



## **City of Worcester Affordable Housing Trust Fund Federal Procurement Notification for Subrecipients**

### **I. Introduction**

The City of Worcester is a recipient of the American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (SLFRF), also known as ARPA funds. Applicants to the Affordable Housing Trust Fund (AHTF) are evaluated to determine eligibility for a subaward and are defined as a subrecipient.

Subrecipients receiving ARPA funding are required to follow the procurement standards of 2 CFR 200.318 to 200.326 and the contract provisions within Appendix II to Part 200. Procurement standards are Federal Register grant-imposed requirements that are incorporated into all subrecipient agreements.

Eligible use of AHTF funds includes the acquisition of real property (land or structures) in accordance with the Uniform Guidance at 2 CFR Part 200, Subpart D and the ARPA Final Rule starting on Page 133, as well as costs associated with the construction or substantial rehabilitation of structures to provide affordable rental housing or first-time homeownership opportunities. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, apply to projects funded with federal financial assistance as it applies to acquisition of real property. Procurement and payments under procurement contracts shall be consistent with the procurement standards set forth in the Uniform Guidance at 2 CFR 200.317 through 200.327, as applicable, and conducted in a manner consistent with 2 CFR 200.319 related to full and open competition unless exempt by 2 CFR 200.320.

### **II. Purpose**

This document is intended to provide awareness of the federal procurement standards found at 2 CFR 200.318 through 200.326: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. In addition, this document contains a Procurement Certification form and a Procurement Checklist. The AHTF requires its subrecipients to submit a completed Certification as part of their grant agreement and to submit a completed Checklist with their reimbursement requests.

### **III. Overview**

All subrecipient spending under ARPA grant programs must comply with the federal procurement standards described in 2 CFR 200.317 through 200.326.1. The federal procurement standards can be broken down into the categories below:

- General procurement standards (2 C.F.R. § 200.318)
- Competition (2 C.F.R. § 200.319)
- Methods of procurement to be followed (2 C.F.R. § 200.320)



- Contracting with small and minority businesses, women’s business enterprises, and labor surplus area firms (2 C.F.R. § 200.321)
- Procurement of recovered materials (2 C.F.R. § 200.322)
- Contract cost and price (2 C.F.R. § 200.323)
- Federal awarding agency or pass-through entity review (2 C.F.R. § 200.324)
- Bonding requirements (2 C.F.R. § 200.325)
- Contract provisions (2 C.F.R. § 200.326 and Appendix II)

Subrecipients must follow their own documented procurement procedures, provided that the procurements conform to applicable federal law and the standards defined in 2 CFR 200.318 through 326. **Non-compliance with the applicable procurement regulations can result in costs being deemed unallowable, reimbursement requests being denied, or an order that previously awarded grant funds be returned.**

**IV. Procurement Methods**

The chart below identifies methods of procurement specifically cited in 2 CFR 200. When determining a procurement method, subrecipients must use one of these methods or the locally required method, provided it meets or exceeds the procurement standards in one of the methods below.

Method of Procurement	2 CFR 200 Citation	Process/Procedure
Micro Purchases (less than or equal to \$10,000)	2 CFR 200.320 (a)(1)	Purchase may be made without going to bid or obtaining quotes - must document determination that the price is fair and reasonable.
Small Purchases (less than or equal to the Simplified Acquisition Threshold of \$250,000)	2 CFR 200.320 (a)(2)	Must obtain price rates or quotations from an adequate number of qualified sources.
Sealed Bids (purchases greater than the Simplified Acquisition Threshold of \$250,000)	2 CFR 200.320 (b)(1)	Bids are publicly solicited and a firm fixed-price contract is awarded to a responsible bidder who has the lowest price and conforms to all the material terms and conditions of the invitation for bid.
Competitive Proposals (purchases greater than the Simplified Acquisition Threshold of \$250,000)	2 CFR 200.320 (b)(2)	This method is for purchases greater than the SAT in situations where sealed bids aren’t appropriate (e.g., professional services).
Non-competitive Proposals (sole source)	2 CFR 200.320 (c)	Solicitation from a sole source; may be used if certain conditions apply.



**V. Required Written Procedures for Procurement**

Pursuant to 2 CFR 200.318(a) subrecipients must use their “documented procurement procedures”. The chart below identifies the various Federal written procedure requirements – with their related citation – that subrecipient procurement procedures must reflect.

