

Community Development Block Grants (CDBG) 301

DAY 2: OCRA & GRANT SERVICES





Housekeeping

BEFORE WE GET STARTED, LET'S GO OVER SOME INFORMATION THAT WILL BE HELPFUL TO KNOW DURING THE COURSE.



We ask that raise your hand to ask questions.

Presenters will take questions as they walk through their presentations.

You may write down any questions you have and Armica Bash Gaspar, CDBG Program Manager, will get them to the team.

Agenda Day 2

8:30 – 9 a.m.

- Registration
- Breakfast

9 a.m. – 5 p.m.

- Welcome
- Environmental Review
- Pre-Release of Funds
- Procurement
- Contracts

Environmental Review (ER)

HUD PART 58
ENVIRONMENTAL
REVIEWS FOR
CDBG PROJECTS

Common Acronyms

- **CDBG:** Community Development Block Grant
- **CFR:** Code of Federal Regulations
- **NEPA:** National Environmental Policy Act
- **CENST:** Categorically Excluded, NOT Subject to §58.5
- **CEST:** Categorically Excluded, Subject to §58.5
- **EA:** Environmental Assessment
- **EIS:** Environmental Impact Statement
- **NOI/RROF:** Notice of Intent to Request Release of Funds
- **ERR:** Environmental Review Record
- **FONSI:** Finding of No Significant Impact
- **FOSI:** Finding of Significant Impact
- **RROF/C:** Request for Release of Funds & Certification
- **FEMA:** Federal Emergency Management Agency
- **SHPO:** State Historic Preservation Officer
- **THPO:** Tribal Historic Preservation Officer
- **DHPA:** Division of Historic Preservation & Archaeology
- **ACHP:** Advisory Council on Historic Preservation
- **DNR:** Department of Natural Resources
- **NRCS:** Natural Resources Conservation Service
- **FWS:** Fish & Wildlife Service
- **IDEM:** Indiana Department of Environmental Management
- **GS:** Geological Survey, IU
- **IDOH:** Indiana Department of Health
- **NREC:** Notice of Removal of Environmental Conditions; commonly called the “ER Release”, not be mistaken with ERR
- **FIRM:** Flood Insurance Rate Map; used for floodplain management
- **FFRMS:** Federal Flood Risk Management Standard; replaces flood standards based on FIRM

What is Environmental Review (ER)?

Required by the National Environmental Policy Act of 1969 (NEPA)^[1] and 40 CFR Parts 1500 – 1508.^[2]

Process of evaluating a proposed action's (the project's) impacts to the environment.^[3]

Requires agencies to fully consider environmental impacts to make better informed decisions, and to engage the public in the decision-making process.^[4]

HUD implements NEPA requirements at 24 CFR Parts 50 and 58

- Part 50: For entitlement communities, HUD does review
- Part 58: For non-entitlement communities, grantee does review (State CDBG Program) ^[5]

[1]. NEPA (P.L. 91-190, as amended by P.L. 118-5). <https://www.govinfo.gov/content/pkg/COMPS-10352/pdf/COMPS-10352.pdf>

[2]. Council on Environmental Quality NEPA Regulations (40 CFR Parts 1500-1508). <https://www.ecfr.gov/current/title-40/chapter-V/subchapter-A>

[3]. 40 CFR §1500.1 Purpose. <https://www.ecfr.gov/current/title-40/section-1500.1>

[4]. 40 CFR §1501.9 Public and governmental engagement. <https://www.ecfr.gov/current/title-40/section-1501.9>

[5]. HUD Regulations for Entities Assuming HUD NEPA Responsibilities (24 CFR Part 58). <https://www.ecfr.gov/current/title-24/subtitle-A/part-58?toc=1>

Choice-Limiting Actions...Put that shovel down!

Remember, NEPA requires you to fully evaluate environmental impacts and alternatives BEFORE you take action.

A choice-limiting action is one that:

- May have an adverse effect on the environment; or
- Limit the choice of reasonable alternatives^[1]

Grantees/applications may not “commit HUD funds” or “non-HUD funds” (match) or “undertake an activity or project” until the NEPA process is complete ^[2]

Specific exceptions to this rule:

- Engineering, studies, design, plans, environmental review, administration (i.e., pre-app and admin)
- Option to Purchase (OTP) when contingent upon award and certification of NEPA review ^[3]
- Relocation assistance when required by 24 CFR Part 48 ^[4]

Non-choice-limiting actions are allowable but ALWAYS incurred at the grantee’s/applicant’s risk.

Allowable costs can be reimbursed after NREC/ROF

[1]. 40 CFR §1500.6 Limitations on actions during NEPA process. <https://www.ecfr.gov/current/title-40/section-1506.1>

[2]. 24 CFR §58.22 Limitations on activities pending clearance. <https://www.ecfr.gov/current/title-24/subtitle-A/part-58/subpart-C/section-58.22>

[3]. 24 CFR §58.22(d) Limitations on activities pending clearance. [https://www.ecfr.gov/current/title-24/part-58/section-58.22#p-58.22\(d\)](https://www.ecfr.gov/current/title-24/part-58/section-58.22#p-58.22(d))

[4]. 24 CFR §58.22(f) Limitations on activities pending clearance. [https://www.ecfr.gov/current/title-24/part-58/section-58.22#p-58.22\(f\)](https://www.ecfr.gov/current/title-24/part-58/section-58.22#p-58.22(f))

Examples of Choice- Limiting Actions

Expenditure/commitment of any/all CDBG and non-CDBG funds for:

- Property acquisition (OTPs allowable)
 - *Purchased a vacant parcel for construction of a new public facility before finding out there were underground storage tanks that must be removed.*
- Preparation of bid specifications, letting a project to bid and accepting/executing contracts
 - *The bid specs and SOW were decided before ER was complete, so the Grantee did not know the project location was in the FFRMS; contractors bid on a project with incomplete information, so their bids are inaccurate.*
- Any ground-breaking, earth-moving, demolition, construction, rehab/repair
 - *A contractor dug and poured a foundation for the new public facility before realizing the soil had high levels of lead, arsenic, and cadmium which must be remediated.*



State CDBG Environmental Review Overview



PHASE 1: DEVELOP THE PROJECT AND ASSIGN ROLES	PHASE 2: COLLECTING DATA AND ENGAGING AGENCIES FOR COORDINATION	PHASE 3: NOTIFY THE PUBLIC OF FINDINGS AND RESULTS	PHASE 4: COMPLETE THE ERR AND SUBMIT TO STATE FOR CERTIFICATION
<p>Define the project. What is the purpose of the project and proposed scope of work? What is the budget and proposed funding source? Be sure to aggregate projects where appropriate.</p>	<p>Conduct preliminary review to determine if compliance is already met. Utilize NEPAAssist, Wetlands Inventory, Enviromapper, Web Soil Survey Map, and other tools to see if your project will impact resources.</p>	<p>Project impacting a floodplain or wetland? Publish Early Floodplain Notification. If the HUD 8-Step Process is triggered, you must notify the community of any potential impacts to the floodplain and solicit feedback about the project.</p>	<p>Complete any required certifications, compile public comments, complete the ER status report, and submit for review. The ER status report in GMS acts as the ERR that the State will review/certify.</p>
<p>Designate an ERO. Who will be responsible for preparing the Environmental Review Record on behalf of the Responsible Entity (the applicant)?</p>	<p>Start Section 106 review. Identify APE, photograph historic structures, pull SHAARD and county interim reports and prepare Section 106 submittal.</p>	<p>Hold a 15-day local comment period. Allow community members 15 days to review the proposed project and share their feedback or concerns.</p>	<p>The State observes an additional 15-day state comment period. Once the completed ERR and required certifications have been submitted, the state comment period begins.</p>
<p>Determine ER Level/Type. Will the project have minimal to no impact on the environment (Exempt or CENST)? Or will it result in some/adverse impact?</p>	<p>Check TDAT for THPO coordination needs. Determine if any THPOs need to be engaged in the Section 106 process, and prepare submissions.</p>	<p>Publish FONSI and/or NOIRROF. If 8-Step applies, publish Final Floodplain Notice as well.</p>	<p>If the state or another federal agency has no objections, the NEPA specialist will “certify” the ERR and issue an NREC.</p>
<p>Check FFRMS Status. Is the proposed site in the Federal Flood Risk Management Standard hazard area or a wetland?</p>	<p>Start coordination with other agencies. Identify which agencies need to be consulted and reach out to start the coordination/consultation process.</p>	<p>Hold 15-day local comment period. Allow community members 15 days to review the proposed project and share their feedback or concerns.</p>	<p>NREC is received. You can proceed to Pre-ROF and ROF. Don’t forget, no draw requests until ROF is done.</p>

