



CITY OF CRAIG

Federal and State Grant Procurement Policy

1. Introduction and Purpose

In keeping with its commitment to maintain the highest standards of conduct and ethics, The City of Craig has adopted this Procurement Policy Subsection to ensure that goods and services purchases by the Community Grants Program are obtained in a cost-effective manner and in compliance with applicable federal laws.

The acquisition processes described in this Policy apply to all purchases made by the City of Craig funded by the Community Grants Program.

2. Code of Conduct **[ADDRESSES GENERAL PROCUREMENT STANDARDS REQUIREMENT #2]**

- a. City of Craig purchasing representatives shall not participate in the selection, award, or administration of a contract if they have a real or apparent conflict of interest. Such conflict arises when:
 - i. The purchasing representative; any immediate family member (spouse, child, parent, parent-in-law, sibling, or sibling-in-law); partner; or organization that employs, or is about to employ, any of the above has direct or indirect financial or other interest in or will receive a tangible personal benefit from a firm or individual considered for the contract award. **[2 CFR 200.318 (c)(1)]**
 - ii. An “organization conflict of interest” is created because of the relationship the City has with a parent, affiliate or subsidiary organization that is involved in the transaction such that the City is or appears to be unable to be impartial in conducting a procurement action involving the related organization. **[2 CFR 200.318 (c)(2)]**
- b. City of Craig purchasing representatives shall not solicit or accept gifts, money, gratuities, favors, or anything of monetary value, except unsolicited items or services or nominal value from vendors, prospective vendors, parties to subcontracts, or any other person or entity that receives or may receive, compensation for providing goods or performing services for the City. **[2 CFR 200.318 (c)(1)]**
- c. All City of Craig purchasing representatives shall review and comply with the City of Craig’s procedures for disclosing, reviewing, and addressing actual and potential conflicts of interest. **[2 CFR 200.318 (c)(2)]**

3. Procurement Requirements and Considerations

- a. **All procurements.** All procurements made under this policy shall: **[ADDRESSES GENERAL PROCUREMENT STANDARDS REQUIREMENT #4 & #5]**

- i. Be necessary, at a reasonable cost, documented, not prohibited by law or the applicable funding source, and made in accordance with this Policy. **[2 CFR 200.403 (a-c)]**
 - ii. Avoid acquiring unnecessary or duplicative items. **[2 CFR 200.318 (d)]**
 - iii. Engage responsible vendors who possess the ability to perform successfully under the terms and conditions of a proposed procurement. **[2 CFR 200.318 (h)]**
 - iv. City of Craig purchasing representatives shall consider vendor integrity, public policy compliance, past performance record and financial and technical resources. **[2 CFR 200.318 (i)]** City to maintain sufficient records to facilitate this consideration. Records must include, but are not limited to: **[2 CFR 200.318 (i)]**
 - 1. A description and supporting documentation showing rationale for procurement method (e.g., cost estimates);
 - 2. Selection of contract type;
 - 3. Written price or rate quotations (such as catalog price, online price, email or written quote), if applicable;
 - 4. Copies of advertisements, requests for proposals, bid sheets or bid proposal packets;
 - 5. Reasons for vendor selection or rejection, including rejection letters and award letter; and
 - 6. The basis for the contract price
- b. Competition.** All procurements shall be conducted in a manner that provides, to the maximum extent practical, full, open competition. Procurements shall: **[2 CFR 200.319 (a)]**
[ADDRESSES COMPETITION REQUIREMENT #6- Already met but could add to secure]
- i. Avoid noncompetitive practices that may restrict or eliminate competition, including but not limited to: **[2 CFR 200.319 (a-b)]**
 - 1. Unreasonable qualification requirements.
 - 2. Unnecessary experience and excessive bonding requirements.
 - 3. Noncompetitive pricing practices between firms or affiliated companies.
 - 4. Noncompetitive contracts to consultants on retainer contracts.
 - 5. Organizational conflicts of interest.
 - 6. Specifying “brand name” only instead of allowing “an equal to” product.
 - 7. Arbitrary actions.
 - ii. Exclude contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for a proposal from competing for such procurement. **[2 CFR 200.319 (a)]**
 - iii. Include in any prequalified list an adequate number of current, qualified vendors, firms, or products. **[2 CFR 200.319 (e)]**
 - iv. Not preclude potential bidders from qualifying during the solicitation period. **[2 CFR 200.319 (d)]**
 - v. Not use any geographic preferences (state, local or tribal) in the evaluation of bids or proposals, except where expressly mandated or encouraged by applicable Federal statutes. **[2 CFR 200.319 (c)]**
- c. Minority Owned, Women Owned, and Small Business Vendors.** The City is committed to taking all necessary affirmative steps to assure that minority business, women’s business enterprises and labor surplus area firms (“MWSB Vendors”) are used whenever possible. Such steps include: **[2 CFR 200.321] [ADDRESSES GOOD FAITH EFFORS REQUIREMENT #10- Already met but could add to secure]**
- i. Placing qualified MWSB Vendors on solicitation lists;
 - ii. Soliciting MWSB Vendors whenever they are potential sources;

