

12/15/17

Instructions for procurement of services for CDBG funded projects

Local governments receiving CDBG funds must procure for services following the requirements of 2 CFR 200. The Iowa Economic Development Authority (IEDA) has developed these instructions to assist communities/ counties with the procurement process.

Procurement must be completed when selecting a firm for the following services:

- Engineering/ architectural services
- Housing technical services (if CDBG award is for housing rehabilitation)
- • Grant administration (See note below)

Note- If a local government is hiring their regional council of government/ planning commission to handle grant administration for the project, procurement is not required for those services.

The steps below can be followed when conducting procurement for any of the above referenced services.

Step 1. Establish or appoint a local Selection Review Committee

The city or county must establish a Selection Review Committee to determine the evaluation criteria and to rate proposals for services. This committee may consist of the entire local governing body (council/board of supervisors), a subset of this council/ board, as appointed by the Mayor/Chairman, or a combination of elected officials and city/county staff.

Cities/counties should have a minimum of two members on the committee.

Committee members may not have any potential conflicts of interest with any of the individuals, firms, or agencies under review (e.g., family relationships, close friendships, business dealings) and no person who might potentially receive benefits from CDBG-assisted activities may participate in the selection, award, or administration of a contract supported by CDBG funding if he or she has a real or apparent conflict of interest.

Step 2. Determine the Scope of Work

Determine the scope of work needed to complete the project. The scope of work should describe the tasks that need to be completed, and may include timeframes. IEDA has developed sample RFP/RFQ documents that may be helpful to cities/counties when developing the scope of work.

Sample documents can be found here:

<https://www.iowaeconomicdevelopment.com/Community/downloads> (Under "Procurement Documents for Communities)

A city/county may wish to have a consultant or third party assist with the development of the scope of work. This may impact the firms or individuals that respond to the RFP/ RFQ. Please see the note below regarding the federal requirements on this issue.

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 limited to, the development of the scoring criteria, the final selection of firms to be contacted, or the scoring of proposals. (See 2 CFR 200.319(a))

12/15/17

Step 3. Determine the Selection Criteria to Evaluate Respondents

Determine what evaluation criteria will be used to rate the proposals submitted to the city/county. IEDA sample documents include evaluation criteria, however, a city/county may revise those for their own purposes. Sample documents can be found here:

<https://www.iowaeconomicdevelopment.com/Community/downloads> (Under "Procurement Documents for Communities)

When issuing an RFQ for professional services (architectural and engineering), cost should not be included in the selection criteria.

Note: Per federal 2 CFR 200 requirements, geographic proximity cannot be included as an evaluation criteria.

Step 4. Develop the request for proposals (RFP) Package

Develop a RFP/ RFQ document to provide to potential respondents. The document should include:

- Scope of work
- Evaluation criteria & scoring
- Submission deadline and instructions for submission
- Contact information for a local point of contact (to answer questions on the RFP/RFQ)
- "Intent to Comply with Section 3 Requirements"- this form must be signed by all bidders and returned with bid documents. This form is available here:
<https://www.iowaeconomicdevelopment.com/Community/downloads> (Under "Section 3 Guidance")

When developing the RFP document, it is important to make sure the city/county is asking for the appropriate information to evaluate the proposal. For example, if one of the evaluation criteria is experience with the CDBG program, the RFP/RFQ should ask respondents to include a description of their previous work with the CDBG program.

Step 5: Check HUD Registry for Section 3 businesses

Section 3 of the Housing and Urban Development Act of 1968] is HUD's legislative directive for providing preference to low-income residents of the local community (regardless of race or gender), and the businesses that substantially employ these persons, for new employment, training and contracting opportunities resulting from HUD-funded projects.

Communities should check the HUD registry for Section 3 businesses in the county in which the project is taking place. The registry is located here: <https://portalapps.hud.gov/Sec3BusReg/BRegistry/What>

If a Section 3 business is located, the city should share the RFP package with that business, if the proposal is for the type of work or services that the company may provide.

12/15/17

Step 6. Advertise the RFP/ RFQ

Advertise RFP/RFQ in a locally distributed newspaper. This may be a paper published in the community, or a regional paper that is available locally.

When publishing the RFP/RFQ, cities/counties should allow adequate time between publication and the proposal deadline; This should allow time for firms to prepare their response. A good practice would be to allow at least two weeks from the publication date and the proposal deadline, to encourage numerous responses.

IEDA has developed sample publications for cities/counties to use. These samples are available on the IEDA website: <https://www.iowaeconomicdevelopment.com/Community/downloads> (Under "Procurement Documents for Communities)

The city/county may also send the RFP/RFQ directly to firms or individuals that may be interested in responding. Direct solicitation may increase the number of responses submitted, however, this is not a requirement.

Step 7. Review and rate proposals

After the submittal deadline, the committee should review and rate each of the proposals received. Committee members should use the evaluation criteria established in step 3 above. Each committee member should score the proposals; all scores can then be averaged to determine the highest scoring proposal.

The firm with the highest average points should be selected.

If a Section 3 business submits a bid, the city/county must give priority to the greatest extent possible to those businesses. In this instance, the city/county should contact IEDA for further guidance to ensure compliance with the federal Section 3 requirements.

Note: For RFQs, when cost is not included in the evaluation criteria, cities/counties should select the highest ranking proposal and then negotiate price with the firm. If an agreement cannot be reached regarding cost, cities/counties may move to the second highest rated proposal and attempt to negotiate cost.

Step 8. Approve the selected contractor and award contract

The City Council/Board of Supervisors should have final authority to award the contract to the selected contractor. The review committee should present a recommendation to the governing board for final approval.

A contract for services should be prepared between the city/county and the selected contractor. The council/ board of supervisors may take separate action to approve the contract for services.

Note: Before any contract is executed, the city/county should ensure that all required federal language is included in the contract. Please contact IEDA with questions regarding this language.

12/15/17

Step 9: Record keeping

The city/county must maintain and make available all documentation utilized during the RFP process, including but not limited to:

- Copy of the full RFP/RFQ
- Proof of publication of the RFP/ RFQ (photo copy with publisher's identification and publisher's affidavit)
- List of firms/individuals were contacted for proposals (if applicable)
- Copies of proposals received
- Scoring sheet that shows the rankings for each of the submitted proposals
- Meeting minutes indicating the council/board approved the selection of the selected firm for service
- Executed contract for services with applicable federal language
- Documentation of any correspondence with a Section 3 business