Define the Project

Clearly define the details of the project and expected impacts:

- Project location (addresses, coordinates or other location data)
- Size of parcels or areas to be affected
- Condition of buildings, structures and surrounding environment
- Detailed scope of work and project purpose with all proposed alternatives
- Expected benefits and impacts to the community (your beneficiaries)
- Funding sources (broken down by federal, state/local, eligible and ineligible)

Activities, whether related by functionality or geography, must be assessed all together

- Some activities can be assessed on an activity-wide basis
- Others require site-specific evaluation through tiering process (discussed later)

Designate an Environmental Review Officer (ERO) for the Responsible Entity (RE)

ERO is the person that conducts the ER and completes the review process

This is usually the GA, could be the engineer or an environmental consultant

RE is the unit of govt. that is applying and assumes responsibility for the final product (the ERR)

Certifying Officer takes legal responsibility for the ERR and signs any certifications such as the RROF/C and any determination letters

This is the Chief Elected Official (CEO) of the community

Determine the Level of ER

There are five levels of review, based off the complexity and level of impacts activities will have:

- 1) **Exempt 24 CFR 58.34** - there is no effect whatsoever on the physical environment
 - (e.g., *Planning grants*)
- 2) **Categorically Excluded Not Subject To (CENST) 24 CFR §58.35 (b)** - will not have physical impacts on the environment.
 - (e.g., *Public services with very little impact to the environment*)
- 3) **Categorically Excluded Subject To (CEST) 24 CFR 58.35 (a)** - will usually have physical impacts
 - (e.g., renovation, repair, rehab of infrastructure or expansions that do not exceed 20% capacity, square footage, or cost to rehab)
- 4) **Environmental Assessment (EA) 24 CFR 58.5 & 58.6** - usually those that have a direct impact on the physical environment
 - (e.g., new construction, demolition, substantial improvements)
- 5) **Environmental Impact Statement (EIS) 24 CFR Part 58.37** - have a potentially significant impact on the physical and/or human environment.
 - (Let's just not go there...)

ER Level Determination Chart

Exempt 24 CFR §58.34 - An activity has an exempt classification when there is no effect whatsoever on the physical environment. They are generally planning activities or services and include:

- Environmental, Engineering, planning & design costs
- Information & financial services
- Administrative & management activities
- Public services (no physical impact)
- Inspections
- Purchase of tools & insurances
- Technical assistance & Training
- Payment of principal & interest
- Most types of temporary assistance for disaster or imminent threats

Categorically Excluded Not Subject To (CENST) 24 CFR §58.5) - A project that has been classified as a CENST requires a limited environmental review. They are generally activities that will not have physical impacts on the environment and include:

- Tenant-based rental assistance
- Supportive Services (healthcare, housing placement)
- Operating costs (utilities, supplies)
- Economic Development costs (not associated with construction or expansion)
- Types of homebuyer assistance
- Affordable housing pre-development costs
- Maintenance
- Supplemental assistance to previously approved activities

Categorically Excluded Subject To (CEST) 24 CFR §58.5 - A project that is considered CEST requires a limited environmental review. Activities that are categorized as CEST will usually have physical impacts and include:

- Acquisition, leasing or disposition of vacant land or existing buildings with no change in land use and includes project based rental assistance
- Acquisition or leasing of public facilities with no change in land use
- Removal of barriers that restrict mobility and accessibility to persons with mobility issues.
- Rehabilitation, repair and improvement of buildings as described at 24 CFR §58.35(a)(3)(i)-(iii)
 - Size, capacity, density cannot increase by more than 20%.

Environmental Assessment (EA) 24 CFR §58.5 & §58.6 - A project that cannot be Exempt, CENST, or CEST, but is classified under 24 CFR 58.36 requires the completion of an Environmental Assessment (EA). These activities usually have a direct impact on the physical environment. The EA examines & recommends feasible ways to eliminate or minimize adverse environmental impacts & examines alternatives to the project, if appropriate. **Any new construction falls under this classification.**

Environmental Impact Statement (EIS) 24 CFR Part 58.37 - If the proposed project is determined to have a potentially significant impact on the physical and/or human environment, an Environmental Impact Statement (EIS) is required. This determination is based upon the environmental responses collected. If this occurs, the Grantee must contact Grant Services to discuss mitigation activities and/or project modification.



Activity

Check Floodplain Status, HUD 8- Step

- Floodplain/Wetland Management required pursuant to Executive Orders 11988 (Floodplains) and 11990 (Wetlands)
- Implemented at 24 CFR Part 55
- Projects located in a flood hazard or wetland must undergo the HUD 8-Step Process
 - Give early notice to public of proposed project
 - Determine project's impacts to floodplain, floodway or wetland
 - Determine water resources' impacts on project site
 - Identify and evaluate practicable alternatives to locating the projects within a floodplain, floodway or wetland
 - When plausible, design or modify project to minimize potential adverse effects
 - Give notice to public of final decision regarding project location in a flood hazard or wetland

Related Laws & Authorities to Consider

Minimum Requirements for All Projects, Regardless of ER Level

1. **Airport Hazards (APZ – RPZ/CZ)** – Notification requirements for the purchase or sale of existing property in a Runway Clear Zone or Clear Zone [24 CFR Part 51.303(a)(3)]
2. **Coastal Barrier Resources (CBR)** – Coastal Barrier Resources Act, as amended
3. **Flood Insurance (NFIP)** – Flood Disaster Protection Act (1973) & National Flood Insurance Reform (1994)

Additional Requirements for Projects Depending on ER Level

- | | |
|---|---|
| 1. Air Quality – Clean Air Act, as amended | 8. Historic Preservation – National Historic Preservation Act 1966 |
| 2. Coastal Zone Management – Coastal Zone Management Act, as amended | 9. Noise Abatement and Control – 24 CFR 51 Subpart B |
| 3. Contamination and Toxic Substances 24 CFR 50.3(i) & 58.5 (i)(2) | 10. Sole Source Aquifers – Safe Drinking Water Act of 1974, as amended |
| 4. Endangered Species - Endangered Species Act of 1973 | 11. Wetlands Protection – Executive Order 11990 |
| 5. Explosive and Flammable Hazards – 24 CFR Part 51 Subpart C | 12. Wild and Scenic Rivers – Wild and Scenic Rivers Act of 1968 |
| 6. Farmlands Protection – Farmland Protection Policy Act, as amended | 13. Environmental Justice – Executive Order 12898 |
| 7. Floodplain Management/Insurance – Executive Order | FR 55.20 |

Collect Data & Coordinate w/ ER Agencies

- Collect maps and reports to demonstrate compliance with related laws/authorities
- Initiate coordination (formal consultation or informal) with federal, state, local agencies to verify compliance with laws/authorities they oversee
- Document collection and coordination needs based on level of review and type of project activities
 - Exempt projects have minimal review with fewer maps and generally no ER agency consultation
 - CEST and EA projects have more complex review with numerous maps and additional ER agency consultation requirements

Typical Document Needs & Agencies to Coordinate With

Typical Document Needs

- Airport hazards map
- Coastal barrier resources map
- FEMA or DNR flood map
- NEPAssist or USFWS Wetlands Mapper map
- NEPAssist air quality map
- DNR LMCP area map
- NEPAssist sole source aquifers map
- Environmental justice map/report

AND MANY DEPENDING ON THE TYPE OF ACTIVITIES!

