

Appendix
Section 3

Procurement Compliance

Appendix 3 - Record of Changes

Date	Description of Change	Section
2023	Removed detailed Electronic Code of Federal Regulations for Title 2 – Grants and Agreements and provided links below to eCFR instead.	

PROCUREMENT STANDARD RESOURCES

- **§200.317** – 200.327 Procurements by State regulations are addressed specifically at [eCFR :: 2 CFR 200.317 -- Procurements by states.](#)
- **§200.318** – 200.326 Procurement standards are addressed specifically at [eCFR :: 2 CFR Part 200 Subpart D - Procurement Standards](#)

CDBG GUIDANCE CONTRACT MGMT CHECKLIST

Grant #	
Subrecipient	
Preparer	
Date	

In accordance with 2 CFR 200 Subpart D, all subrecipients must include certain provisions within all contracts entered as a part of the CDBG project. This checklist serves only as a *guide*; requirements may vary between categories and from project to project.

For more information, see 2 CFR§200.326, CDBG Administration Manual Chapter 7 – Procurement, and the Procurement Procedures & Code of Conduct. A sample professional services contract (e.g., grant administration, construction, engineering, planning, etc.) is located on the CDBG Website.

I. SAM Verification of Firm/Consultant	
<input type="checkbox"/>	Record of verifying status as not excluded/debarred (date must precede contract award)
II. Timing of Agreement	
<input type="checkbox"/>	CDBG NOA Date _____
<input type="checkbox"/>	CDBG ROF Date _____
<input type="checkbox"/>	Date of Execution _____
<input type="checkbox"/>	Does not violate timing NOTE: Do <u>not</u> enter into contracts for project activities (i.e., non-general administrative) prior to CDBG ROF Date. Date of Execution above is the date the contract is entered. If the subrecipient and firm sign the contract on separate dates, use the date signed by the subrecipient.
III. General Administrative Provisions; these provisions are <u>not</u> limited to contracts for 21A services.	
<input type="checkbox"/>	Names and addresses of the two parties, the subrecipient and the firm/consultant
<input type="checkbox"/>	Citation of the authority of the subrecipient under which the contract is entered and funding source.
<input type="checkbox"/>	Effective date of the contract. (Actual Time of Performance listed under Section IV.) NOTE: depending upon the contract, the effective date may not be the same as the date the two parties (i.e., the subrecipient and firm/consultant) sign and otherwise explicitly specified.
<input type="checkbox"/>	Procedures for changing, amending, or revising the contract.
<input type="checkbox"/>	A clause prohibiting a transfer of any interest in the contract by the consultant (e.g., Assignability/Transfer of Interest).
<input type="checkbox"/>	Records Provision requiring the consultant to maintain records and furnish reports (e.g., Access to Records/Maintenance of Records).
<input type="checkbox"/>	Conflict of Interest Clause.
<input type="checkbox"/>	Conditions and terms under which the contract, by either party, may be terminated and remedies for violation/breach of contract (e.g., Termination for Cause/Convenience).
<input type="checkbox"/>	Names of representatives of subrecipient and firm acting as a liaison for contract administration. Scope of Services: <input type="checkbox"/> Detailed description of the extent and character of the work to be performed; work must also be consistent with type of services procured and provided. <input type="checkbox"/> Time of performance and completion of contract services; clear dates for start and completion. <input type="checkbox"/> Specification of materials or other services to be provided (i.e., maps, reports, etc.).

