

# OVERALL LMI REQUIREMENT



- With Gustav/Ike disaster funding , as with Katrina/Rita dollars 50% of the total grant received of \$1,058,690,549 - must be spent on activities that benefit LMI persons.

# ADMINISTRATIVE & PROGRAM DELIVERY COSTS



**DISASTER CDBG FUNDING IS  
DIFFERENT THAN THE REGULAR  
STATE OR ENTITLEMENT PROGRAM**

**THE PERCENTAGE ALLOWED IS LESS  
BUT THE TOTAL DOLLARS ARE FAR  
GREATER.**

# ADMINISTRATIVE COSTS



- Consists of the following: general management; oversight and coordination; providing local officials and citizens with information about the program; preparing budgets and schedules; preparing reports and other HUD required documents; indirect costs and cost allocation plans; and, submission of applications for federal programs.
- One half of one percent [0.5] is allocated to parish administrative costs.

# DELIVERY COSTS



- Include the costs of carried out the eligible CDBG activity and include grantees costs, as well as third parties (sub-recipient's, contractors, and grantees).
- For example, staff used to conduct housing rehabilitation who do applicant income verification, work write-ups, on-site progress inspections, punch list, etc. would be doing a delivery activity. As another example, if staff spends time underwriting economic development loans to be made with CDBG funds, which are treated as a cost of delivering the activity.
- Delivery costs are not subject to the administrative and planning limitation, but must be reasonable.

# PLANNING COSTS



- Planning costs are part of administrative costs and include: comprehensive and community development plans; functional plans such as land use; economic development, open space and recreation; energy use and conservation; floodplain and wetlands management; transportation, utilities and the like; other plans and studies [such as small neighborhood, individual project plans, historic preservation studies, etc. Note: engineering architectural and design costs related to a specific project can be charged to the activity line item.

# PROCUREMENT & CONTRACTING



- The “essence of good procurement” can be summarized as follows:
- Identify and clearly specify standards for the goods or services the grantee or subrecipient wants to obtain;
- Seek competitive offers to obtain the best possible quality at the best possible price;
- Use a written agreement that clearly states the responsibilities of each party;
- Keep good records; and
- Have a quality assurance system that helps the grantee or subrecipient get what it pays for.

# METHODS OF PROCUREMENT



- **SMALL PURCHASE PROCEDURES;**
- **SEALED BIDS;**
- **COMPETITIVE PROPOSALS;**
- **NON-COMPETITIVE PROPOSALS.**

# SMALL PURCHASES



- The small purchase procedures allow recipients to acquire goods and services totaling no more than \$100,000, without publishing a formal request for proposals or invitation for bids.
- This method of procurement is typically used to purchase commodities such as supplies, equipment or other materials. Each quote should include pricing information that allows the grantee to compare costs across bidders and ensure cost reasonableness.
- Documentation of the quotes shall be maintained in the grantee's files.

# Sealed Bids (Formal Advertising)



- Sealed bids (Formal Advertising) should be used for all construction contracts or for goods costing more than \$100,000.
- Competitive sealed bidding requires publicly solicited sealed bids and a firm-fixed-price lump sum or unit price contract is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is lowest in price.
- In order for formal advertising to be feasible, the following minimum conditions must be present:
- A complete, adequate and realistic specification or purchase description is available.

# Sealed Bids –continued



**TWO OR MORE RESPONSIBLE SUPPLIERS  
ARE WILLING AND ABLE TO COMPETE  
EFFECTIVELY FOR A GRANTEE'S BUSINESS.  
THE PROCUREMENT LENDS ITSELF TO A  
FIRM FIXED-PRICE CONTRACT, AND THE  
SELECTION OF THE SUCCESSFUL BIDDER  
CAN APPROPRIATELY BE MADE  
PRINCIPALLY ON THE BASIS OF PRICE.**

# COMPETITIVE PROPOSALS – Request for Proposals Process



COMPETITIVE PROPOSALS ARE TYPICALLY USED TO PURCHASE PROFESSIONAL SERVICES, BUT CAN APPLY IN OTHER CIRCUMSTANCES. UNDER THIS PROCUREMENT METHOD, THE GRANTEE MUST PUBLISH A WRITTEN REQUEST FOR SUBMISSIONS AND THEN REVIEW THESE SUBMISSIONS BASED ON ESTABLISHED SELECTION CRITERIA.

THE GRANTEE MUST SOLICIT PROPOSALS FROM AN ADEQUATE NUMBER OF QUALIFIED SOURCES.

# RFP - Continued



- Under this approach, there are two possible methods of soliciting proposals.
- A request for proposals asks that offerers submit both qualifications and cost information.
- A request for qualifications can be used for purchasing architecture and engineering services. It only asks for information on the offerer's expertise/experience and not on cost, subject to a negotiation of fair and reasonable compensation. When acquiring any service that is not architecture or engineering, the full RFP process must be used.
- For example, if a grantee were to hire a for-profit CDBG contract administrator and that contract exceeded \$100,000, an RFP would be required.
- When acquiring architectural or engineering services, either a RFP or a RFQ may be used.

# Non-Competitive Proposals



- **NON-COMPETITIVE PROCUREMENT MAY BE USED ONLY WHEN THE AWARD OF A CONTRACT IS INFEASIBLE UNDER SMALL PURCHASE PROCEDURES, SEALED BIDS, OR COMPETITIVE PROPOSALS AND ONE OF THE FOLLOWING CIRCUMSTANCES APPLIES:**
- **WHERE THE ITEM IS AVAILABLE ONLY FROM A SINGLE SOURCE;**
- **WHERE A PUBLIC EMERGENCY OR URGENT SITUATION IS SUCH THAT THE URGENCY WILL NOT PERMIT A DELAY BEYOND THE TIME NEEDED TO EMPLOY ONE OR THE OTHER PROCUREMENT METHODS; OR**
- **WHERE AFTER SOLICITATION OF A NUMBER OF SOURCES, COMPETITION IS DETERMINED INADEQUATE**