

# Procurement and Contracting

Arizona Department of Housing  
2016 Housing Forum



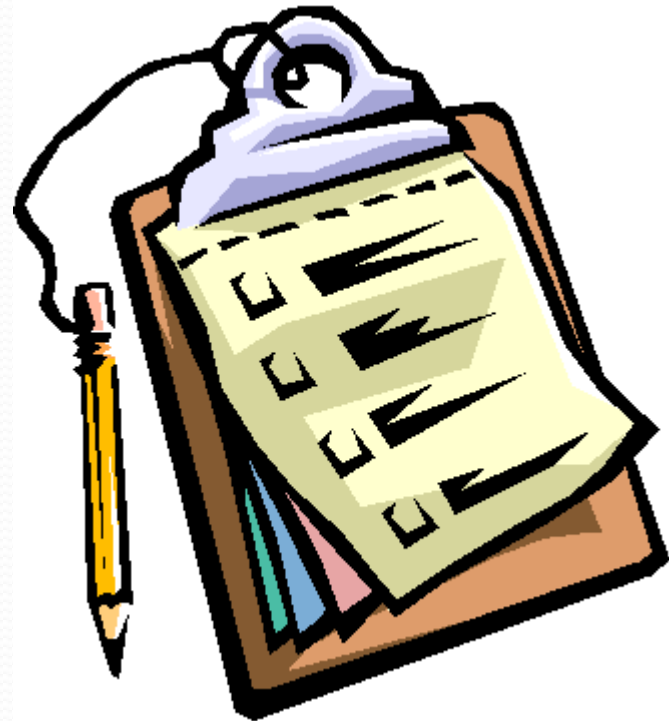
# Welcome and Housekeeping

- Thanks for coming!
- Cell phones to silent, Please!!
- Any non-CDBG/  
HOME/WAP  
attendees?



# Agenda

- What is the *Procurement, Contracts, and Acquisition Handbook* and Who uses it?
- Updated Format
- Major Changes
- Helpful Hints

