



Preparedness



Response



Recovery



Mitigation

Federal Procurement Guidance for States and Local Governments

This document provides tips and advice to procure disaster response and recovery consulting services as a grantee/subgrantee of federal disaster assistance. Procurement standards are published under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Rules”). All procurements should be reviewed thoroughly by governmental procurement and legal staff.

Why pay attention to procurement and acquisition rules?

These rules have been established to help avoid the most common audit findings that result in de-obligation of funds, or “claw backs,” in the following typical scenarios:

- Contracting practices deemed to be non-competitive
- Failure to include required contract provisions
- Failure to employ required procedures to ensure small/minority/women-owned firms are used whenever possible
- Cost-plus-percentage-of-cost contracting

Emergency and Small Acquisitions

The federal procurement standard at 2 C.F.R. Part 200.320(b) allows purchase procedures for **the acquisition of supplies or services below the simplified acquisition threshold**. If the emergency or small purchase method is selected, the grantee/subgrantee must follow either its own procurement rules or the federal procurement requirement, whichever is more stringent.

Federal procurement rules require that prices are fair and reasonable, and all reasonable efforts to encourage competition have taken place and that those efforts are documented. Price or rate quotes must be obtained from at least three qualified vendors. If only one response is received, the jurisdiction should document the effort made to publicize the request for services and follow any additional guidance included in the Jurisdiction or Federal Non-Competitive Proposals (Sole Source) guidance.

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Competitive RFP Process

In accordance with 24 C.F.R. 85.36(d)(3), the grantee/subgrantee must follow the following competitive RFP process for any long-term services required for disaster recovery:

1. Incorporate a clear and accurate description of the technical requirements for the material product, or service procured.
2. Widely publicize the RFP, and to the maximum extent practicable, honor reasonable requests by parties to have an opportunity to compete.
3. Solicit proposals from an adequate number of qualified sources.
4. Conduct a technical evaluation of the submitted proposals to identify the responsible and qualified firms.
5. As necessary, conduct negotiations with those firms who are deemed responsive, responsible, and fall within a competitive price range. After negotiations, these bidders may be given the opportunity to submit a best and final offer.
6. The contract must be awarded to the most responsive and responsible offer, after price and other factors are considered through scoring the proposals for best and final offers according to the grantee/subgrantee's predetermined evaluation criteria.

Additional Procurement

Pursuant to 44 C.F.R. § 13.36(d)(4)(i)(B), non-competitive procurement methods may be used in limited circumstances. If "there is an emergency requirement that will not permit a delay for competition," a grantee/subgrantee may use a non-competitive proposal. Sole Source procurement can also happen after solicitation if the returning responsible bids is determined to be inadequate.

Additional information on procurement rules can be found at the following federal regulation links:

- General procurement standards (2 C.F.R. Part 200.318)
- Competition (2 C.F.R. Part 200.319)
- Methods of procurement (2 C.F.R. Part 200.320)
- Contracting with small and minority businesses, women's business enterprises (2 C.F.R. Part 200.321)
- Procurement of recovered materials (2 C.F.R. Part 200.323)
- Contract cost and price (2 C.F.R. Part 200.324)
- Awarding agency and pass-through entity review (2 C.F.R. Part 200.325)
- Contract provisions (2 C.F.R. Part 200.327 and Appendix II)

For more information,
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