

## City of Covington

### Community Development Block Grant – Disaster Recovery (CDBG-DR) and Mitigation (CDBG-MIT)

## Procurement Policy

### 1. Purpose and applicability

This policy governs every procurement of goods, services, and construction paid for in whole or in part with Community Development Block Grant Disaster Recovery (CDBG-DR) or Mitigation (CDBG-MIT) funds received through the Louisiana Office of Community Development – Disaster Recovery (LOCD-DR).

These procurements must comply with:

- The federal procurement standards at 2 CFR 200.317–200.327 and Appendix II to 2 CFR Part 200
- Louisiana Public Bid Law (La. R.S. 38:2211 et seq.) and other applicable state law
- The City's Cooperative Endeavor Agreement with LOCD-DR and Chapter 4 of the LOCD-DR Grant Implementation Manual
- The City of Covington Procurement Policy, for any matter this policy does not address

**Where requirements differ, the City follows the most restrictive.** For example, if Public Bid Law requires a sealed bid at a lower dollar amount than federal rules, the City uses the sealed bid.

### 2. Code of conduct and conflicts of interest (2 CFR 200.318(c))

1. **Conflicts of interest.** No employee, officer, or agent of the City may take part in selecting, awarding, or administering a CDBG-funded contract if a real or apparent conflict of interest would be involved. A conflict exists when the employee, officer, or agent, any member of their immediate family, their partner, or an organization that employs or is about to employ any of them has a financial or other interest in, or receives a tangible personal benefit from, a firm being considered for the contract.
2. **Gifts and gratuities.** City officers, employees, and agents may not solicit or accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts, except unsolicited items of nominal value as allowed by Louisiana ethics law.
3. **Organizational conflicts.** The City will not contract with a firm whose relationship with a parent, affiliate, or subsidiary prevents it from being impartial.
4. **Contracted parties.** A consultant or vendor under contract with the City may not conduct a CDBG procurement on the City's behalf above the micro-purchase threshold. A designated City Procurement Agent conducts those procurements.
5. **Violations.** Suspected violations are referred to the City Attorney. Employees, officers, or agents found in violation are subject to disciplinary action, up to and including termination, and to any penalties under state law.

This section supplements the Louisiana Code of Governmental Ethics (La. R.S. 42:1101 et seq.), which also applies.

### 3. General procurement standards

1. **Avoid unnecessary purchases.** The requesting department head reviews each proposed CDBG procurement to avoid unnecessary or duplicative items. Where appropriate, the City considers consolidating or breaking out purchases to get a more economical result, and compares leasing with buying.
2. **Intergovernmental agreements.** The City may use intergovernmental or inter-entity agreements, including piggyback contracts, for common goods and services only when the original contract was procured in a manner consistent with 2 CFR 200.317–200.327, and the City keeps documentation showing it.
3. **Responsible contractors.** Contracts are awarded only to responsible contractors able to perform successfully. The City considers integrity, compliance with public policy, past performance, and financial and technical resources.
4. **Debarment check.** Before every award, the City checks SAM.gov to confirm the contractor is not suspended or debarred, and keeps a dated printout in the procurement file.
5. **Prior approvals.** The City obtains LOCD-DR's written approval before any procurement or step for which the CEA or the Grant Implementation Manual requires it, including noncompetitive procurements (Section 5).

#### **4. Full and open competition (2 CFR 200.319)**

All CDBG procurements are conducted to provide full and open competition. The City will not:

- Place unreasonable requirements on firms to qualify to do business
- Require unnecessary experience or excessive bonding
- Engage in noncompetitive pricing practices between firms or affiliated companies
- Award noncompetitive contracts to consultants on retainer
- Allow organizational conflicts of interest
- Specify only a brand name product without allowing an equal product
- Take any arbitrary action in the procurement process
- Use local or geographic preferences in evaluating bids or proposals, except where federal law expressly allows (such as geographic location as a factor for architectural and engineering services, if enough qualified firms remain)

Contractors that develop or draft specifications, requirements, statements of work, or solicitations are excluded from competing for that procurement.

Every solicitation includes a clear, accurate description of what is being bought, and all requirements and evaluation factors offerors must meet. Any prequalified list the City uses for CDBG procurements is kept current and open to new firms during the solicitation period.

