



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

- 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.
 - 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.
- 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.
- 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.

3. Procurement Requirements and Considerations

- a. **All procurements.** All procurements made under this policy shall:
 - i. Be necessary, at a reasonable cost, documented, not prohibited by law or the applicable funding source, and made in accordance with this Policy.
 - ii. Avoid acquiring unnecessary or duplicative items.
 - iii. Engage responsible vendors who possess the ability to perform successfully under the terms and conditions of a proposed procurement.

- iv. City of Craig purchasing representatives shall consider: vendor integrity, public policy compliance, past performance record and financial and technical resources. City to maintain sufficient records to facilitate this consideration. Records must include, but are not limited to:
 - 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:
 - i. Avoid noncompetitive practices that may restrict or eliminate competition, including but not limited to:
 - 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.
 - iii. Include in any prequalified list an adequate number of current, qualified vendors, firms, or products.
 - iv. Not preclude potential bidders from qualifying during the solicitation period.
 - 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.
- 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:
 - 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:
- 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:
- i. Conduct a lease vs. purchase analysis, when appropriate, including for property and large equipment.
 - ii. Consolidate or break out procurements to obtain a more economical purchase, if possible.
 - iii. Use state and local intergovernmental or inter-entity agreements, or common or shared goods and services, where appropriate.
 - iv. Use federal excess and surplus property in lieu of purchasing new equipment and property, if feasible and reduces project costs.
 - v. Use value engineering clauses to offer reasonable opportunities for cost reductions in construction contracts for projects of sufficient size.
 - 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.
- f. Domestic Preferences**
- i. Bidder must meet Build America, Buy America (BAB) and American Iron and Steel (AIS) requirements.
- g. Bonding Requirements**
- 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**

- 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

- i. Reference City of Craig Purchasing Policy Section B & C

b. Sealed Bids Procurement Standards

- i. Reference City of Craig Purchasing Policy Section D. Applicable for purchases over the micro-purchase threshold of \$10,000 and not exceeding the acquisition threshold of \$250,000.
- 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 individual 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. Applicable for purchases for purchases over the micro-purchase threshold of \$10,000.
- ii. Requests for proposals must be publicized and identify all evaluation factors.
- iii. Proposals must be solicited from two or more qualified offerors.
- iv. Technical evaluation of proposals received and selected must documented and aligned with identified evaluation factors.
- v. Contracts must be awarded to a responsible offeror whose proposal is most advantageous, with price and other factors considered.
- vi. Competitive proposal procedures for qualifications-based procurement of architectural/engineering professional services may be used whereby the offeror's qualifications are evaluated, and the most qualified offeror is selected, subject to

negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in the procurement of A/E professional services.

d. Exceptions to Standard Methods (Noncompetitive Procurement Standards)

- 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

- 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

- 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.