



CDBG-DR

Procurement and Contracting Policies and Procedures

Updated December 2022

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PURPOSE

The Department of Local Affairs (DOLA), Division of Local Government (DLG), CDBG-DR Program shall: provide for a procurement system of quality and integrity; provide for the fair and equitable treatment of all persons or firms involved in purchasing by DOLA; ensure that supplies and services (including construction) are procured efficiently, effectively, and at the most favorable prices available to DOLA; promote competition in contracting; and assure that DOLA purchasing actions are in full compliance with applicable State and Federal laws. The purpose of this document is to outline policy and procedures for procurement and contracting for the potential programs within CDBG-DR. Procedures will cover contracts, interagency agreements, memorandums of understanding, grant agreements, purchase orders and associated amendments or option letters.

SCOPE

Policy and procedures are limited to programs administered by DOLA and funded through the State of Colorado's CDBG-DR grant. Nothing in this policy shall prevent DOLA from complying with the terms and conditions of the grant imposed by the U.S. Department of Housing and Urban Development (HUD) that is otherwise consistent with the law. When procuring property and services under the grant, DOLA will follow the same policies and procedures it uses for procurements from its non -Federal funds. DOLA will ensure that every purchase order or other contract includes any clauses required by Federal statutes and executive orders and their implementing regulations.

OVERVIEW

Procurement in Colorado is governed by 1 CCR 101-9 Procurement Rules, published by the Colorado Department of Personnel and Administration: Division of Finance and Procurement. These rules implement the provisions of the Colorado Procurement Code (section 24-101-101, et seq., C.R.S.) referred to in these rules as the "code", the Construction Bidding for Public Projects Act (section 24-92-101, et seq., C.R.S.), Construction Contracts with Public Entities (section 24-91-101, et seq., C.R.S.) and the Integrated Delivery Method for Public Projects Act (section 24-93-101, et seq., C.R.S.). Additionally, as a federally funded program, procurement for the CDBG-DR grant is also governed by 2 CFR § 200 Subpart D (sections 200.317 – 200.327). The State will impose 2 CFR 200.318 through 200.327 on its subrecipients

Contracting procedures for Colorado's CDBG-DR grant administered by the Colorado Department of Local Affairs are conducted in accordance with the State Procurement Code, CRS Title 24, Articles 101-112, State Fiscal Rules, and the Controller Contract Policies available at <https://www.colorado.gov/pacific/osc/contractpolicies>.



DEFINITIONS

The term **procurement**, as used in this Policy, includes the procuring, purchasing, leasing or renting of: (1) goods, supplies, equipment, and materials, (2) construction and maintenance; consultant services, (3) Architectural and Engineering (A/E) Services, (4) Professional Services, and (5) other services.

The term **grantee**, as used in this Policy, means the Department of Local Affairs, the agency awarded the \$7.415 million Community Development Block Grant – Disaster Recovery (CDBG-DR) from HUD

The term **sub-recipient**, as used in this Policy, means Non-Federal entities that receive a sub-award from a pass-through entity to carry out part of a federal program. A subrecipient may also be a recipient of other Federal awards directly from a federal awarding agency.

The term **subgrantee**, as used in this Policy, means Non-Federal entities to which a sub-grant is awarded and which is accountable to the grantee for the use of the funds provided.

- Accounting and Financial Services (AFS) – a unit within DOLA that provides financial services such as accounting, payroll, billing & vendor account maintenance, and grant and financial reporting.
- CCU - The Central Contracts Unit (CCU) within the Office of the State Controller (OSC) is charged with oversight of the resulting Statewide Contract Management System (CMS).
- Contract Management System (CMS) - Colorado Revised Statutes §§24-102-205, 24-102-206, 24-103.5-101 and 24-105-102, requires the State of Colorado to implement and maintain a centralized contract management system.
- Contractor - An entity that receives a contract which has been procured by the grantee, subgrantee or subrecipient
- CORE - The Colorado Operations Resource Engine (CORE) is the State of Colorado's accounting software system
- Department of Local Affairs (DOLA) Contracts and Procurement Manager – Delegated agency procurement official
- Department of Local Affairs (DOLA) Controller Delegate - Signatory authority at agency designated by OSC for low-risk contracts
- Designated Contract Manager - Staff person responsible for overseeing development and execution of the contract or agreement
- Disaster Recovery Grant Reporting System (DRGR) - HUD grant reporting system
- Environmental Release of Funds (ROF) - A document certifying that an environmental review has been completed
- Federal Funding Accountability and Transparency Act (FFATA) - Grantees are required to file a FFATA sub-award report by the end of the month following the month in which the grantee awards any sub-grant equal to or greater than \$30,000 into the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS)
- HUD - The Housing and Urban Development agency (HUD) is the Federal agency that awarded and oversees the CDBG-DR grant
- Program Manager - Manages the application, contracting, monitoring and closeout of