Typical Agencies to Contact for CEST/ EA

- ALWAYS CONTACT: Indiana DNR – DHPA
- ALWAYS CONTACT: Tribal Historic Preservation Officers
- May need to contact additional agencies depending on level of review and type of activities
 - IN DNR-FWS
 - USFWS
 - IDOH
 - IN Geological Survey
 - IDEM
 - USDA-NRCS
 - EPA (only if in EPA Region V)
- *This list is not exhaustive. Additional needs vary based on project activities*

Incorporation of Previously Certified NEPA Reviews

- NEPA encourages and requires agencies to coordinate with each other to eliminate duplication of efforts.^[1]
- Grantees may adopt all/part of another agency's completed ERR when the actions covered by the prior NEPA review are “substantially the same” as the new proposed actions.^[2]
- Important: Not all agencies check for the same things required for CDBG ER.
 - Due diligence to ensure all required areas are addressed.
 - Example: SRF is your source of local funds (match). SRF always completes an ER but traditionally skips SHPO/THPO. That is still required for CDBG ER.

[1]. 40 CFR §1506.2 Elimination of duplication with State, Tribal, and Local procedures. <https://www.ecfr.gov/current/title-40/chapter-V/subchapter-A/part-1506/section-1506.2>

[2]. 24 CFR §58.52 Adoption of other agencies' EIS. <https://www.ecfr.gov/current/title-24/section-58.52>

Notify the Public of Findings & Results

- Floodplain Notifications are required when project is in a flood hazard or wetland
 - Notice of Early Public Review of Proposed Activity in a Floodplain/Wetland (ER Form 11)
 - Notice of Explanation of Project Located in a Floodplain/Wetland (ER Form 12)
- Standard Publications
 - Notice of Intent to Request Release of Funds – NOI/RROF (ER Form 5)
 - Publish if ER is complete before award granted
 - Notice of Finding of No Significant Impact – FONSI (ER Form 9)
 - Publish after award granted when NOI/RROF was published pre-award
 - Combined Notice of NOI/RROF and FONSI
 - Publish after award granted when no NOI/RROF was published previously

Observing Local Comment Periods

- Gives members of the public time to review the ERR and submit written comments/feedback
- Length of comment period to observe depends on type of publication
 - Floodplain Notices (ER Forms 11 and 12) – 15 days published/18 days posted
 - FONSI Notice (ER Form 9) – 15 days published/18 days posted
 - NOI-RROF (ER Form 5) – 7 days published/10 days posted
 - Concurrent/Combined Notices – 15 days published/18 days posted
 - Combined FONSI/NOI-RROF Notice (ER Form 10)
 - NOI-RROF with Floodplain Explanation (ER Forms 9 and 12, respectively)
 - Combined FONSI/NOI-RROF with Floodplain Explanation (ER Forms 10 and 12, respectively)

Submit ER Release & Certifications

- No later than 10 days after local comment period expires, submit RROF/C (ER Form 6) and ER Release status report in GMS
 - Maps/reports
 - Letters from ER agencies
 - Copies of public notices with publisher's affidavit
- After RROF/C (ER Form 6) is submitted, the State observes its own 15-day comment period
 - Gives Grant Services, OCRA, and any other state agencies an opportunity to object to ER Release

Receive ER Release or Objection

- After state comment period expires, Grant Services will issue ER Release or Objection.
 - Notice of Removal of Environmental Conditions (NREC)
 - Notice of Objection to Removal of Environmental Conditions (NOR)
- When can/why would Grant Services object to ER Release?
 - 24 CFR Part 58, Subpart H specifies the procedure and reasons for objections
- If no objection, NREC is issued. Grantee can begin incurring eligible expenses.
 - Does not permit you to submit claims, make draws

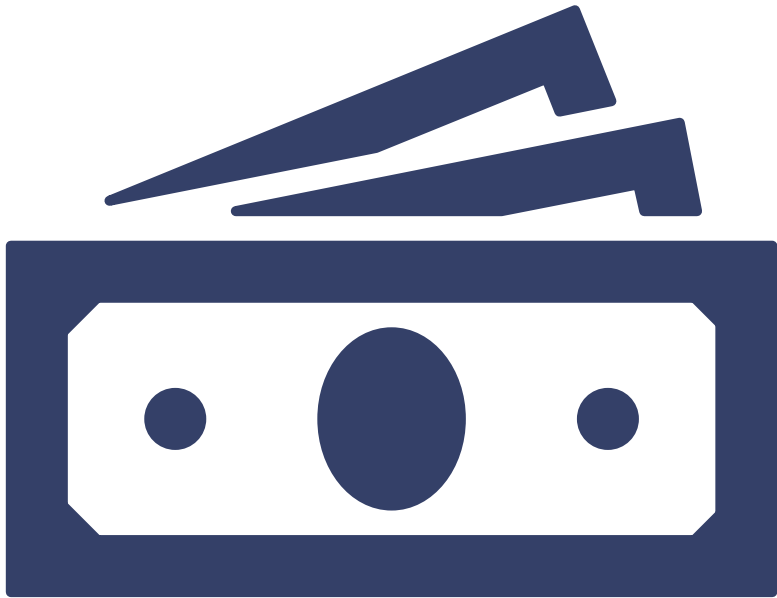


Environmental Review Knowledge Check

[CLICK HERE](#)



Break



Pre-Release of Funds (Pre-ROF)

Due Dates for Pre-ROF & ROF

The bid opening should occur 6-months after award.

Pre-ROF reports should be submitted immediately after you hold your bid opening.

ROF reports should be submitted once you have selected your Prime Contractor(s).

The ROF due date is eight months after the date of award.

Pre- ROF



Advertise in a public forum (newspaper) the description of the project and that you are requesting bids.



Hold a pre-bid meeting.



Work with sub-recipient on project and give grant services a copy of agreement.



CDBG Program Director signs agreement.



Determine the applicable wage determination

Pre-Release of Funds Checklist

Pre-Release of Funds (Pre-ROF) is requested by completing the Pre-ROF status report in eGMS. This report should be submitted and approved before the Release of Funds (ROF) report has been submitted.

All fields in the status report should be completed with accurate dates and information. Check box fields serve as a checklist for file uploads. If applicable, check the box to indicate you uploaded the corresponding file. The following items must be uploaded to the Files widget in the Pre-ROF status report. All scans must be clear and legible. Failure to adhere to this guidance may result in processing delays.

