Procurement Policy and Plan for CDBG-I Grantees

WHEREAS, the **Town of Hobgood** will comply with the terms and conditions of federal funding that is awarded and accepted, including, but not limited to, the terms and conditions of the Grant Contract, and the *Procurement Policy of the North Carolina Department of Environmental Quality's Water Infrastructure Division, Community Development Block Grant-Infrastructure Program (CDBG-I Procurement Policy)*, attached;

WHEREAS, the States were advised by Housing and Urban Development (HUD) to develop their own procurement policies, and the CDBG-Infrastructure Program has developed and adopted the attached policy (*CDBG-I Procurement Policy*) as reference for its grantee communities, using portions of 2 CFR Part 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards," supplemented with NC General Statutes 143-64.31, 143-129, and 143-131; and 24 C.F.R. § 570.489(g), which explicitly prohibit cost plus a percentage of cost and percentage of construction cost methods of contracting. In addition, all purchase orders and contracts shall include any clauses required by Federal Statutes, executive orders, and implementing regulations including the Section 3 clause, per 24 C.F.R. 570.489 (g) and 24 C.F.R. 135.38;

WHEREAS, the **Town**, as the recipient of Federal CDBG funds, acknowledges its responsibility to and will adhere to the aforesaid *CDBG-I Procurement Policy* of the North Carolina Department of Environmental Quality's Division of Water Infrastructure;

WHEREAS, the **Town** will, to the extent applicable, follow methods of procurement, procure by contracting with small, minority firms, women's business enterprises, and labor surplus area firms, when those entities offer the best level of knowledge, skills and abilities for professional services, and when those entities offer the knowledge, skills and abilities and are the lowest cost responsive, responsible bidders in building trade and related services; and

WHEREAS, the **Town** will demonstrate contract cost and price awareness and adhere to awarding agency contract provisions (2 CFR Part 200, Appendix II, except for items F and J, which were not adopted by the CDBG-Infrastructure Program, as allowed under 2 CFR Part 200.101(d)(1));

NOW THEREFORE, BE IT RESOLVED;

SECTION 1: All procurement of goods and services by the **Town** with CDBG grant funds shall be accomplished in accordance with the requirements of the *CDBG-I Procurement Policy*, and HUD implementing regulations at 24 CFR Part 570.489 (g) and (h), which prohibits cost plus a percentage of construction cost method of contracting for services.

SECTION 2: In addition, all purchase orders and contracts shall include any clauses required by Federal Statutes, Executive Orders, and implementing regulations including the Section 3 clause, per 24 CFR 570.489(g) and 24 CFR 135.38, or the North Carolina General Statutes Chapter 143 applying to procurement in general by North Carolina municipalities and counties.

SECTION 3: When Federal and State regulations are different, the more restrictive regulation shall apply to the procurement in question, as outlined in the *CDBG-I Procurement Policy*

SECTION 4: The **Town** will adhere to the following guidelines during procurement of goods and services using Federal funds:

A. In all cases where goods or services are procured based on one bid or proposal received, the **Town** will follow established principles to verify the reasonable cost of the procurement and shall contact the State Agency supervising the grant program before making any contract award based on non-competitive negotiation. The **Town** shall follow all noticing and advertising requirements prior to accepting the single source respondent. Written permission from the CDBG-I Program shall be obtained prior to entering into a single source contract.

B. Section 3 certified businesses, and historically underutilized businesses, including women-owned and minority-owned enterprises shall be included on bidders' or professional services' lists maintained by the **Town**. Firms shall be solicited for all competitive negotiations, small purchases, and informal and formal bids when such firms are potential competitive sources for goods and services.

SECTION 5: The **Town** will adhere to the following guidelines during procurement of professional service contracts:

A. Professional services shall be procured through the use of Request for Proposals (administrative services) or Request for Qualifications (engineering services). Respondents offering administrative services shall be selected on the basis of the best qualified respondent for the price. Respondents offering engineering services shall be selected on the basis of the best qualified respondent, without regard for price. A written selection procedure shall be used to evaluate respondents, and those records maintained in the procurement files.

B. The **Town** shall develop a written scope of work for each service to be awarded on the basis of competitive negotiation, which shall include descriptions of tasks to be completed, project timetables, and an outline of fee proposal requirements. The selected engineering services respondent and the **Town** shall then enter into competitive negotiations to arrive at a mutually agreeable price for engineering services. All contracts awarded through competitive negotiations shall be awarded strictly on the basis of the written selection procedure.

SECTION 6: The **Town** will adhere to the following guidelines during procurement of construction contacts:

A. Construction service contracts shall be competitively bid using sealed bids, with the award going to the lowest responsive, responsible bidder. A minimum of three bids shall be received prior to opening the sealed bids.

SECTION 7: Additionally, the **Town** will adhere to the following guidelines during all procurement:

A. Prior to any contract award, the **Town** shall verify the consultant and/or contractor's eligibility to participate in a federally assisted program.

B. No consultant or bidder shall assist in the development of the Request for Proposals, in the Request for Qualifications, nor the construction bid posting in which the consultant or bidder has a direct or indirect interest.

C. No consultant or bidder shall assist in the evaluation of proposals or bid packages for contracts in which that consultant or bidder has a direct or indirect interest. The **Town** shall adhere to all applicable Federal and State conflict of interest regulations in making contract awards.

D. The **Town** shall request references or check references of contractors or firms who are awarded contracts with Federal grant funds and will request a written warranty for all goods and services provided through the small purchase's procedure.

E. The **Town** shall not award any contract for federally assisted projects on a contingency or cost-plus-percentage of construction basis.

F. The **Town** shall hold a pre-bid meeting and a pre-construction meeting for each construction project bid competitively using CDBG-Infrastructure funds. Evaluation criteria for the bids may add points for attending the pre-bid meeting of contractors, but it is not a prerequisite.

PASSED BY THE MAYOR AND **TOWN BOARD, TOWN OF HALIFAX**, NORTH CAROLINA.

Adopted this 14 day of October 2020

Mayor Dannie A. Flanary

ATTEST:

Renee Ellis, Town Clerk