<input type="checkbox"/>	<p>Method of Compensation:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Provisions for compensation for services, including basis for and frequency of partial payments. <input type="checkbox"/> Contract is fixed-fee or lump sum (not allowable are cost-plus, percentage of cost, etc.).
IV. Federal Standard Provisions	
<input type="checkbox"/>	Title VI of the Civil Rights Act of 1964 clause.
<input type="checkbox"/>	Section 109 of the Housing and Community Development Act of 1974 clause.
<input type="checkbox"/>	Age Discrimination Act of 1975, as amended (42 USC 6101, et. seq.).
<input type="checkbox"/>	Section 504 of the Rehabilitation Act of 1973, as amended (29 USC 794).
<input type="checkbox"/>	<p>Section 3 compliance clause.</p> <p>NOTE: Section 3 requirements apply to subrecipients of CDBG funding exceeding \$200,000 for public construction, housing construction, and housing rehabilitation. A section 3 project is defined as the site or sites together with any buildings and improvements located on the site(s) are under common ownership, management, and financing. If above listed threshold is <u>not</u> triggered, provide an explanatory statement:</p>
<input type="checkbox"/>	<p>Executive Order 11246, as Amended/Equal Employment Opportunity Provisions.</p> <p>NOTE: required for all construction contracts (exceeding \$10,000) and non-construction/service contracts exceeding \$50,000 for contractors with 50 or more employees.</p>
<input type="checkbox"/>	Build America, Buy America Act (BABA)
The following section and listed items are included here as a tool for ensuring compliance.	
V. Construction Contract/Labor Standards, if applicable.	
<input type="checkbox"/>	Construction cost exceeds \$2,000 in aggregate.
<input type="checkbox"/>	Notice of appointment of Labor Standards Officer.
<input type="checkbox"/>	Labor standards checklist.
<input type="checkbox"/>	Request for wage determination.
<input type="checkbox"/>	Copy of bid advertisement.
<input type="checkbox"/>	<p>Copy of bid package:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Project specifications <input type="checkbox"/> Copy of wage determination from DED. <input type="checkbox"/> Statement of terms and conditions. <input type="checkbox"/> Contractor and subcontractor certification forms. <input type="checkbox"/> Bid, performance and other bond requirements. <input type="checkbox"/> HUD 4010 form
<input type="checkbox"/>	<p>Contract procurement and award (included for reference only, see Procurement Checklist):</p> <ul style="list-style-type: none"> <input type="checkbox"/> Minutes of the bid-opening meeting. <input type="checkbox"/> Log of bid package recipients and bidders. <input type="checkbox"/> Check for contractor debarment, including record of verification. <input type="checkbox"/> Contract must include the same items as the bid package with completed forms.

	<input type="checkbox"/> Pre-construction conference report or minutes.
<input type="checkbox"/>	Copy of notice of contract award.
<input type="checkbox"/>	Record of submission of LSE7 to DED.
<input type="checkbox"/>	Written notice to contractor to proceed with work.
<input type="checkbox"/>	Report of additional classifications and wage rates, if applicable: <input type="checkbox"/> Report of additional classification (HUD 4230a) <input type="checkbox"/> Additional classifications and wage rate approval
<input type="checkbox"/>	Contractor performance records: <input type="checkbox"/> Reports on job site inspections <input type="checkbox"/> Weekly payroll reports for each contractor and subcontractor, including evidence of review. <input type="checkbox"/> Weekly statement of compliance for each contractor/subcontractor. <input type="checkbox"/> Employee interview reports. <input type="checkbox"/> Log of payments made to contractor.
<input type="checkbox"/>	Records of contractor violations, if applicable: <input type="checkbox"/> Notice of contractor violation <input type="checkbox"/> Record of resolution <input type="checkbox"/> Report of wage restitution accomplished <input type="checkbox"/> Calculation of employee restitution
<input type="checkbox"/>	Proof of employee restitution, if applicable.

CDBG GUIDANCE PROCUREMENT CHECKLIST

Grant #	
Subrecipient	
Preparer	
Date	

In accordance with 2 CFR 200 Subpart D, all subrecipient must follow federal procurement standards as a part of the CDBG project. This checklist serves only as a guide; requirements may vary between categories and from project to project.

Subrecipient is required to procure for professional services unless subrecipient has an in-house professional, has a history of appointment, or is a member of a development district that is qualified in one of the professional services areas. Procurement prior to CDBG award also requires completion of this checklist, triggering submission of this checklist and associated documentation with Application Exhibit K2.

For more information, see 2 CFR§200.300, CDBG Administration Manual Chapter 7 – Procurement, and the Procurement Procedures & Code of Conduct. A sample bid package for construction contracts is located in Chapter 9 – Construction and Labor Standards.

I. General Requirements for All Undertakings	
<input type="checkbox"/>	Subrecipient’s procedures ensure fair and open competition.
<input type="checkbox"/>	Local internal controls address conflict of interest considerations. If there exists a clear or potential conflict of interest, provide additional explanation:
<input type="checkbox"/>	<p>Verify subrecipient did <u>not</u> engage in loss-leader arrangements:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Firm or individual submitting a proposal, statement, or bid did <u>neither</u> prepare solicitation <u>nor</u> assist or advise in its development. <input type="checkbox"/> Subrecipient used a single firm for application preparation and grant administration. <ul style="list-style-type: none"> <input type="checkbox"/> Separate procurement processes used. <input type="checkbox"/> Application preparer or its organization did <u>not</u> assist in process. <input type="checkbox"/> Subrecipient used a single firm for grant administration and other professional services. <ul style="list-style-type: none"> <input type="checkbox"/> Separate procurement processes used. <input type="checkbox"/> Certified administrator or its organization did <u>not</u> assist in process. <p>NOTE: A consultant that intends to respond to the RFP/RFQ cannot participate in the development or drafting of specifications, requirements, statements of work, or invitations for bids or requests for proposals, including, but not exclusive to, the development of the scoring criteria, the final selection of firms contacted, or the scoring of proposals. (Reference: 2 CFR 200.319(a))</p>
II. In-House – Professional Services and Architectural/Engineering Services	
<input type="checkbox"/>	Type of Service (include CDBG Activity Code(s)):
<input type="checkbox"/>	Provide statement on how subrecipient qualified the professional organization as being excluded from the procurement process for professional services (e.g., appointed through formal process).
<input type="checkbox"/>	<p>Verify the following:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Records of appointment for year of award <u>and</u> two prior years. <input type="checkbox"/> Copy of applicable Exhibit K (and any required attachments) on file and submitted. <ul style="list-style-type: none"> <input type="checkbox"/> K1a – Architect/Engineer <input type="checkbox"/> K1b – Development District (typically applies <i>only</i> for 21A services) <input type="checkbox"/> Record of verifying firm’s status as not excluded (date must precede contract award)