Procurement for Bid & Legal Ad Review

- Copy of the IFB Newspaper Notice with Proof of Publication & Publisher's Affidavit
 - Publication date and entire ad must be visible
 - If ad is unreadable, provide a typed copy with the original ad
- Copy of sent certified mail receipts, of which at least two must be sent to M/WBE State Certified firms
 - Receipts to certified M/WBE firms must be clearly labeled as such to distinguish them from non-M/WBE firms solicited
 - M/WBE firms must have current certification with IDOA, not expired
- Copy of the bid tabulation – signed and certified by the Engineer/Architect with seal
- Copy of letter from the Engineer/Architect recommending contractor selection and bid price, including any alternatives, if applicable

Labor Standards

- Copy of Pre-Bid Conference Sign-in Sheet (Labor Form 3)
- Signed Pre-Bid Conference Guide Acknowledgement (Labor Form 4)
- Copy of Bid-Opening Sign-in Sheet
- Copy of Bid-Opening Minutes

Subrecipients (Sub-Rs)

- Signed Subrecipient Agreement
- Signed copy of Lien & Restrictive Covenant, if applicable

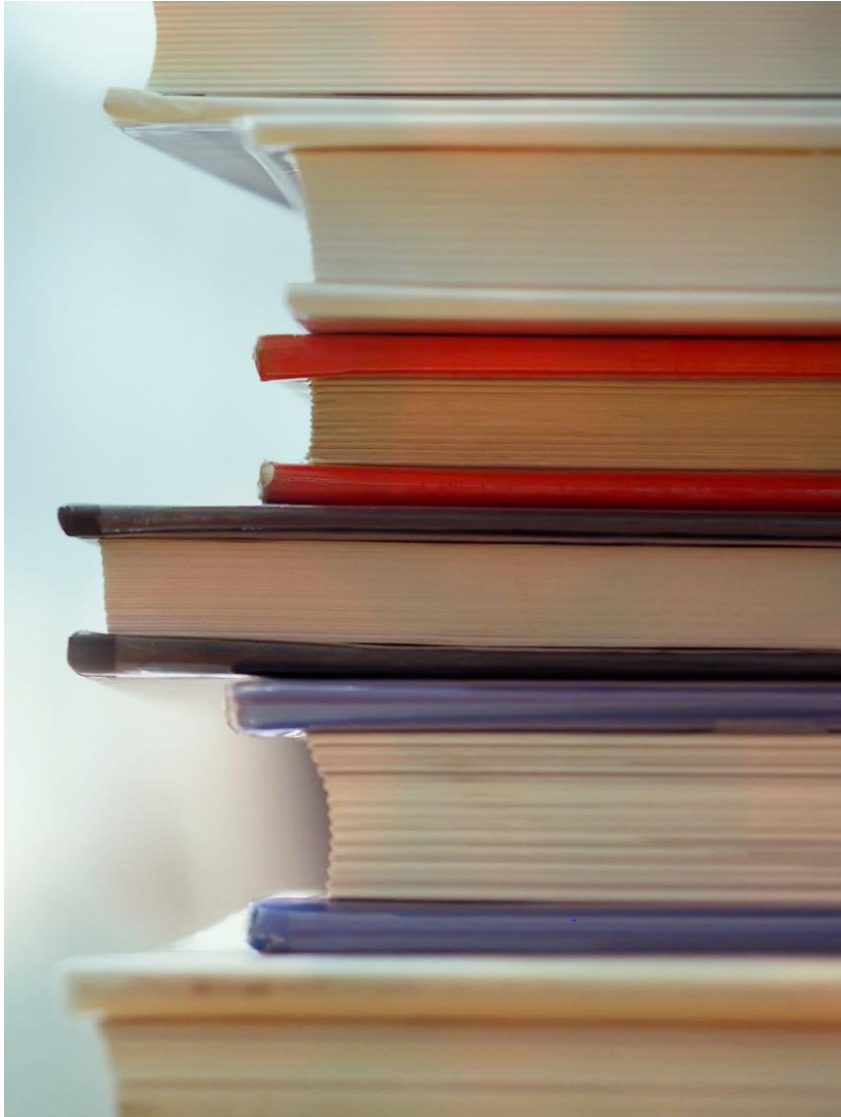
Pre-ROF Checklist

Procurement



Procurement is a process in which goods and services are solicited and obtained. The process should establish uniform standards that are fair, concise and encourage full and open competition.

A grantee should always utilize this established process when soliciting goods or services, however when Federal funds are paying for all (or a portion) of the goods/services; documented procurement procedures **MUST** be established and followed.



When Federal funds are paying for all (or a portion) of the goods/services, documented procurement procedures **MUST** be followed.

2 CFR 200 sets minimum procurement standards and directs grantees to use a written policy for procurement. Indiana's procurement policies/procedures are established in IC 5-22.

Communities must use procurement policies/procedures established in IC 5-22: Public Purchasing.



Avoid any POSSIBLE Conflict of Interest.

It's better to disclose even the most remote chance of a conflict than not to disclose and have to defend a perceived conflict.

<https://www.in.gov/ig/file/conflicts-of-interest-contracts/>

CDBG Recipients Must:



Follow policies and procedures for procurement that comply with both 2 CFR 200 and any stricter state or local standards.



Maintain a written code of standards of conduct governing the performance of employees engaged in the award and administration of contracts.



Avoid any POSSIBLE Conflict of Interest. (It's better to disclose even the most remote chance of a conflict than not to disclose and have to defend a perceived conflict.)

Four Methods/Types of Procurement

Competitive Negotiation Method – (Used for Planning Grants)

Noncompetitive or Sole Source Provider Method

Small Purchase Method

Competitive Sealed Bid Method

Two Types of Competitive Negotiation Solicitations



Request for Proposals (RFP): Used to procure Grant Administrators, Rate Consultants, Legal Counsel, etc.



Request for Qualifications (RFQ or QBS): Used to procure Architects and Engineers

The difference between an RFP and an RFQ is price.

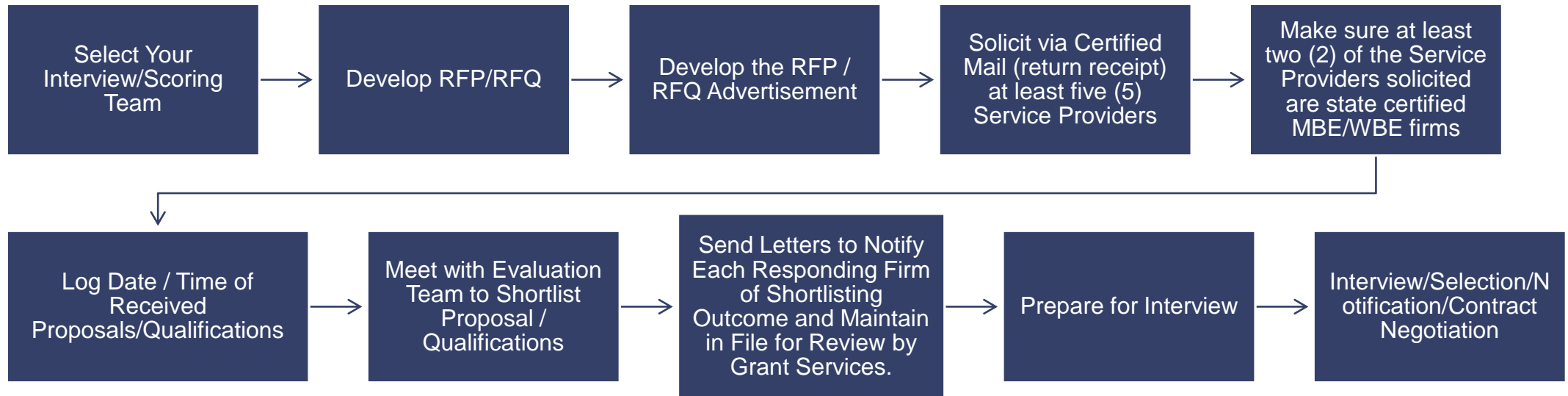
The cost to provide a service is a factor of consideration in an RFP.

Price is not a factor of consideration in an RFQ.



The Grantee must select the architect/engineer based upon their qualifications and then negotiate a fair price. If terms cannot be settled, then the Grantee can negotiate/settle with their second choice.

Process of Competitive Negotiation





Select your
interview /
scoring
team.

Carefully consider the following to be on the interview/scoring team:



People who will directly be working with the vendor.



The Utility Superintendent, Clerk-Treasurer or individuals that will be directly involved with the project.



CEO or their designee.