awards to subrecipients or vendors/contractors

- System for Award Management (SAM.gov) - Website that allows anyone to verify a subgrantee, subrecipient or contractor's eligibility to do business with the U.S. government

PROCUREMENT OVERVIEW



Planning is essential to managing the procurement function properly. Planning includes defining the need, developing the means and methods to meet the need, assessing risks, and allocating resources.

Purchasing is a two-stage process:

- a. Preparation of the Solicitation and Vendor selection includes researching, selecting the appropriate Solicitation method, preparing the Solicitation, and complying with all related legal requirements; and
- b. Evaluation and Award includes pricing analysis, evaluation, and Award.

Contract Formation includes establishing performance measures, negotiating terms and conditions, initial drafting and revising, and signing (Execution).

Contract Administration includes actual Monitoring of contracts, communicating concerns, and taking corrective actions to ensure successful completion of contracts.

Closeout includes verifying deliverables and outcomes, ensuring reconciliation of financials, and verifying compliance with contract terms and conditions.

PURCHASING THRESHOLDS

- a. Purchases of goods or services may be made without benefit of competition as follows:
 - i. A governmental body without delegated purchasing authority may purchase goods or services up to a limit of \$5,000;
 - ii. A governmental body with delegated purchasing authority may purchase goods or services up to \$25,000; and
- b. Small purchases are goods and services purchases costing less than \$150,000. Goods and services between \$25,000 and \$150,000 may be purchased using a documented quote process, or the methods identified in section 24-103-201, C.R.S. The chief procurement officer may approve or deny a request from a procurement official or his or her designee to allow the purchasing agency to use a documented quote process when the estimated cost would exceed the small purchase threshold.
- c. Invitation for bids, request for proposals, and invitations to negotiate, may be used for goods or services estimated to exceed the small purchase threshold of \$150,000.
- d. Reverse auctions, special circumstance procurements, emergency procurements, and sole



source procurements, may be used at any dollar threshold.

Colorado Purchasing Thresholds & Bidding Tools

| Goods & Services | Threshold / Bidding Tools | |
|-----------------------|---------------------------|--|
| Up to \$25,000 | Discretionary | No Competition Required* |
| \$25,000 to \$150,000 | Small Purchases | Documented Quote (DQ) |
| \$150,000 and Over | -- | Request for Proposal (RFP), Invitation for Bid (IFB), or Invitation to Negotiate (ITN)** |

Reverse auctions, special circumstance procurements, emergency procurements, and sole source procurements may be used at any threshold, with approval from the agency procurement official or Chief Procurement Officer (CPO), as required.

* A governmental body without delegated purchasing authority may purchase goods or services with no competition required up to a limit of \$5,000.

** The CPO may approve or deny a request to use a DQ process when the estimated cost would exceed the small purchase threshold.

<https://osc.colorado.gov/spco/procurement-resources>

COMPETITION REQUIREMENTS FOR GRANTS

DOLA will follow the [Office of the State Controller Policy on Competition Requirements for Grants](#), which clarifies the classification of Grants and Contracts, the applicability of Office of Management and Budget (OMB) Uniform Guidance (Title 2 of the CRS, subtitle A, Chapter II, Part 200) and the Procurement Code to Grants and Contracts, and the relationship between the OMB Uniform Guidance and the Procurement Code.

Appendix 1 to Competition Requirements for Grants and Contracts Technical Guidance

Classifications of Awards. There may be four or more levels of awards as funds are passed down from the initial funding source to the entity that provides the services or delivers the goods.