III. Procurement – Professional Services and Architectural/Engineering Services	
<input type="checkbox"/>	Type of Service (include CDBG Activity Code(s)):
	Identify Method of Procurement (2 CFR 200.320): <input type="checkbox"/> Micro Purchases <input type="checkbox"/> Small Purchase <input type="checkbox"/> Competitive Sealed Bids <input type="checkbox"/> Competitive Proposals <input type="checkbox"/> Non-Competitive Negotiation (Sole Source)
	Identify Timing of Procurement Related to CDBG Award/Notice of Approval: <input type="checkbox"/> Conducted prior to CDBG NOA <input type="checkbox"/> Conducted after CDBG NOA
<input type="checkbox"/>	<u>Rationale for Method</u> : Provide statement on subrecipient’s rationale for selecting method. NOTE : If subrecipient procured multiple services (i.e., listed more than one distinct service in a proposal), provide a statement to verify method is consistent with the CDBG Program policy on multiple- services. SOLE SOURCE NOTE : If method was non-competitive negotiation, subrecipient must document that only one source could provide the service or item or that competition was determined to be inadequate and have provided such documentation prior to entering associated contract).
Complete the following appropriate section (1, 2, 3, 4, or 5) for <u>this service only</u> as identified under item A (as the instructions indicate, complete a <u>separate</u> checklist for all procurement undertaken).	
1. Competitive Proposals Generally used for purchase of professional services.	
	Identify Method of Solicitation for Competitive Negotiation: <input type="checkbox"/> Request for Proposals (RFP); must include cost as a factor. <input type="checkbox"/> Request for Qualifications (RFQ), appropriate and allowable for A/E only. Cost is <u>not</u> a factor.
<input type="checkbox"/>	Copy of written solicitation (i.e., RFP or RFQ). <input type="checkbox"/> Clear and accurate description of all services and/or goods sought. <input type="checkbox"/> Clear and accurate description of all evaluation criteria. <input type="checkbox"/> Statement that contract amount will be lump sum, fixed-cost, or cost not to exceed (e.g., neither “cost plus a percentage of cost” nor “percentage of construction cost”).
<input type="checkbox"/>	Copy of publicized or published notice.
<input type="checkbox"/>	List of firms/individuals solicited directly.
<input type="checkbox"/>	Record of efforts directed toward solicitation of minority- and women-owned firms.
<input type="checkbox"/>	Record of specific efforts directed toward Section 3 Business Concerns and Residents.
<input type="checkbox"/>	List of <u>all</u> proposals or statements received. <input type="checkbox"/> If less than three proposals received, provide additional explanation:

	NOTE: if only one proposal received, method “converts” to Non-Competitive/Sole Source and requires subrecipient to receive DED approval <i>prior</i> to entering into a contract.
<input type="checkbox"/>	Copies of <u>all</u> proposals or statements received.
<input type="checkbox"/>	Scoring Records <input type="checkbox"/> Scoresheets for <u>all</u> proposals received, must be complete.
<input type="checkbox"/>	Evaluation criteria (for all factors, must match language in solicitation), including: <input type="checkbox"/> Responsiveness of proposals. <input type="checkbox"/> Reasonableness of costs. <input type="checkbox"/> Responsibleness of firms (NOTE: proximity is not a valid reason for selection).
<input type="checkbox"/>	Selection Records of awarded firm/individual <input type="checkbox"/> Record verifying status as not excluded/debarred (date must precede contract award). <input type="checkbox"/> Written statement explaining the basis for selection of firm. <input type="checkbox"/> Written statement explaining the basis for selection of contract type. <input type="checkbox"/> Records authorizing selection, if required by local internal controls and/or procedures.
<input type="checkbox"/>	Denial/award letters; subrecipient must notify each bidder in writing their status.
<input type="checkbox"/>	Minutes of the meeting at which the subrecipient awarded the contract.
2. Competitive Sealed Bids (Formal Advertising)	
Must be used for construction projects or large quantities of goods/materials.	
<input type="checkbox"/>	Copy of bid advertisement. <input type="checkbox"/> Clear and accurate description of all services and/or goods sought. <input type="checkbox"/> Clear and accurate description of all evaluation criteria. NOTE: if interviews are a selection factor, advertisement should list this clearly. <input type="checkbox"/> Statement that contract amount will be lump sum, fixed-cost, or cost not to exceed (e.g., not “cost plus a percentage of cost” or “percentage of construction cost”).
<input type="checkbox"/>	Copy of publicized or published notice.
<input type="checkbox"/>	List of firms/individuals solicited directly.
<input type="checkbox"/>	Record of efforts directed toward solicitation of minority- and women-owned firms.
<input type="checkbox"/>	Record of specific efforts directed toward Section 3 Business Concerns and Residents.
<input type="checkbox"/>	List of <u>all</u> bids or statements received; evidence of logging in bids.
<input type="checkbox"/>	If less than three proposals received, provide additional explanation: NOTE: if only one proposal received, method “converts” to Non-Competitive/Sole Source and requires subrecipient to receive DED approval <i>prior</i> to entering into a contract.
<input type="checkbox"/>	Copies of <u>all</u> bids received
<input type="checkbox"/>	Bid Opening/Scoring and Selection Records

	<input type="checkbox"/> Minutes of bid opening, bid tabulation, and recommendation for award. <input type="checkbox"/> Scoresheets for <u>all</u> bid received, must be complete.
<input type="checkbox"/>	Evaluation criteria (for all factors, must match language in solicitation), including: <input type="checkbox"/> Responsiveness of proposals. <input type="checkbox"/> Reasonableness of costs. <input type="checkbox"/> Responsibleness of firms (NOTE : proximity is not a valid reason for selection). NOTE : if interviews are part of the selection process, advertisement should list this clearly.
<input type="checkbox"/>	Record of verifying firm's status as not excluded (date must precede contract award).
<input type="checkbox"/>	Written statement explaining the basis for selection of firm.
<input type="checkbox"/>	Written statement explaining the basis for selection of contract type.
<input type="checkbox"/>	Records authorizing selection, if required by local internal controls and/or procedures.
<input type="checkbox"/>	Denial/award letters; subrecipient must notify each bidder in writing their status.
<input type="checkbox"/>	Minutes of the meeting at which the subrecipient awarded the contract.
<input type="checkbox"/>	Contract must include the same items as the bid package with completed forms.
<p align="center">3. Small Purchase Procedures</p> <p>Allowable for procurement for the purchase of services or supplies valued at identified threshold.</p>	
<input type="checkbox"/>	Written identification of item(s) procured.
<input type="checkbox"/>	List of <u>all</u> firms/individuals solicited directly in writing. <input type="checkbox"/> From at least three qualified sources, subrecipient obtained price or rate quotations. <input type="checkbox"/> If less than three proposals received, provide additional explanation: NOTE : if only one proposal received, method "converts" to Non-Competitive/Sole Source and requires subrecipient to receive DED approval <i>prior</i> to entering into a contract.
<input type="checkbox"/>	Record of efforts directed toward solicitation of minority- and women-owned firms.
<input type="checkbox"/>	Record of specific efforts directed toward Section 3 Business Concerns and Residents.
<input type="checkbox"/>	List of <u>all</u> proposals or statements received; if purchase is over \$500, quote must be in writing.
<input type="checkbox"/>	Written documentation of lowest responsive bidder.
<input type="checkbox"/>	Denial/award letters; subrecipient must notify each bidder in writing their status.
<input type="checkbox"/>	Minutes of the meeting at which the subrecipient awarded the contract to lowest responsive bidder.
<p align="center">4. Micro Purchase Procedures</p> <p>Allowable for procurement for the purchase of services or supplies valued at identified threshold. Micro-purchases may be awarded without soliciting competitive quotations if the subrecipient considers the price reasonable.</p>	

<input type="checkbox"/>	Records evidence subrecipient’s distribution of micro-purchases equitably among qualified suppliers.
<p>5. Non-Competitive Negotiation/Sole Source</p> <p><i>Subrecipient must have obtained DED approval <u>prior</u> to use of this method, this includes where the chosen method converts to Sole Source. Subrecipient records document that only one source could provide the service or item, competition was determined to be inadequate or other explanation for use. Where another method “converted” to Sole Source, subrecipient must maintain the entire record of procurement <u>and</u> DED approval of entering into sole source/non-competitive negotiations.</i></p>	
<input type="checkbox"/>	Record of DED approval (e.g., email correspondence).