People who truly understand the project scope and will ask questions.

Select 3 to 5 Individuals for your interview/scoring team.

**LIMITED NUMBER OF
INDIVIDUALS ON THE
TEAM ALLOWS FOR
MORE PRODUCTIVE
INTERVIEWS.**

**AN ODD NUMBER OF
INDIVIDUALS IS
BETTER FOR
SCORING
PURPOSES.**



You as the Grant Administrator
CANNOT be on the
scoring team.

Your job is to help create the
RFP/RFQ, distribute information
and facilitate the process for
the Grantee.



Develop the RFP / RFQ

Sample Request for Proposal

Please read thoroughly and edit text appropriately. Send by Certified Mail to at least five (5) firms, two (2) of which are listed on the Indiana Department of Administration's website as state certified MBE/WBES.
(Print on Grantee's Letterhead)

TO:

FROM:

PROJECT:

NAME:

Your firm is invited to submit your Proposal to become eligible for a possible interview for professional services related to the development of a utility master plan for the Town of Americana.

Attached to this memo are the following:

1. Requirements for Proposals
2. Preliminary Scope of Work
3. Schedule of Activities
4. Evaluation Criteria

All responses will be reviewed for selection of firms to be interviewed.

Your proposal along with three (3) copies should be forwarded to the following address _____ to be received no later than _____ AM/PM on _____.

Sincerely,

Chief Elected Official

Enclosure

Utilize Procurement
Form 1:
Sample Request for
Proposal/Qualifications.

Develop the RFP / RFQ Guidelines



Describe Scope (Be Informative and Concise).



Develop a Time Schedule that Meets Your Needs but Can Feasibly Be Met



Go Through Your Evaluation Criteria with Your Scoring Committee to Find out What Is Important to Them and Rank Accordingly.



Discuss weighting of selection criteria (e.g., familiarity with the project, number of similar planning projects completed in the last year(s), etc.)



Develop the RFP / RFQ Advertisement

Sample Request for Proposal Publication

Please read thoroughly and edit text appropriately.

REQUEST FOR PROPOSAL TOWN OF AMERICANA, INDIANA

In order to assure compliance with the Indiana Office of Community and Rural Affairs (OCRA) and related requirements regarding competitive negotiation of _____ services, the *Town of Americana* is seeking Proposals for the provision of the services described below relating to a _____.

Description of Services Needed

(Describe Services.)

Type of Contract

The *Town of Americana* will execute a firm, fixed-price type of contract for these services that is contingent on the final commitment of grant funding. All services will be delivered for the agreed upon price.

Federal Requirements

Prospective offerors should note the successful proposer must meet the following terms and conditions:

1. 24 CFR Part 85.36.
2. Title VI of the Civil Rights Act of 1964.
3. Conflict of Interest (24 CFR Part 570).
4. Access to records.
5. Executive Order 11246 - Equal Employment Opportunity
6. Executive Order 12138 - Women Business Enterprise Policy.
7. Architectural Barrier Act of 1968.
8. Age Discrimination Act of 1975.
9. Section 3 Clause - Housing and Urban Development Act of 1968.
10. Section 504 - Rehabilitation Act of 1973.
11. Retention and Custodial Requirements (24 CFR Part 85.42).
12. Executive Order 11063.
13. Affirmative Action Program / Plan.
14. Davis Bacon and Related Acts.

Procurement Form 2: Sample Request for Proposal/ Qualification Publication.

Develop the RFP / RFQ Advertisement Guidelines



Make sure your scoring criteria points are consistent with the points stated in the RFP / RFQ.



Make sure your timeframe matches that in the RFP/RFQ and meets newspaper deadlines and publication dates.

Make sure you allow for proper advertising time.

15/30 days; due date depending on service sought.

RFPs require a minimum of 15 days from date of publication.

RFQs require a minimum of 30 days from date of publication.

Solicit via Certified Mail (return receipt) at least five Service Providers

Solicit Firms that You or Grantee Have Previously Worked with That Have a Proven Track Record

<ul style="list-style-type: none">■ Print your name and address on the reverse so that we can return the card to you.■ Attach this card to the back of the mailpiece, or on the front if space permits.	<input type="checkbox"/> Addressee	
	B. Received by (<i>Printed Name</i>)	C. Date of Delivery
1. Article Addressed to:	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
	3. Service Type	
	<input type="checkbox"/> Certified Mail® <input type="checkbox"/> Priority Mail Express™	
	<input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise	
	<input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery	
	4. Restricted Delivery? (<i>Extra Fee</i>)	<input type="checkbox"/> Yes

Solicit at least 5 service providers via Certified Mail.

Make sure at least two (2) of the Service Providers solicited are state certified MBE/WBE firms.

www.in.gov/idoa/mwbe

Log Date / Time of Received Proposals/Qualifications

RFPs & RFQs must be logged in and stamped with the date and time received prior to being opened at a public meeting.

Any RFP/RFQ not received by the date and time and at the location stated in the legal advertisement must be returned, unopened to the submitter.





Meet with the Evaluation Team to Shortlist Proposal / Qualifications

Project Description: _____

Address: _____

Phone: _____

INDIVIDUAL EVALUATION

	WEIGHT	X	RATING	=	TOTAL
1. Firm's history and resource capabilities to perform required services.		X		=	
2. Evaluation of assigned personnel.		X		=	
3. Related experience (as appropriate). - Grant Administration - Other _____		X		=	
4. Financial Management and Cost Allocation experience and results.		X		=	
5. Familiarity with local experience and results.		X		=	
6. Ability to relate to project.		X		=	
7. Analysis of narrative statement. (One page)		X		=	
8. Reference check (evaluation transfer from reference check form).		X		=	
9. Price (for RFPs)		X		=	
Name of Reviewer: _____		Grand Total: _____			

Utilize Procurement Form
3 – Evaluation of Proposal
/ Qualifications

Meet with Evaluation Team to Shortlist Proposal / Qualifications Guidelines:

Evaluation team reviews all proposals and selects the proposals that closely meet the criteria required by the solicitation.

Only criteria listed in the solicitation may be used to evaluate proposals.

Evaluation team must select two (2) or more of the responders for interview, according to final score tabulation.

If only one response was received – call Grant Services for direction.

All scoring evaluations should be signed by the team member and maintained for review by Grant Services prior to grant award (Planning Grant) and/or prior to Release of Funds (Construction Grant).



Send Letters to Notify Each Responding Firm of Shortlisting Outcome and Make Sure Letters are Maintained in File for Review by Grant Services.

Sample Letter to Short Listed Firms

(Please read thoroughly and edit text appropriately.)
Print on Grantee's Letterhead

TO: FIRMS SELECTED FOR INTERVIEWS
FROM: GRANTEE
PROJECT: PROJECT NAME
RE: INTERVIEW SCHEDULE AND REQUIREMENTS

The firms listed below have been selected to be interviewed for the professional services relative to the above referenced project.

Attached to this memo are the following:

- 1) An Interview Score Sheet which will be used by the interviewers during the interview session.
- 2) Evaluation form for use by the evaluation group chairperson to compile the evaluation scores. The interviewers will schedule 10 minutes between interviews for informal discussion of information presented during the preceding interview. At the completion of the interviews, the committee will rank the firms interviewed in accordance with their determination of which firm is most qualified and compatible to do the work. The firm deemed to be most qualified will then be invited to negotiate the scope of work and activities and a contract to provide the necessary professional services. If contract terms cannot be reached, the firm deemed the next most qualified will be invited for contract negotiations.

Interviews will be held on _____ in the _____.

The order and time of interviews is: _____ (All times listed are local time).

Firm A:	Time:
Firm B:	Time:
Firm C:	Time:

Please contact _____ at _____ with any questions you may have.

