximum participation of such businesses
- Require prime contractors, when subcontracts are let, to take affirmative steps to select such firms

(Handbook, p. 5)

# Wisconsin Statutes on Procurement

(Handbook, p. 15)

<b>Statute</b>	<b>Requirement Topic</b>
66.0901	General for Municipality: Public works, contracts, bids
59.03-59.04, 59.06	Counties: Home rule, construction of powers, county property
60.47	Towns: Public contracts and competitive bidding
61.54-.57	Villages: Public Works, acquisition of recycling or resource recovery without bids
62.15	Cities: Public works

# Wisconsin VendorNet System

(Handbook, p. 2)

WISCONSIN EFFICIENT  
 STATE OF WISCONSIN • BUREAU OF PROCUREMENT  
BUYERS PROGRAM

## VendorNet System

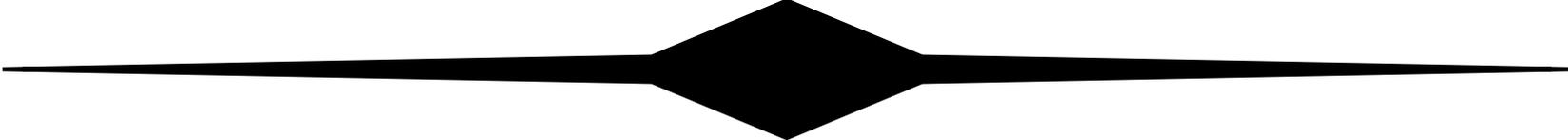
### General Procurement Information

- [Badger State Industries](#)
- [Bid Awards](#)
- [Certification for Collection of Sales and Use Tax](#)
- [Certified Work Centers](#)
- [Consolidated Agency Purchasing Services \(CAPS\)](#)
- [Contract Compliance/Affirmative Action Requirements](#)
- [Forms, Purchasing](#)
- [Legal Notice Rates, Ch. 985](#)
- [Minority Business Enterprise Program](#)
- [Municipal Cooperative Purchasing Service](#)
- [National Association of State Purchasing Officials](#)
- [Procurement Contracts](#)
- [Procurement Desk Guide](#)
- [Procurement Plans](#)
- [Public Notices](#)
- [Purchasing Card Information](#)
- [Recycling Procurement Program](#)
- [State Facilities](#)
- [State Procurement Manual](#)
- [State Use Program](#)
- [Vendor's Guide](#)
- [Weekly Oil Pricing](#)
- [Wisconsin Association of Public Purchasers](#)
- [Wisconsin Statutes](#)
- [1122 Federal Procurement Program](#)

<http://vendornet.state.wi.us/vendornet/asp/gvi.asp>

# CDBG-PF Procurement In Action

## Yourville's Procurement Policy



Identify policy components that are *conducive to or restrictive of*:

- Open and free competition
- Economy and efficiency
- Checks and balances

# Types of Procurement

## Small Purchase/ Simplified Acquisition

- \$50,000 or less
- Small quantity of supplies
- Solicit in writing
- Quotes from min. 3 vendors
- Written (or oral for <\$500) quotes
- Lowest bidder
- Notify bidders in writing (p. 7-8)

## Competitive Sealed Bid

- >\$50,000 (>\$25,000 construction)
- Construction or large quantity of supplies
- *Principally* based on price; fixed-price contract
- Public ad; solicit bids; time to respond
- Bids opened publicly
- Receive 2 or more responsible bids
- Award in writing to lowest responsive, responsible bidder (p. 8-9)

## Competitive Proposal

- Professional services
- Fixed price or not-to-exceed contract;
- RFP and RFQ (A/E only)
- Evaluation criteria; scoring
- Committee review
- Most qualified competitor selected; subject to negotiation of compensation (p. 9-12)

## Non-competitive Proposal/ Sole-Source

- Generally prohibited for CDBG
- Solicitation from 1 source
- Only when other options are not feasible
- Several considerations prior to use
- Required DOA-DOH prior approval (p. 13)

# Procurement Practices **Prohibited**

- No Loss-Leader Arrangements
  - Discounted or free grant application preparation or preliminary engineering estimates in exchange for contract award if application is funded is not allowed
- No Multiple-Services Procurement and Contracting
  - Exception 1: UGLG seeks to use same firm for preliminary engineering planning and project engineering
  - Exception 2: UGLG seeks to use same firm for grant preparation and administration
  - Exceptions still require 2 separate procurement and contracting processes (1 for Planning and Project Engineering; 1 for Grant Application and Administration)