#### **5. Methods of procurement (2 CFR 200.320)**

The City uses the method required by the estimated total cost, applying the federal and state thresholds below and following whichever is more restrictive. Purchases may not be split to fall under a threshold.

| Method                  | Federal threshold (LOCD-DR manual)                                                             | Stricter City / state rule                                                   | Competition required                                                                                  |
|-------------------------|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| Micro-purchase          | Under \$10,000; under \$2,000 for construction subject to Davis-Bacon                          | Same                                                                         | None, if the price is reasonable; purchases rotated among qualified suppliers where practical         |
| Small purchase (quotes) | \$10,000 to under \$250,000                                                                    | Materials and supplies \$60,000 or more require sealed bids (Public Bid Law) | At least 3 written quotes from qualified sources                                                      |
| Sealed bids             | Construction above \$250,000; preferred whenever specifications are complete and price decides | Public works \$250,000 or more; materials and supplies \$60,000 or more      | Public advertisement; public opening; firm fixed-price award to lowest responsive, responsible bidder |
| Proposals (RFP / RFQ)   | Services above \$250,000, or when sealed bids aren't appropriate                               | Professional and non-professional services above \$50,000                    | Public advertisement; written evaluation criteria; award to most advantageous offeror                 |
| Noncompetitive          | Only under the conditions below                                                                | Same                                                                         | Written justification; LOCD-DR approval where required                                                |

**City professional services exemption does not apply.** The City ordinance allowing the Mayor to select professional services under \$50,000 without quotes does not apply to CDBG-funded contracts. Federal rules require quotes or a formal method at \$10,000 and above.

**Architectural and engineering services** are procured by RFQ on qualifications alone. Price is not an evaluation factor. The City negotiates fair and reasonable compensation with the most qualified firm, and moves to the next-ranked firm if negotiations fail.

**Advertising.** Formal solicitations are advertised in the City's official journal under Public Bid Law and any additional publication LOCD-DR requires, and posted on [www.covla.com](http://www.covla.com) and the City's electronic bidding site.

**Noncompetitive procurement** is permitted only when one of these applies, and the reason is documented in writing:

1. The total is under the micro-purchase threshold
2. The item or service is available only from a single source
3. A public exigency or emergency will not allow time for competitive procurement
4. LOCD-DR has given written approval in response to the City's written request
5. After soliciting several sources, competition is determined inadequate

The written justification follows the City's Sole Source Justification requirements and includes a cost analysis. Emergency procurements also follow the emergency procedures in the City Procurement Policy and Public Bid Law.

## 6. Small, minority, and women-owned businesses; labor surplus area firms; Section 3

**Affirmative steps (2 CFR 200.321).** The City takes all necessary affirmative steps to ensure small and minority businesses, women's business enterprises, and labor surplus area firms are used when possible:

1. Placing qualified firms on solicitation lists
2. Soliciting them whenever they are potential sources
3. Dividing total requirements into smaller tasks or quantities, when economically feasible, to permit maximum participation
4. Setting delivery schedules that encourage participation, when requirements permit
5. Using the services of the Small Business Administration, the Minority Business Development Agency, and similar organizations
6. Requiring prime contractors to take these same steps when subcontracting

The procurement file documents the City's good-faith efforts for each formal procurement, such as solicitation lists and outreach notices.

**Section 3 (24 CFR Part 75).** Solicitations and contracts for Section 3 projects include Section 3 requirements, and the City follows its adopted Section 3 Plan for outreach, contractor certifications, and reporting.

## **7. Contract types, cost and price analysis, and bonding**

### **Acceptable contract types**

| Type               | When used                                                                                                                                 |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| Firm fixed price   | Scope is well defined; required for sealed bids                                                                                           |
| Cost reimbursement | Scope can't be fully defined in advance, such as some professional services. Must state allowable costs and a ceiling price               |
| Time and materials | Only when no other type is suitable, with a ceiling price the contractor exceeds at its own risk, and a written justification in the file |

**Prohibited:** cost-plus-a-percentage-of-cost and percentage-of-construction-cost contracts may not be used.

**Cost and price analysis.** The City prepares an independent cost estimate before receiving bids or proposals, and performs a cost or price analysis for every CDBG procurement action, including contract modifications and change orders. Where there is no price competition, profit is negotiated as a separate element of price.

**Bonding.** For construction or facility improvement contracts above the \$250,000 simplified acquisition threshold, the City requires a 5% bid guarantee, a 100% performance bond, and a 100% payment bond. Where Louisiana law requires bonds at lower amounts (payment and performance bonds on public works of \$25,000 or more), the City follows state law.