Sincerely,

Chief Elected Official or Grant Administrator

Procurement Form 4 – Sample Letter to Arrange Interview with Shortlisted Firms or Procurement Form 5 – Sample Letter to Firms Not Shortlisted

Prepare for Interview

Prepare Your Questions Prior to the Interview and Make Sure They Coincide with the Evaluation Criteria Set Forth in the RFP / RFQ.

Pick Someone to Facilitate the Meeting that will: Ask the same questions to all candidates in a logical order and with consideration of time.





Interview Selection and Notification / Contract Negotiation

Interview Evaluation and Scoring Form

Instructions for the Interviewers:

The questions and categories for scoring may be modified to meet the specific needs of the applicant and project. The categories included on this form are typical examples of the criteria used to evaluate firms.

Highest number represents the most value for each column.

- **Weight column:** 1-10 depending on value to the project. Use the weight column to indicate the level of importance (in your judgment), in each area, to the particular project.
- **Rating column:** 1-5 points. In this column you rate the firm based on each qualification.

At the completion of the interview, multiply the rating by the weight for each category and enter the total. Add all totals to establish the grand total. The chairperson will combine all of the totals for those participating in the interview session on the Group Interview Evaluation Form.

Name of Interviewer:

Name of Firm:

General Notes:

Procurement Form 6: Interview Evaluation Scoring

Scoring fairly and without bias.

Each member of the Evaluation Committee must complete an “Interview Evaluation and Score Sheet” for each vendor being interviewed.

Must use the same scoring and weights criteria for all firms interviewed.

The completed score sheets must be signed by each member of the Evaluation Committee and maintained in the project file.

Select the vendor whose proposal is determined to be the most advantageous to the project based upon the scoring criteria.



Subject to contract negotiations for architects/engineers.



All successful AND unsuccessful vendors must be notified in writing of the final selection and proof of notification must be maintained in the project file.



All documentation must be submitted to Grant Services at the time of application during the Planning Grant stage and / or Request for Release of Funds on a Construction Grant.

Sample Letter to Selected Firm

(Please read thoroughly and edit text appropriately.)
Print on Grantee's Letterhead

TO: FIRM SELECTED FOR PROJECT
FROM: GRANTEE
PROJECT: PROJECT NAME
RE: SELECTION RESULTS

On behalf of the _____ selection committee I want to thank you and your team members for your efforts in presenting your qualifications for our project. You did a very good job.

The selection committee has chosen your firm to complete our _____ project. Congratulations! Please contact me at your earliest convenience so that we can finalize the contract for your services. You may either call me at _____ or send an email reply to _____

We look forward to working with you..

Sincerely,

Chief Elected Official or Grant Administrator

Sample Letter to Firm(s) Not Selected

(Please read thoroughly and edit text appropriately.)
Print on Grantee's Letterhead

TO: FIRM NOT SELECTED FOR PROJECT
FROM: GRANTEE
PROJECT: PROJECT NAME
RE: SELECTION RESULTS

On behalf of the selection committee for the _____ project I want to thank you and your team members for your efforts in presenting your qualifications to our panel.

This letter is to inform you that the committee has selected _____ to _____

Utilize Procurement Form 7 & 8

Non-Competitive Sole Source Method

There is only one (1) service or equipment provider that provides the needed product or service.

In order to utilize this method of procurement, the Grantee must inform OCRA about the situation and obtain written approval from Grant Services prior to initiating the process.



Lunch Break



Procurement Part 1

Knowledge Check

[CLICK HERE](#)



Small Purchase Method

This method of procurement, commonly referred to as “Request for Quotes”, may be used for the purchase of supplies and incidental services with an estimated dollar value equal to or less than the applicable bidding limit established for the community at IC 36-1-12.



Small Purchase Method: Vendors

Contact three vendors for competitive quotes.

MBE/WBE vendors are not required.

Making several separate small purchases from the same vendor or different vendors in order to stay under the formal bidding threshold is prohibited by Indiana Code.

Solicitations may be sent via email, letter or fax with proof of delivery.

All responses must be documented, and records maintained; because verbal quotes are not acceptable.



Small Purchase Method: Quotes

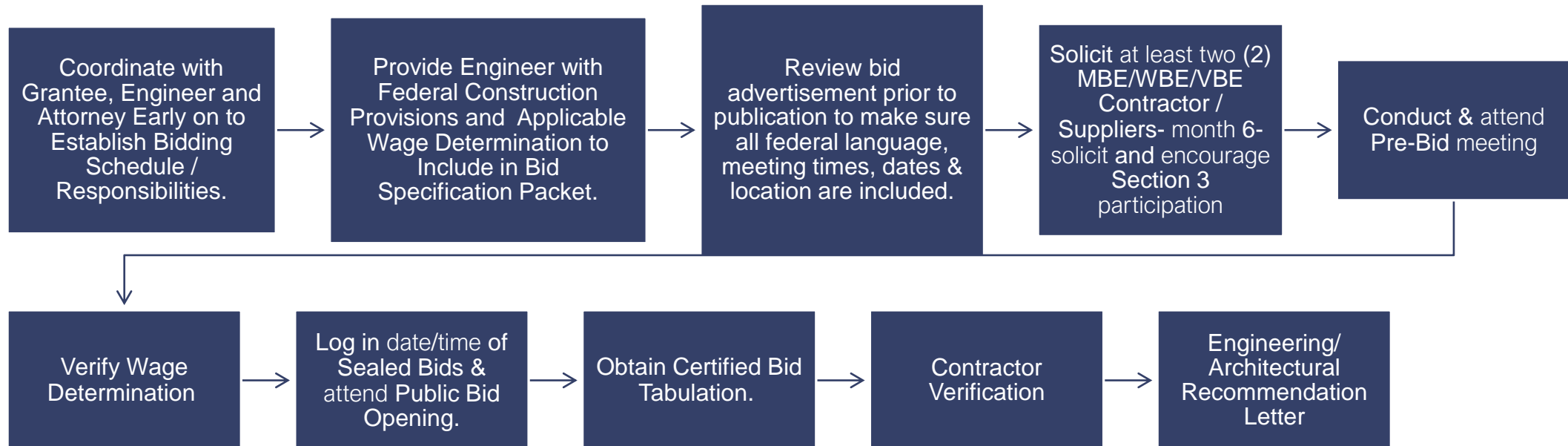
Submission time for quotes is a minimum of seven days.

The lowest quote should be selected when possible (Procurement Form 20).

If lowest quote is not accepted the Grantee's legal counsel must be consulted and provide a letter of justification for the decision.

If only one quote is received, the consulting Engineer or Architect must validate that the price is reasonable and prepare a cost analysis (Procurement Form 19).

10 Step Process of Sealed Bid Method





Step 1: Establish Bidding Schedule & Responsibilities

Coordinate with Grantee,
Engineer and Attorney



Step 2: Bid Specification Packet

Provide:

- Federal Construction Contract Provisions
- Federal Labor Standards Provisions (HUD 4010)
- Applicable Wage Determination

Labor Standards-The project defines the wage determination



Building



Heavy/Highway



Residential

OCRA/CDBG projects will use either the Heavy/Highway or Building determinations, as OCRA, does not typically fund residential housing projects.



Step 3: Review Bid Advertisement

Sample Invitation for Bid Publication

Please read thoroughly and edit appropriately.

Notice is hereby given, that the *Town of Americana, Flag County, Indiana*, by and through its Town Council, hereinafter referred to as the Owner, will receive sealed bid packets for the construction of the *Division A and B Waterworks Project*.

Sealed bids must be received by the *Town of Americana* no later than 5:00 P.M. (Local Time) on *May 30, 20XX*. Bids received after such hour will be returned unopened. Bids received prior to this time shall be opened and publicly read at the public meeting scheduled to take place on *May 30, 20XX* at 7:00 P. M. at the *Americana Town Hall*. All interested citizens are invited to attend and should any citizens require special provisions, such as handicapped modifications or non-English translation personnel, the Town will provide such provisions as long as the request is made by *May 15, 20XX*.