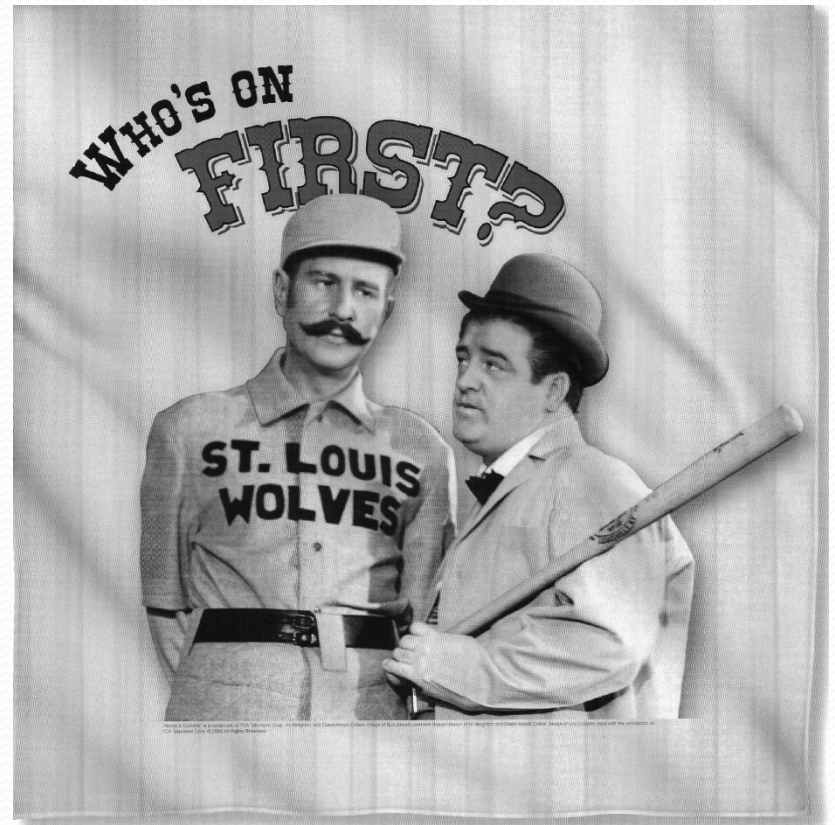


# What is it?

- *Procurement, Contracts, and Acquisition Handbook*
- Issued June, 2016 and Replaces July, 2001 version
- ADOH issues handbooks for our recipients' reference
- 24 CFR Part 85 merges into 2 CFR 200
  - “To streamline the Federal government’s guidance on administrative requirements, cost principles, and audit requirements to more effectively focus Federal resources on improving performance and outcomes while ensuring the financial integrity of taxpayer dollars”

# Who uses it?

- Grantees vs. Recipients vs. Sub-recipients vs. Sub-grantees
- For Handbook purposes, all are Recipients!



# What changed?

- Formatting!
  - Re-ordered context sections
  - Sample documents for RFP, RFQ, and Construction Bid Docs have their own Sections
    - URA and Section 3 samples and forms are in their respective sections
  - Desk and On-site Monitoring Forms and File Checklists
    - USE THESE! THEY ARE AN INVALUABLE TOOL FOR YOU!
  - Added CFR references



# What changed?

- Content!
  - 2 CFR 200
  - State Regulations
  - Code Cross References
  - Moved into 21<sup>st</sup> Century



# Arizona Revised Statutes

- A.R.S. 41-4401
  - Outlines compliance requirements for Immigration Laws and E-Verify
  - Specific Language to include in all contracts
- Handbook Section 2.1.1





# Fly Ash vs. Recovered Materials

- 2 CFR 100.322
  - Outlines compliance with Section 6002 of the Solid Waste Disposal Act (as amended)
- Handbook Section 2.1.3
- Updated Certifications



# Bidders Lists

- 2 CFR 200.309(d)
  - List must be updated within one year of procurement
  - List must contain at least 3 sources to ensure competition
  - List must be rotated if complete list is not used for each procurement
  - Recipient must not preclude potential bidders from qualifying during the solicitation period
- Handbook Section 2.2.3

# RFP vs. RFQ

- Handbook Section 3.4
- RFP = Request for Proposal
  - Typically for administrative services, audits, general plans
  - Price is a factor
  - Ability to contract directly with a COG remains  
2 CFR 200.218(e)
  - Sample documents in Handbook Section 8
- RFQ = Request for Qualifications
  - Typically for architecture or engineering services
  - Price CAN NOT be a factor
  - Sample documents in Handbook Section 9

# Procurement Thresholds

- \*NEW!!\* Micro Purchase
  - Acquisition of supplies/services < \$3,000
  - Procurement of construction < \$2,000
  - Include support documentation with RFPs
  - CAN NOT break apart larger purchases to meet threshold
  - Construction applicability is limited – contact ADOH
  - 2 CFR 200.320(a)
- Handbook Section 3.1

# Procurement Thresholds

- Small Purchase
  - Limit increased from \$100,000 to **\$150,000**
  - Procurement of construction still \$2,000
  - Requires at least 3 oral or written quotes
  - CAN NOT break apart larger purchases to meet threshold
- Handbook Section 3.2



# Competitive Sealed Bids

- All construction (including housing rehab) exceeding \$2,000
- Any other procurement exceeding \$150,000
- Handbook Section 3.3 gives an overview
- Handbook Section 3.3.2 outlines requirements
- Handbook Section 4 explains how to create documents
- Handbook Section 10 includes  
all sample documents





# Sealed Bid Advertisement

- Handbook Section 3.3.2
- Three Methods Now!
  - Newspaper
    - Retain Affidavit
  - Plan Room
    - Evidence of Advertisement clearly showing dates
  - Bidders List
    - Solicit in Writing
    - ALL on list, or CLEAR policy on rotation
- Two-week response time minimum
- Use one or more of the three methods