Classification and Requirements for Awards using Federal Funds

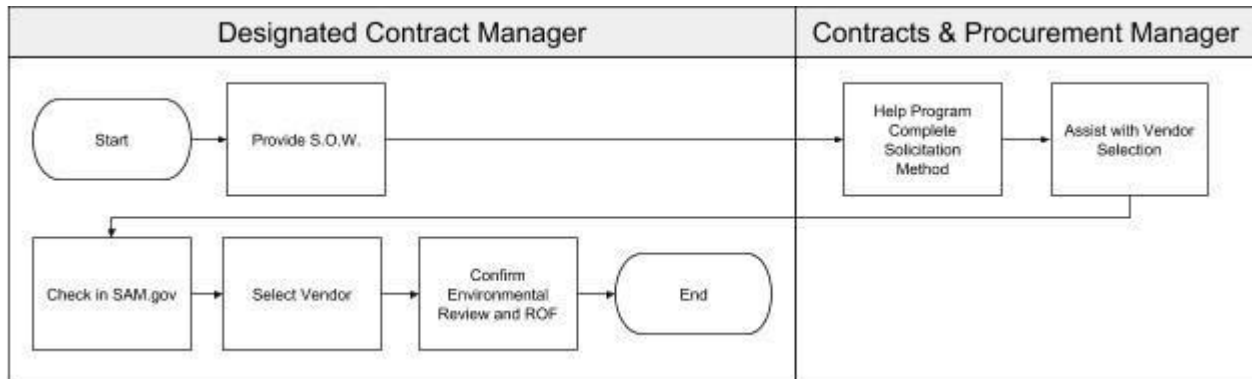
| Award Level | Transaction | Classification | Competitive Process |
|--|--------------|----------------|--|
| Level 1 – Award by a Federal Agency to: | | | |
| 1a. State Agency | Non-exchange | Grant | State Agency Applies in Accordance with Federal Requirements |
| Level 2 – Award by State Agency to: | | | |
| 2a. Subrecipient – State Agency serves as PTE | Non-exchange | Grant | Follow Competition Requirements for Grants Policy |
| 2b. Contractor – State Agency hires Contractor, including Personal Services | Exchange | Contract | Follow Procurement Code |
| Level 3+ – Award by Subrecipient to: | | | |
| 3a. Additional Subrecipient | Non-exchange | Grant | Follow OMB Procurement Methods* |
| 3b. Contractor | Exchange | Contract | Follow OMB Procurement Methods* |
| Levels 3+ – Award by Contractor to: | | | |
| 3a. Subcontractor | Exchange | Contract | Follow OMB Procurement Methods* |
| Levels 4+ – Award by Subcontractor to: | | | |
| 4a. Additional Subcontractor | Exchange | Contract | Follow OMB Procurement Methods* |

* Unless otherwise waived by the federal agency providing the Federal Award.



PROCUREMENT PROCEDURES

1. The designated Contract Manager will communicate with the DLG Internal Services team and AFS to determine available funding.
2. The designated Contract Manager will provide the Contracts and Procurement Manager with the Statement of Work (S.O.W.).
3. The Contracts and Procurement Manager will work with the designated Contract Manager to complete the appropriate solicitation method (RFP, request for bid, documented quote, sole source). CDBG-DR and Colorado State Procurement Code/fiscal rules shall be followed during solicitation and selection. Scoring methodology on all RFPs must be established and include cost as a factor
Cost reasonableness must be documented.
4. The Contracts and Procurement Manager will assist the designated Contract Manager with vendor selection. The designated Contract Manager will check SAM.gov to ensure the contractor is not on the debarred list and has an “active” registration, prior to vendor selection.
5. The Vendor will be selected.
6. The designated Contract Manager will confirm that the environmental review and the Release of Funds (ROF) letter is complete (if applicable).