A pre-bid meeting will be held at 11:00 A.M. (Local Time) on *May 15, 20XX* at the *Town Hall, Americana, Indiana*. All prime contractors, subcontractors, small, minority or women owned enterprises and other interested parties are invited to attend.

The Project will be constructed in two (2) contract divisions which are defined and outlined as follows:

Division A - Distribution System Improvements

The Contract Division A will consist of the replacement of existing water lines with a new 6" water main inside the Town limits. Included will be all looping connections, cross connections, hydrants, valves and appurtenances.

Division B - New 500 GPM Production Well

The Contract Division B will consist of the installation and development of a new 500 gpm raw water production well, chlorine feed system, valves and appurtenances.

Plans and Specification for the Project are on file and may be examined at the following locations:

- *XYS Engineering, Indianapolis, Indiana*
- *Town of Americana, Americana, Indiana*
- *F.W. Dodge Office, Indianapolis, Indiana*

Sample Invitation for Bid (IFB) Procurement Form 17

Guidelines for Reviewing Bid Advertisement

FIRST PUBLICATION

Make sure all Federal Language is Included in Bid Advertisement.

Make sure dates, time and location of meetings is included.

Make sure 10% state minority utilization goal is stated.

Make sure contractors know where plans/specifications can be purchased/viewed.

IFB must be published at least twice in a newspaper of general circulation, at least 7 days (1 week) apart.

SECOND PUBLICATION

Second publication must appear at least 7 days prior to the bid due date.

The 14-day minimum bidding period is acceptable but allowing for more time is advisable.

Send copy of the IFB to area contractors to help increase the number of bids received; and

Publishing the IFB in well-known trade journals may also increase the number of bids received.

Bid Advertisement Key Publication Tips



2 TIMES



7 DAYS APART

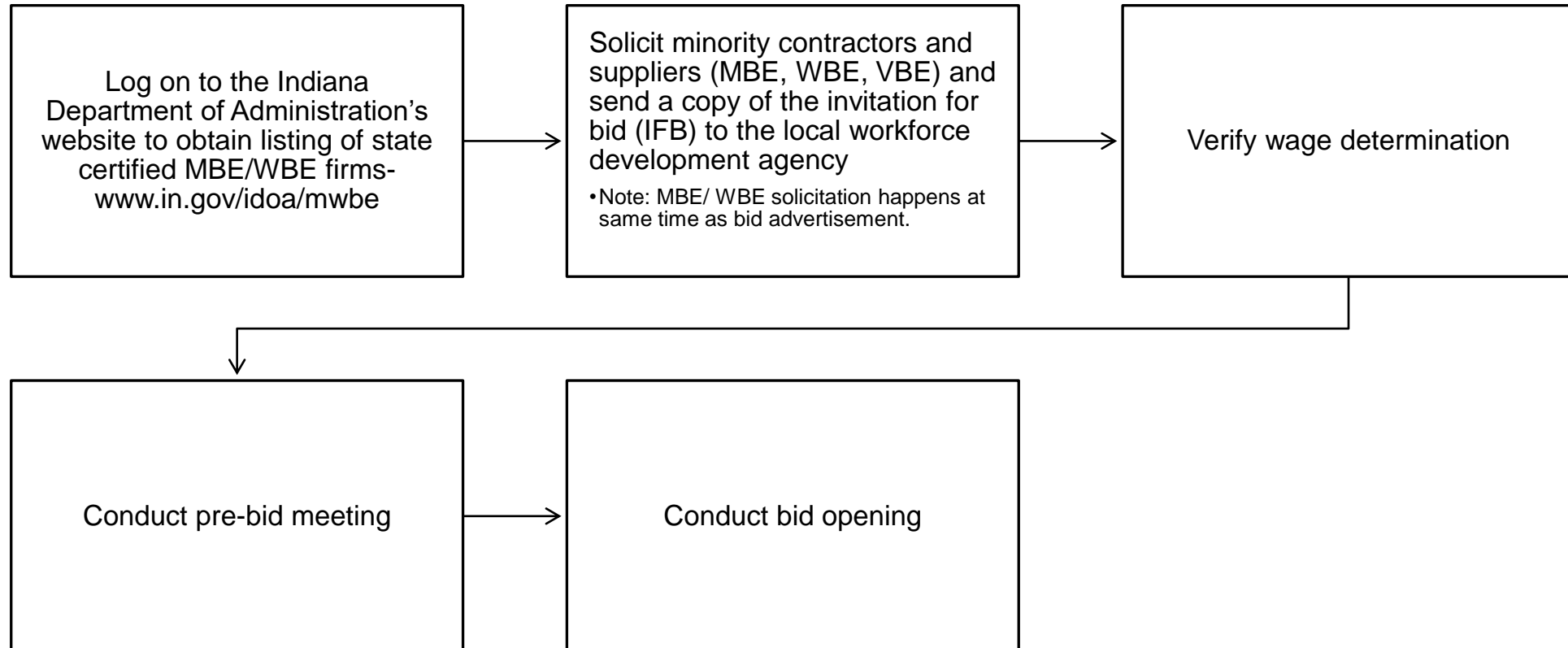


SECOND ADVERTISEMENT
HAS TO BE AT LEAST 7 DAYS
PRIOR TO BID OPENING



Step 4: Solicit At Least Two (2) MBE/WBE/VBE Contractor / Suppliers

Procedure for Soliciting MBE/WBE/VBE Suppliers:



Step 5: Conduct & Attend Pre-Bid Meeting

Review:

- the project scope
- applicable federal regulations
- answer questions from prospective bidders regarding the scope and/or regulations

The pre-bid meeting is mandatory.

The architect/engineer, labor standards officer and Grantee representative must attend the pre-bid meeting.

The architect/engineer should review the project scope and answer the bidder's questions.



The Labor Standards Officer should:

Review the Information within the Pre-Bid Conference Guide with the bidders and answer their questions.

Obtain / Complete Meeting Minutes (engineer or clerk may take minutes).

Review the Pre-Bid Conference Acknowledgement:

1. The WD in effect on bid-open will be applicable unless there was not sufficient time to provide it to prospective bidders (72hrs)
2. Contract awarded in 90 days of bid open, or current WD goes into effect on the date contract is signed for the entire project
3. No change orders for wage increases



Step 6: Verify Wage Determination

Before the Public Bid Opening

Sealed Bids Should be Stamped with Date / Time of Receipt.

All Bids Received After Specific Date / Time Should be Returned Unopened to Bidder.

Utilize Procurement Form 18 – Sample Bid Tabulation to Track Bids.

The bids should be taken under advisement and no action should be taken until AFTER the grantee receives the Release of Funds from OCRA.

Schedule Bid Opening Meeting within 6 Months of Grant Award



Step 7: Log in Date/Time of Sealed Bids & Attend Public Bid Opening

During the Public Bid Opening

Bids should be opened and read aloud on the Date and the Time and Place Advertised in the IFB

After the Public Bid Opening

The architect/engineer should take all bid packets and review them to make sure the appropriate bidding documentation, such as the bid bond, detailed budget, financial statement, etc. was submitted and properly completed.

Grantee's legal counsel will verify that:

The bonding and certification requirements outlined in the bid specifications have been included.

Upon completion of these reviews, the Architect or Engineer will prepare a bid tabulation sheet and a “verbal” recommendation to the Grantee of the lowest responsive, responsible bidder.



Step 8: Obtain Certified Bid Tabulation

The project architect or engineer will review all bid packages to determine if each is responsive and responsible and within the project budget.