Employee and organizational conflicts of interest standards	See 200.318(c)1
Avoiding acquisition of unnecessary or duplicative items	See 200.318(d)
Granting awards to responsible contractors	See 200.318(h)
Maintaining records to detail history of the procurement	See 200.318(i)
Use of time and material contracts	See 200.318(j)
Settlement of Contractual/Administrative Issues	See 200.318(k)
Selection procedures for procurement transactions	See 200.319(c)
Methods for conducting technical evaluations	See 200.320(d)(3)
Utilizing small businesses, minority owned firms and women business enterprises	See 200.321
Procurement of recovered materials	See 200.322



**VI. Key Additional Federal Requirements**

Below are some additional federal requirements subrecipients must be aware of. Please note that this is not a complete list and does not substitute for a full reading of 2 CFR 200.318-326.

- Take all necessary affirmative steps to assure the use of minority businesses, women- owned business enterprises and labor-surplus area firms. See 2 CFR 200.321(b) for what “affirmative steps” must include. Subrecipients can use the [Massachusetts Operational Services Division \(OSD\) Supplier Diversity Office](#) for assistance in complying.
- Maintain oversight to ensure contractors perform according to the terms, conditions and specifications of their contracts or purchase orders [2 CFR 200.318(b)].
- Perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold (\$250,000) including contract modifications [2 CFR 200.323(a)].
- Negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed [2 CFR 200.323(b)].

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**VII. AHTF Procurement Certification Form**

This Procurement Certification Form is provided by AHTF to its subrecipients and the AHTF requires applicants to submit this completed form with any subsequent grant agreements. The Form must be completed and signed by the person who manages and/or conducts procurements for the applicant.

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1. Procurement(s) conducted under the American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (SLFRF) will comply with my organization's procurement procedures which are documented and reflect current procurement practices (*applicant should indicate Yes or No*)

Yes \_\_\_\_\_ No \_\_\_\_\_

2. My organization's procurement procedures comply with the federal procurement standards found at 2 CFR 200.318 through 200.326 and are available for review upon request from the City of Worcester or the Federal government (*applicant should indicate Yes or No; if 'No' please provide a brief reason why*)

Yes \_\_\_\_\_ No \_\_\_\_\_

Name of person completing this form \_\_\_\_\_

Title \_\_\_\_\_

Signature \_\_\_\_\_

Email \_\_\_\_\_

Telephone \_\_\_\_\_

Applicant Organization Name \_\_\_\_\_



**VIII. AHTF Procurement Checklist**

Pursuant to 2 CFR 200.318(i), subrecipients “must maintain records sufficient to detail the history of procurement. These records will include but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.”

This Procurement Checklist below is provided by the AHTF to its subrecipients and the AHTF requires all subrecipients to submit this completed checklist – along with adequate back-up documentation – with their reimbursement requests.

Following federal requirements does not exempt a subrecipient from state or local requirements. In some instances, state and/or local procurement requirements may be more stringent than the federal procurement regulations. Subrecipients must ensure any actions taken satisfy both federal and state/local requirements.

<b>Debarment and Suspension</b> ( <i>check 'yes' or 'no' as applicable</i> )	<b>Yes</b>	<b>No</b>
Does the vendor appear on the Federal System for Award Management <sup>1</sup> (SAM) Excluded Parties List? (If 'yes' please identify why)		

<b>Procurement Method Used</b>	<b>✓ if applies</b>	<b>Back-up Documentation – for AHTF reimbursement - to include:</b>
Procurement by micro-purchase (less than or equal to \$10,000)		No back-up documentation (for AHTF reimbursement) needed.
Procurement by small purchase (less than or equal to the Simplified Acquisition Threshold of \$250,000)		Documentation (e.g., quote from a vendor or notes from a verbal quote) that price quotes were obtained from “an adequate number of qualified sources” (a minimum of three is recommended).

<sup>1</sup> Pursuant to 2 CFR Part 180, contracts may not be awarded to entities that are on the SAM Excluded Parties List which may be found here: <https://sam.gov>



Procurement by sealed bid (formal advertising)		<ul style="list-style-type: none"> <li>▪ The Invitation for Bid;</li> <li>▪ the IFB advertisement; <i>and</i></li> <li>▪ a copy of the notification and contract to the successful vendor</li> </ul>
Procurement by competitive proposal		<ul style="list-style-type: none"> <li>▪ The Request for Proposal;</li> <li>▪ the RFP advertisement;</li> <li>▪ the vendor evaluation criteria;</li> <li>▪ a copy of the notification and contract to the successful vendor; <i>and</i></li> <li>▪ identify if this method was used for Architectural and Engineering professional services</li> </ul>
Procurement by non-competitive proposals		Submit a narrative that details how the procurement complies with one or more of the circumstances found at 2 CFR 200.321 (f)

