

Dave Farley's

FEDERAL GRANT PROCUREMENT STANDARDS

**Online Training
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(Slides at thegrantdoctors.com)

General standards

- **Oversight of contractors**
- **Written standards of conduct**
 - **Individual and organizational**
- **Avoid purchase of unnecessary items**
- **Intergovernmental agreements. Use of excess and surplus federal property**
- **Award contracts only to responsible contractors**
- **Maintain records to document purchases**
- **Time and materials contracts**
- **Dispute resolution**

Competition

- **All purchases must allow for full and open competition**
- **Examples that restrict competition:**
 - **Placing unreasonable requirements on firms**
 - **Requiring unnecessary experience and excessive bonding**
 - **Noncompetitive pricing practices**
 - **Noncompetitive contracts to consultants on retainer**
 - **Organizational conflicts of interest**
 - **Specifying a “brand name” instead of allowing “an equal”**
 - **Any arbitrary action in the procurement process**
- **Statutory or administrative state or local geographic preferences prohibited**
- **Need written procedures for purchasing including:**
 - **A clear and accurate description of the technical requirements for the goods/services being procured**
 - **All requirements bidders must fulfill and other factors used in evaluating bids or proposals**
- **Pre-qualified lists of vendors should be current and have enough sources to ensure open and free competition**

Methods of procurement

- **Grantees must use one of the following procurement methods:**
 - **Micro-purchases**
 - **Small purchase**
 - **Sealed bids**
 - **Competitive proposals**
 - **Non-competitive proposals**

SBE/MBE/WBE Contracting

- **Need to take all necessary affirmative steps to assure that small-, minority-owned & women-owned businesses are used when possible**
- **Affirmative steps must include:**
 - **Placing qualified SBE/MBE/WBE on solicitation lists**
 - **Assuring that SBE/MBE/WBE are solicited whenever they are potential sources**
 - **Dividing procurement solicitations to permit maximum participation by SBE/MBE/WBE when feasible**
 - **Establish delivery schedules that encourages participation by SBE/MBE/WBE**
 - **Seeking help from the SBA and/or Minority Business Development Agency (Commerce) when appropriate**
 - **Requiring prime contractors to follow the above steps if sub-contracts will be made**

Cost and price

- **Cost or price analysis for every procurement above the Simplified Acquisition Threshold**
- **Must make independent estimates before receiving bids or proposals**
- **Must negotiate profit as a separate element of cost**
- **Only charge actual contract costs to the federal grant**
- **Cost plus a percentage of costs and percentage of construction costs methods of contracting are prohibited**

Federal or pass-through review

- **Funding agencies or pass-through entities have the right to review a grantee's procurement records, including:**
 - **Organization's procurement policies and procedures**
 - **Individual solicitations or RFPs**
 - **RFP evaluation documents**
 - **Cost estimates**
 - **Contracts**
- **Grantee must make requested documents available upon request**

Contract provisions

- **All contracts using federal funds must include provisions addressing:**
 - **Administrative, contractual or legal remedies when contractors violate or breach a contract's terms for more than the Simplified Acquisition Threshold**
 - **Termination procedures for contracts > \$10,000 for cause and for convenience**
 - **Equal employment opportunity**
 - **Davis-Bacon Act**
 - **Contract Work Hours and Safety Standards Act**
 - **Rights to inventions made under a contract/agreement**
 - **Clean Air Act and Federal Water Pollution Control Act**
 - **Standards and policies relating to energy efficiency**
 - **Debarment and suspension policies**
 - **Byrd Anti-Lobbying Amendment; and**
 - **Procurement of recovered materials requirement (states)**

“Please clap.”

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