Step 9: Contract Verification-Labor Standards

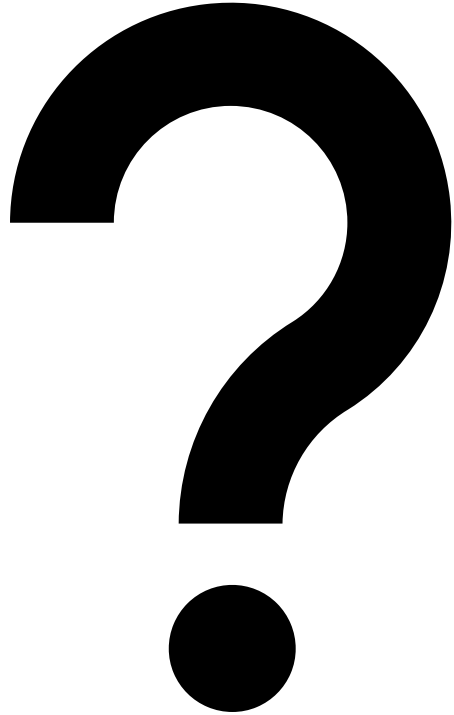
Labor Standards Form 6: Contractor/Subcontractor Verification

Prime Contractors are to be seeking active registration, if not already active in SAM.gov

Search HUD Limited Denial of Participation

This verification must be completed for all ***Prime Contractors***

Copies of the verification forms should be maintained in the official Labor Standards file for monitoring purposes.



What happens if the lowest bidder is found unresponsive or irresponsible after reviews have been completed, or that the contractor has been excluded from participation in federally assisted projects?



Step 10: Engineering/ Architectural Recommendation Letter



Break



Procurement Part 2

Knowledge Check

[CLICK HERE](#)

Contracts

NEGOTIATE & PREPARE DRAFT CONTRACT FOR SERVICES

Disclaimer

The information provided on the following slides related to professional services contracts does not, and is not intended to, constitute legal advice; instead, all information, content and materials available are for general informational purposes only. Information may not constitute the most up-to-date legal or other information.

Learning Objectives

Elements of a Contract

Contract Development

Amending Contracts



Definition of a contract: A contract is an agreement between two or more parties who intend to create one or more legal obligations between them.

Elements of a Contract

Offer - A “competent person” offers a promise to another party



Acceptance - The other party (also a “competent person”) accepts or counteroffers



Consideration -Something of value is exchanged (can be monetary, though not always)



Contract Development

Executing contracts

Grantees cannot execute engineering, architecture and grant administration contracts prior to receiving Environmental Release.

However, they can incur reasonable expenses related to ER, engineering and architectural services prior to ER Release but contracts must be executed after ER Release. The Grantee incurs these costs AT THEIR OWN RISK with no guarantee that federal funds will be made available to reimburse those costs.

No drawdowns may occur until Environmental Release and Release of Funds is received.

Specifically for planning grants, this is not the practice. Planning activities are exempt and do not go through full ER Release. ER release occurs with their award letter.

**Applicant/Recipient
Disclosure/Update Report**

U.S. Department of Housing
and Urban Development OMB Approval No. 2510-0011 (exp. 12/31/2015)

Instructions. (See Public Reporting Statement and Privacy Act Statement and detailed instructions on page 2.)

Applicant/Recipient Information Indicate whether this is an Initial Report or an Update Report

1. Applicant/Recipient Name, Address, and Phone (include area code):	2. Social Security Number or Employer ID Number:
3. HUD Program Name	4. Amount of HUD Assistance Requested/Received
5. State the name and location (street address, City and State) of the project or activity.	

Part I Threshold Determinations

1. Are you applying for assistance for a specific project or activity? These terms do not include formula grants, such as public housing operating subsidy or CDBG block grants. (For further information see 24 CFR Sec. 4.3). <input type="checkbox"/> Yes <input type="checkbox"/> No	2. Have you received or do you expect to receive assistance within the jurisdiction of the Department (HUD), involving the project or activity in this application, in excess of \$200,000 during this fiscal year (Oct. 1 - Sep. 30)? For further information, see 24 CFR Sec. 4.9 <input type="checkbox"/> Yes <input type="checkbox"/> No.
---	--

If you answered "No" to either question 1 or 2, **Stop!** You do not need to complete the remainder of this form. **However,** you must sign the certification at the end of the report.

Part II Other Government Assistance Provided or Requested / Expected Sources and Use of Funds.

Such assistance includes, but is not limited to, any grant, loan, subsidy, guarantee, insurance, payment, credit, or tax benefit.

Department/State/Local Agency Name and Address	Type of Assistance	Amount Requested/Provided	Expected Uses of the Funds

(Note: Use Additional pages if necessary.)

Part III Interested Parties. You must disclose:

- All developers, contractors, or consultants involved in the application for the assistance or in the planning, development, or implementation of the project or activity and
- any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds \$50,000 or 10 percent of the assistance (whichever is lower).

Alphabetical list of all persons with a reportable financial interest in the project or activity (For individuals, give the last name first)	Social Security No. or Employee ID No.	Type of Participation in Project/Activity	Financial Interest in Project/Activity (\$ and %)

(Note: Use Additional pages if necessary.)

Certification

Warning: If you knowingly make a false statement on this form, you may be subject to civil or criminal penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosures of information, including intentional non-disclosure, is subject to civil money penalty not to exceed \$10,000 for each violation. I certify that this information is true and complete.

Signature:	Date: (mm/dd/yyyy)
x	

Form HUD-2880 (3/13)

To affirm that no Conflict of Interest exists, complete Contract Form 1 - Disclosure Report

1. Must be updated throughout the project as additional contracts are awarded and maintained in project files.
2. Final Disclosure Report is required at monitoring.
3. When a potential Conflict of Interest arises, complete Contract Form 1.5 - Request for Conflict-of-Interest Exception.
4. Rule of Thumb: It's better to disclose even the most remote chance of a conflict than not to disclose and have to defend a perceived conflict.

Two Types of Contracts are Permitted Under CDBG Regulations

Firm, Fixed Price Contract

Also called Lump-Sum Contract.

Requires that the contractor deliver the product or service for the agreed upon price

Cost Reimbursement Contract

May be awarded for professional services when the level and cost of work to complete a specific task is unknown.

MUST include a “Not to Exceed” limit.

Professional Services Contracts MAY NOT Include:

Language that allows for extra services at additional costs.

Reimbursable costs that do not state a “Not To Exceed” limit.

OCRA is unable to issue Release of Funds for the project if total amount of the contracts exceeds the amount of available funds budgeted!

Check the following before submitting the Release of Funds packet:

- Federal Third-Party Provisions (OCRA Website Other Resources)
- Certificate of Liability Insurance / Errors & Omission (if applicable)
- Local Match budget may need to be increased if contract amounts are more than expected.



Professional
Service
Agreements can
be executed
upon Notice of
Grant Award.

Professional Service Agreements Must:

01

Clearly Define
Project Scope

02

Be “Lump-Sum”
or have a “Not
to Exceed
Clause”

03

Provide a
Project
Timetable

04

Contain a Copy
of the Federal
Third-Party
Provisions



Amending Contracts

Requirements for Amending Contracts



An unforeseeable circumstance



Documentation and justification



Amending Professional Service Contracts

An Amendment to Contract (written explanation of change in scope and cost) must be signed by professional & Grantee if change results in additional costs.

Grantee should be prepared to cover that expense with local funds.



Contracts Knowledge Check

[CLICK HERE](#)



Review Time: Liked, Learned and Challenged.

Take 2-3 minutes and analyze today's presentation.

Name one thing:

- you liked,
- you learned,
- you found challenging to understand.

When you are ready, please raise your hand.

Thank You for
Attending CDBG 301
Day 2.