(Handbook, p. 6-7)

# Construction: Competitive Sealed Bid

1. Advertise the invitation for bids; solicit bids from adequate number of known suppliers; provide sufficient time to respond (*Conflict of Interest considerations*)
2. Invitation for bids must include:
  - Accurate specifications
  - Pertinent attachments (per procurement, labor, environmental, and EEO/EO/AA standards)
  - Clearly defined items or services needed, in sufficient detail for bidder to properly respond
3. Bids opened publicly at time and place stated in invitation for bids

(Handbook, p. 8-9)<sup>14</sup>

# Construction: Competitive Sealed Bid

4. Must receive 2 or more responsible bids for each procurement transaction
5. Select lowest responsive and responsible bid\*
6. Upon award, enter fixed-price contract\*

\*UGLG can decide not to make award to any bidders and may re-bid the project under certain conditions (e.g., bids are not responsible or proposals do not contain information necessary to evaluate bids)

# Construction: Competitive Sealed Bid CDBG Monitoring Considerations

- Was the process conducive to open and free competition?
- Was the process fair?
- What “best efforts” were made to access qualified sources, provide equal opportunity, and solicit an adequate number of bids?
- Did the bid documents include the required information and supporting data and documents in order for competitors to appropriately respond?
- Were conflicts of interest disclosed and accounted for?
- Are all required bid documents on file?

# Professional Services: Competitive Proposal RFP Content

- Clear, detailed, accurate specifications for technical requirements for goods/services needed
- Scope of services
- Type of contract to be provided (e.g., cost reimbursement/cost plus fix fee; fixed price; per diem contract)
- Cost and pricing data
- Start/completion dates
- Evaluation criteria for ranking proposals
- Project information (e.g., reports, maps, site plans)

(Handbook, p. 10<sup>17</sup>-11)

# Professional Services: Steps for Competitive Proposal

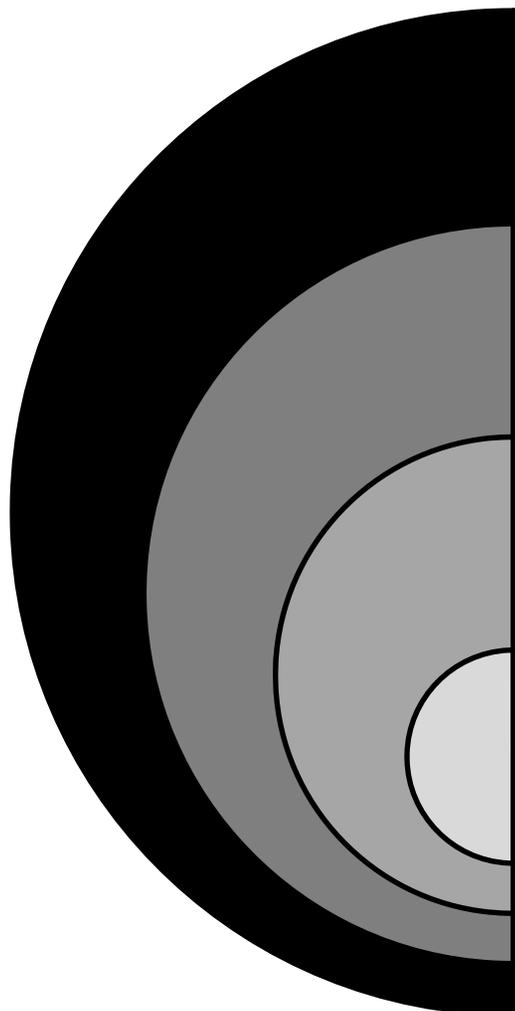
1. Prepare and Publicize RFP (*Conflict of Interest considerations*)
2. To maximum extent practicable, honor reasonable requests to have opportunity to compete
3. Solicit from adequate number of qualified sources, consistent with nature and requirements of the procurement
4. Conduct technical evaluation of proposals to identify responsible offers
5. Evaluate price and other factors through scoring the proposals according to predetermined criteria
6. Award contract to most responsive and responsible contractor/most advantageous source (highest score)