- iii. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by MWSB Vendors;
 - iv. Establishing delivery schedules, where requirement permits, which encourage participation by MWSB Vendors;
 - v. Using services and assistance, as appropriate, of such organizations as Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
 - vi. Requiring the prime contractor, if subcontracts used, to take affirmative steps listed in paragraphs (i) through (v) of this section.
- d. **Solicitations.** All solicitations shall incorporate a clear and accurate description of the technical requirements for products or services to be procured. Descriptions: **[2 CFR 200.319 (d)] [ADDRESSES COMPETITION REQUIREMENT #7, #8 & #9]**
 - i. Must not contain features which unduly restrict competition.
 - ii. May include a statement of the qualitative nature of the material, product or service to be procured.
 - iii. When necessary, must set forth minimum essential characteristics and standards necessary to satisfy its intended use.
 - iv. Must avoid detailed product specifications if at all possible.
 - v. May use a “brand name or equivalent” description to define performance or other salient requirements when impractical or uneconomical to make a clear and accurate description of technical requirements. Specific named brand features required to be met must be clearly stated.
 - vi. Must identify all requirements which offerors must fulfill and all other factors to be used in evaluating bids and proposals.
- e. **Considerations.** City of Craig purchasing representatives should consider taking the following actions when procuring goods and services to avoid purchase of unnecessary or duplicative goods and services: **[ADDRESSES GENERAL PROCUREMENT STANDARDS REQUIREMENT #3]**
 - i. Conduct a lease vs. purchase analysis, when appropriate, including for property and large equipment. **[2 CFR 200.318 (d)]**
 - ii. Consolidate or break out procurements to obtain a more economical purchase, if possible. **[2 CFR 200.318 (d)]**
 - iii. Use state and local intergovernmental or inter-entity agreements, or common or shared goods and services, where appropriate. **[2 CFR 200.318 (e)]**
 - iv. Use federal excess and surplus property in lieu of purchasing new equipment and property, if feasible and reduces project costs. **[2 CFR 200.318 (f)]**
 - v. Use value engineering clauses to offer reasonable opportunities for cost reductions in construction contracts for projects of sufficient size. **[2 CFR 200.318 (g)]**
 - vi. Use time and materials contracts only if no other contract is suitable and the contract includes a ceiling price that the contractor exceeds at their own risk. If such contract is negotiated and awarded, the City must assert a high degree of oversight to obtain reasonable assurance that contractor using efficient methods and effective cost controls. **[2 CFR 200.318 (j)]**
- f. **Domestic Preferences** **[ADDRESSES DOMESTIC PREFERENCE REQUIREMENT #25-Already met but could add to secure]**
 - i. Bidder must meet Build America, Buy America (BAB) and American Iron and Steel (AIS) requirements.
- g. **Bonding Requirements** **[2 CFR 200.326] [ADDRESSES BONDING REQUIREMENT #28]**