<b>Solicitation:</b> if solicitation used, check all that apply. If no solicitation used (e.g., micro-purchase) you may disregard this section	<b>Yes</b>	<b>No</b>
<ul style="list-style-type: none"> <li>▪ Is the solicitation (and its publication) included in your file? <i>(If 'no', please identify why)</i></li> </ul>		
<ul style="list-style-type: none"> <li>▪ Were prospective respondents allowed enough time to respond? <i>(If 'no', please identify why)</i></li> </ul>		
<ul style="list-style-type: none"> <li>▪ Does the solicitation contain a clear and accurate description of the technical requirements for the material, product, or services and scope of work? <i>(If 'no', please identify why)</i></li> </ul>		
<ul style="list-style-type: none"> <li>▪ Are there unreasonable requirements, unnecessary experience, or excessive bonding requirements? <i>(If 'yes', please identify why)</i></li> </ul>		
<ul style="list-style-type: none"> <li>▪ Are there any "brand name" products specified without also stating "an equal" product? <i>(If 'yes', please identify why)</i></li> </ul>		



<ul style="list-style-type: none"> <li>Is a record of respondents that were rejected as not responsible or not responsive - and the rejection reasoning - included in your file? <i>(If 'no', please identify why)</i></li> </ul>		
<ul style="list-style-type: none"> <li>Are there an adequate number of responses documented in the file? <i>(If 'no', please identify why)</i></li> </ul>		
<ul style="list-style-type: none"> <li>Are copies of all proposals - including the methodology of evaluation and selection process - included in your file? <i>(If 'no', please identify why)</i></li> </ul>		
<ul style="list-style-type: none"> <li>Are there any potential conflicts of interest? <i>(If 'yes', please identify why)</i></li> </ul>		

<b>Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms</b>	<b>Yes</b>	<b>No</b>
<ul style="list-style-type: none"> <li>Were positive efforts made in hiring small-business, minority- owned business or women-owned business enterprises to the extent practical? <i>(If 'no', please identify why)</i></li> </ul>		
<ul style="list-style-type: none"> <li>Were there positive efforts in the utilization of labor surplus firms? <i>(If 'no', please identify why)</i></li> </ul>		
<ul style="list-style-type: none"> <li>If your prime contractor has decided to use a subcontractor, did they take the above affirmative steps? <i>(If 'no', please identify why)</i></li> </ul>		





Required Contract Provisions	Yes	No
<ul style="list-style-type: none"> <li>Does the contract contain a provision for administrative and legal remedies for violation or breach of contract? <i>(If 'no', please identify why)</i></li> </ul>		
<ul style="list-style-type: none"> <li>Does the contract contain a provision for termination of contract for cause and for convenience? <i>(If 'no', please identify why)</i></li> </ul>		
<ul style="list-style-type: none"> <li>Does the contract contain all Federal and State special conditions? <i>(If 'no', please identify why)</i></li> </ul>		

<b>Bonding Requirements:</b> used for construction/renovation contracts above the Simplified Acquisition Threshold (\$250,000). Please disregard this section if not applicable to your procurement.	Yes	No
Does the subrecipient bonding policy adequately protect the Federal interests? <i>If no:</i>		
<ul style="list-style-type: none"> <li>Did the bid response include a 5% bid bond?</li> </ul>		
<ul style="list-style-type: none"> <li>Did the winning contractor execute a performance bond for 100% of the contract?</li> </ul>		
<ul style="list-style-type: none"> <li>Did the winning contractor execute a payment bond for 100% of the contract?</li> </ul>		

<b>Cost Analysis Required:</b> used for contracts above the Simplified Acquisition Threshold (\$250,000). Please disregard this section if not applicable to your procurement.	Yes	No
<ul style="list-style-type: none"> <li>Was a cost or price analysis conducted in accordance with 2 CFR 200.323? <i>(If 'no', please identify why)</i></li> </ul>		



**IX. Resources**

- **2 CFR 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards:** <https://www.govinfo.gov/app/details/CFR-2014-title2-vol1/CFR-2014-title2-vol1-part200>
- **Massachusetts Supplier Diversity Office (SDO):** <https://www.mass.gov/orgs/supplier-diversity-office-sdo>

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