## **8. Required contract provisions**

Every CDBG-funded contract includes the federal and LOCD-DR provisions that apply to its type and dollar amount. The City uses LOCD-DR's required contract language where provided.

| Provision                                                                                            | Applies to                                                |
|------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| Remedies for breach, including sanctions and penalties                                               | Contracts above \$250,000                                 |
| Termination for cause and for convenience                                                            | Contracts above \$10,000                                  |
| Equal Employment Opportunity (E.O. 11246)                                                            | Construction contracts meeting the federal definition     |
| Davis-Bacon Act and Copeland Anti-Kickback Act                                                       | Construction contracts above \$2,000                      |
| Contract Work Hours and Safety Standards Act                                                         | Contracts above \$100,000 involving mechanics or laborers |
| Clean Air Act and Federal Water Pollution Control Act                                                | Contracts above \$150,000                                 |
| Debarment and suspension certification                                                               | All contracts                                             |
| Byrd Anti-Lobbying certification                                                                     | Contracts of \$100,000 or more                            |
| Procurement of recovered materials (2 CFR 200.323)                                                   | As applicable                                             |
| Prohibited telecommunications and video surveillance equipment (2 CFR 200.216)                       | All contracts                                             |
| Domestic preferences (2 CFR 200.322), and Build America, Buy America where it applies to the project | As applicable                                             |
| Section 3 clause (24 CFR 75)                                                                         | Section 3 projects                                        |
| Access to records by the City, LOCD-DR, HUD, and the Comptroller General, and record retention       | All contracts                                             |
| Rights to inventions                                                                                 | As applicable                                             |

The City's Contract Administration Policy governs how these provisions are tracked and enforced.

## 9. Protests and disputes (2 CFR 200.318(k))

The City is responsible for settling all contractual and administrative issues arising from its CDBG procurements, including protests, disputes, and claims.

- Filing.** Any bidder, offeror, or interested party aggrieved by a solicitation or award may protest in writing to the Mayor or designee. Protests of a solicitation must be received at least 10 days before bids, proposals, or qualifications are due. Protests of an award must be received within 14 days after award and must state the specific reasons.
- Effect.** No award is made while a solicitation protest is pending, and no work begins on a protested contract until the protest is resolved.
- Decision.** The Mayor or designee issues a written decision to the protester, with a copy to the City Attorney, within 14 days after receiving the protest. If a solicitation protest is granted, the solicitation is canceled and reissued. If an award protest is granted, the award is voided and the City re-evaluates or re-solicits.

4. **Appeal.** The protester may appeal in writing to the Mayor within 7 days of the decision. The Mayor issues a final written decision within 14 days of receiving the appeal.
5. **Notice to LOCD-DR.** The City notifies LOCD-DR in writing of any protest on a CDBG-funded procurement and its outcome, and keeps all protest records in the procurement file.

These procedures follow the Resolution of Controversies section of the City's Contract Administration Policy and do not limit any remedy available under Louisiana law.

## 10. Contract administration and procurement records

**Contract administration.** The City oversees contractors to make sure they perform according to the terms, conditions, and specifications of their contracts, as set out in the City's Contract Administration Policy and the Contract Monitoring section of the City Procurement Policy.

**Procurement file.** The City keeps a separate file for each CDBG procurement, detailing its history, including:

- Rationale for the procurement method
- Selection of contract type
- Independent cost estimate and cost or price analysis
- Solicitation, advertisement, and proof of publication
- Bids, proposals, or quotes received, with bid tabulation or evaluation scoring
- Basis for contractor selection or rejection, and for the contract price
- SAM.gov debarment check
- Small, minority, and women-owned business outreach documentation
- Any LOCD-DR approvals, sole source justification, or protest records
- Executed contract, amendments, and change orders

**Retention.** Procurement records are retained as provided in Section 4.3 of the City's CDBG-DR/MIT Records Management Policy.

## 11. Adoption and review

This policy takes effect on adoption and applies to all CDBG-DR and CDBG-MIT procurements started on or after that date. It will be reviewed at least annually while a CDBG grant is active, and whenever federal thresholds, state law, or LOCD-DR requirements change.

Adopted by: Council Resolution No. \_\_\_\_\_ / administrative approval (circle one) · Date: \_\_\_\_\_

### Reviewed and approved by:

**Signature:** \_\_\_\_\_ · Grants and Procurement Administrator · **Date:** \_\_\_\_\_

**Signature:** \_\_\_\_\_ · Chief Administrative Officer · **Date:** \_\_\_\_\_

**Signature:** \_\_\_\_\_ · Mayor · **Date:** \_\_\_\_\_