- i. **Minimum Bonding Requirements.** For construction or facility improvement contracts or subcontracts exceeding \$250,000, the requirements for bonding shall, at a minimum, be as follows:
 - 1. A bid guarantee from each bidder is equivalent to five percent of the bid price.
 - 2. A performance bond on the part of the contractor is for 100% of the contract price.
 - 3. A payment bond on the part of the contractor is for 100% of the contract price.
 - 4. All bonds required in this section are obtained from companies holding certificates of authority as acceptable sureties pursuant to the surety requirements for companies doing business with the United States
- h. **Contract Provisions [2 CFR 200 Appendix 2] [ADDRESSES DOMESTIC PREFERENCES REQUIREMENT #25]**
 - i. Required causes. In addition to containing a clause identifying the contract type, all contracts shall include any clauses required by Federal statutes, executive orders, and their implementing regulations, as provided in 2 CFR 200.326 and Appendix II to Part 200, such as the following:
 - 1. Administrative, contractual and legal remedies when contractor violates or breaches contract (Contracts over small purchase threshold)
 - 2. Termination for default and termination for convenience (Contracts over \$10,000)
 - 3. Equal Employment Opportunity
 - 4. Davis-Bacon Act
 - 5. Contract Work Hours and Safety Standards Act
 - 6. Rights to Inventions Made Under a Contract or Agreement
 - 7. Clean Air Act and Federal Water Pollution Control Act
 - 8. Debarment and Suspension
 - 9. Byrd Anti-Lobbying Amendment
 - 10. Procurement of recovered materials

4. Procurement Methods.

- a. **Small Purchase Procurement Standards [2 CFR 200.320 (a)(2)] [ADDRESSES SMALL PURCHASE REQUIREMENT #11 & #12]**
 - i. Reference City of Craig Purchasing Policy Section B & C
- b. **Sealed Bids Procurement Standards [2 CFR 200.320 (b)(1)] [ADDRESSES NONCOMPETITIVE PROCUREMENT STANDARDS REQUIREMENT #13, #14, #15, #16, #17 & #18]**
 - i. Reference City of Craig Purchasing Policy Section D.
 - ii. Bids to be received by two or more responsible bidders are willing and able to compete effectively for business.
 - iii. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.
 - iv. Bids to be opened publicly at advertised place, date and time.
 - v. Bidders to contact listed individuals in advertisement to maintain pertinent attachments.
 - vi. Contract to be awarded to lowest responsive and responsible bidder. The lowest responsive and responsible bidder is considered a qualified bidder with the lowest or best bid price, and whose business and financial capabilities, past performance, and reputation meet the required standards. Where specified in bidding

documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest.

vii. The City may reject bids for sound and documented reason.

c. Competitive Proposal Procurement Standards

i. The City of Craig competes all procurement greater than the City's small purchase procurement threshold using sealed bids.

d. Exceptions to Standard Methods (Noncompetitive Procurement Standards) [2 CFR 200.320 (c)] [ADDRESSES NONCOMPETITIVE PROCUREMENT STANDARDS REQUIREMENT #24]

- i. Sole Source. Procurement by solicitation of a proposal from a single source may only be used if one of the following apply and are documented:
1. The acquisition of property or services, the aggregate dollar amount of which does not exceed the City's micro-purchase threshold.
 2. Item is only available from a single source;
 3. Public exigency or emergency will not permit any delay;
 4. Federal awarding agency or pass-through expressly authorizes in response to a CAA request; or
 5. After soliciting a number of sources, competition is determined inadequate.

5. Contract Cost and Prices [2 CFR 200.323 (a-b)] [ADDRESSES CONTRACT COST & PRICE REQUIREMENTS #26 & #27]

- i. Price and Cost analysis must be completed in connection with every sealed bid procurement action.
- ii. For sole sourced procurements, profit must be negotiated as a separate element of the procurement price.

6. Compliance with this Policy [2 CFR 200.318 (b-c (1))] [ADDRESSES GENERAL PROCUREMENT STANDARDS REQUIREMENT #1]

- a. The City purchasing representatives should maintain oversight to ensure that contractors and vendors perform in accordance with the terms, conditions, and specifications of contracts or purchase orders. Violations of this policy may result in disciplinary action, up to and including termination.

[The EPA Community Grants Program's Procurement Policies are defined by 2CFR 200, 2 CFR 1500, and 40 CFR 33. The above subsection was compiled to reflect the minimum requirements of the listed federal regulations, as presented by alternative federal grant procurement policy examples. Red bolded text indicates notes by the Engineer presenting the procurement checklist requirement, or federal regulation addressed. Legal review is required before inclusion to City Policy]