# Professional Services: Architectural/Engineering Services Competitive Proposal with RFQ

- Architectural/Engineering (A/E) Services ONLY
- Request for Qualifications (RFQ) from qualified sources
- Review and rank Statements of Qualification
- Select top 2-3 to submit proposals (including scope of services, estimated costs)
- Most qualified source selected, subject to negotiation of fair and reasonable compensation
- Price is NOT used as selection factor (Handbook, p. 11)

# Professional Services: Competitive Proposal Evaluation Criteria

(Handbook, p. 10)



Expertise	<ul style="list-style-type: none"><li>• Specialized experience</li><li>• Technical expertise</li></ul>
Past Record of Performance	<ul style="list-style-type: none"><li>• Quality of Work</li><li>• Timeliness</li><li>• Cost control</li></ul>
Capacity to Perform	<ul style="list-style-type: none"><li>• Within time limitations</li><li>• Current and planned workload</li></ul>
Familiarity with Type of Project	<ul style="list-style-type: none"><li>• Work to be performed</li><li>• Problems associated with it</li></ul>

Professional Services:  
Architectural/Engineering Services  
Competitive Proposal with RFQ

An RFQ cannot be used to purchase other types of services, even though A/E firms are potential sources to perform other types of services.

(Handbook, p. 12)

# Professional Services: Architectural/Engineering Services Competitive Proposal with RFQ

Federal procurement requirements discourage the use of local geographical preferences in the evaluation of bids or proposals, except where mandated by federal statutes, due to limitations this places on open competition. However, in procuring A/E services, geographic location is permitted as a selection criterion provided it results in an appropriate number of qualified firms still being allowed to submit qualification for review.

(Handbook, p. 12)

# Professionals Services Competitive Proposal CDBG Monitoring Considerations

- Was the process conducive to open and free competition?
- Was the process fair?
- What “best efforts” were made to access qualified sources, provide equal opportunity, and solicit an adequate number of competitors?
- Did the RFP/RFQ documents include the required information and supporting data and documents in order for competitors to appropriately respond?
- Were conflicts of interest disclosed and accounted for?
- Are all required RFP/RFQ documents on file?

# CDBG-PF Procurement In Action

## Procurement for Yourville's CDBG Project

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- Which items require the use of a procurement process?
- Which procurement method would you use for each and why?
- What would you include in the cover letter/bid package/RFP/RFQ?
- What scoring method would you use to evaluate bids/proposals?

# Procurement File

- ☑ Method and rationale for procurement/selection for *all* contracts
- ☑ Qualification statements, RFPs, proposals received
- ☑ Evaluation method(s)
- ☑ Cost and pricing data
- ☑ Conflict of Interest statements (if applicable)
- ☑ Debarment/eligibility status documentation for contractors/subcontractors from Sam.gov
- ☑ Contract(s) for services
- ☑ Records of partial/full payments; supporting documentation (in Financial Management folder)
- ☑ Contract amendments and rationale (if applicable)

(Handbook, p.<sub>25</sub>14)

# Helpful Websites:

## **HUD 24 CFR Part 85.36:**

[http://www.hud.gov/offices/lead/library/lead/24\\_CFRPART\\_85.pdf](http://www.hud.gov/offices/lead/library/lead/24_CFRPART_85.pdf)

## **Wisconsin State Procurement Policies:**

<http://vendornet.state.wi.us/vendornet/procman/index.asp>

## **HUD Information on Cost and Price Analysis:**

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/cpo/grantees/cstprice#who](http://portal.hud.gov/hudportal/HUD?src=/program_offices/cpo/grantees/cstprice#who)

## **Wisconsin State Statutes:**

<http://legis.wisconsin.gov/rsb/stats.html>

(66.0901, 59.03-59.04, 60.47, 61.54-61.57, 62.15)

# PROCUREMENT QUESTIONS?

*Follow-up questions can be emailed to:*

[DOADOHCDBGCD@Wisconsin.gov](mailto:DOADOHCDBGCD@Wisconsin.gov)

Please complete the **Chapter 3: Procurement** section of your **Training Survey** at this time. Thank you!

# Procurement Summary Questions

1. What are 5 things DOA-DOH will look for in a grantee's procurement policy?
2. Name 2 places to find State procurement information and requirements.
3. What is the State's dollar-value limit for allowable small purchase procurement?

# Procurement Summary Questions

4. What type of procurement should be used for construction contracts?
5. What type of procurement should be used for professional services contracts?
6. When is sole-source procurement allowed?