# Bonding Requirements

- Handbook Section 3.3.2
- Bid Bond required for any bid exceeding \$100,000
  - 5% of the bid price
- If less than \$100,000, follow local bonding requirements
- Performance and Payment Bonds remain at 100%



# SAM.gov

- SAM = System for Award Management
- SAM requirements added to Handbook, various sections
- ***Contractors MUST have a valid and current SAM registration PRIOR to award of a federally funded contract***
- Include requirements in bid documents



**NO SAM MEANS NO MONEY!!!**

UNITED BUILDERS GROUP-SUNDT, A JOINT VENTURE

DUNS: 078406579 CAGE Code: 6PBD5

Status: Active

Expiration Date: 03/15/2017

Purpose of Registration: All Awards

6300 Chapel Hill Rd Ste 120

Raleigh, NC, 27607-4245 ,

UNITED STATES

## Entity Overview

### Entity Information

**Name:** UNITED BUILDERS GROUP-SUNDT, A JOINT VENTURE

**Business Type:** Business or Organization

**POC Name:** John [REDACTED]

**Registration Status:** Active

**Activation Date:** 03/15/2016

**Expiration Date:** 03/15/2017

### Exclusions

**Active Exclusion Records:** No

# Maintaining Documentation

- 2 CFR 200.318(i): Must retain records sufficient to detail the history of the procurement
  - Rationale for Procurement Method
  - Contractor Selection/Rejection
  - Type of Contract Used
  - Basis for Contract Price

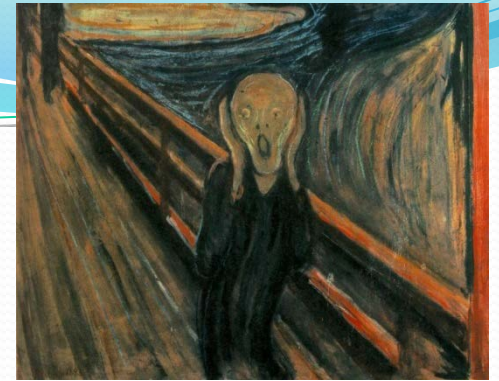


# Maintaining Documentation

- Documentation of Appropriate Method
  - Bid Advertisements, Affidavits of Publication
  - Bidders Lists, Mailing Lists
  - RFP, RFQ
  - Price Quotes
  - Bid Tabulation Forms
  - Correspondence of Award/Non-award
  - Signed Contract, Approved Purchase Order
- Any deviations require WRITTEN ADOH APPROVAL



# Section 3



- Section 3 is a HUD policy that was created for the purpose of bringing economic opportunities generated by the use of HUD funds to LM persons residing in communities where the dollars are being spent.
- HUD issued Proposed Rule March 27, 2015
  - Currently accepting comments
  - No date for Final Rule yet
  - Follow Handbook as-is
  - ADOH will issue major revision when HUD issues Final Rule

# Section 3

- Definitions Section 5.3
- Clarified Thresholds
  - Always applicable to ADOH
  - Applicable to a recipient (at the community level) if:
    - Receive \$200K from combined sources (*CDBG, HOME, NSP, Economic Development, HOPWA, ESG, University Partnership, CDBG-R, 202/811 Grants, Lead Hazard Grants*) in any one HUD year
    - The funding is used for:
      - Housing Rehabilitation
      - Housing Construction AND/OR
      - Public Construction (street, water/wastewater, drainage, ROB, etc)

# Section 3

- Thresholds Continued
  - Applicable to a contractor if:
    - Contract exceeds \$100K
    - Contract involves a Section 3 covered activity (Housing Construction/Rehabilitation AND/OR Public Construction)
  - Applicable to professional services if:
    - Work performed is generated by the expenditure of Section 3 funds
    - Contract exceeds \$100K
- Not applicable to:
  - Material Only Contracts (purchase)
  - Cumulative Contracts (same contractor, different projects)

# Wrap Up

- Questions?
- Concerns?
- Comments?



"Okay, folks, that's a wrap!"