CONTRACT DRAFTING

Goods/Services

1. The DLG Internal Services Team and/or the Contracts and Procurement Manager will determine the appropriate contracting “tool” for goods/services (i.e. purchase order, contract).
2. The designated Contract Manager will provide the DLG Internal Services Team with the S.O.W./proposal.
3. The DLG Internal Services Team will enter the contract information from the S.O.W./proposal into the Contract Management System to generate a CMS number.
4. The designated Contract Manager and DLG Internal Services Team will draft the contract utilizing the approved OSC templates available on the Central Contracts Unit website (<https://www.colorado.gov/pacific/osc/contracts>), ensuring the contract includes all terms

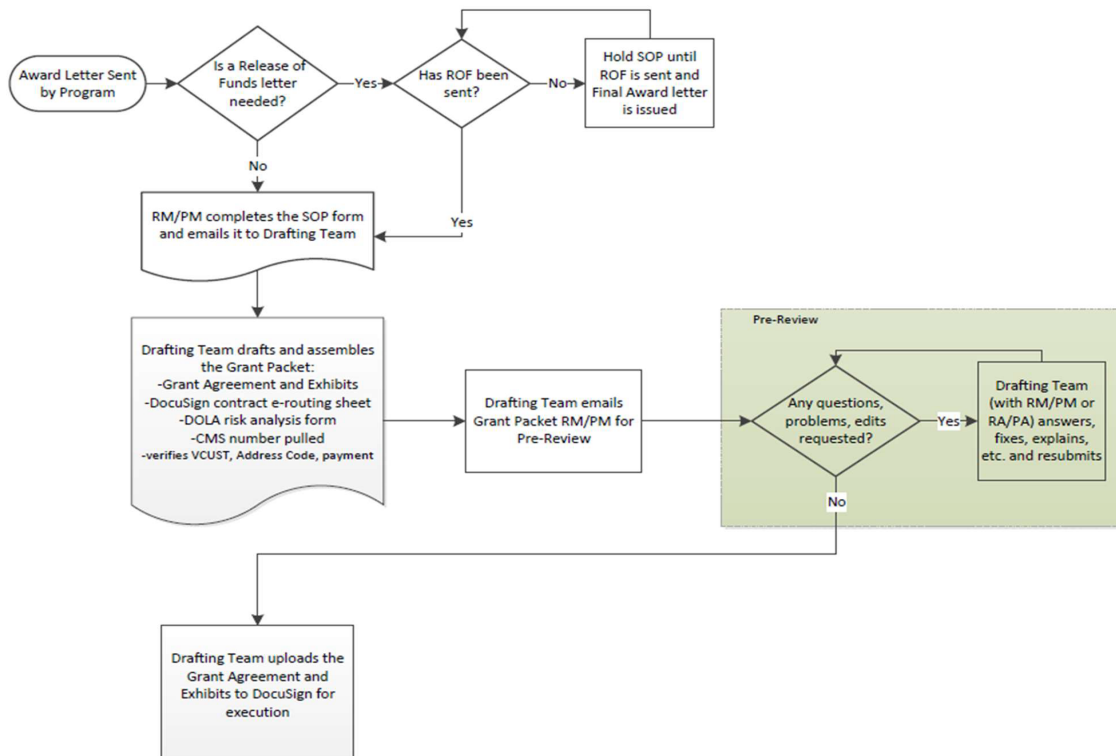


included in the S.O.W. and proposal/bid.

5. The DLG Internal Services Team, in coordination with the designated Contract Manager, will complete the risk assessment.
6. The designated Contract Manager will complete the Personal Services Certification form (for personal services admin contracts) and have it signed by appropriate program personnel and the DOLA HR Director to certify that no State employee is being displaced by the hiring a consultant or contractor.

Grants

1. Program staff sends award Letter to sub-grantee/sub-recipient
2. The DLG Internal Services Team will determine the appropriate contracting “tool” for the grant agreement and verify that a ROF has been sent (if needed).
3. The designated Contract Manager will complete the Scope of Project (SOP) form and submit to the DLG Internal Services Drafting Team.
4. The Drafting Team drafts and assembles the Grant Packet using the information on the SOP:
 - a. Grant Agreement and Exhibits
 - b. Docusign contract e-routing sheet
 - c. DOLA Risk Analysis form
 - d. CMS Entry
 - e. Verifies Vendor/Customer information in CORE
5. Drafting Team emails Grant Packet to designated Contract Manager for Pre-Review.
6. Drafting Team uploads the reviewed Grant Agreement and Exhibits into Docusign.



Note: All involved staff should update the Contracts Tracker throughout the process.



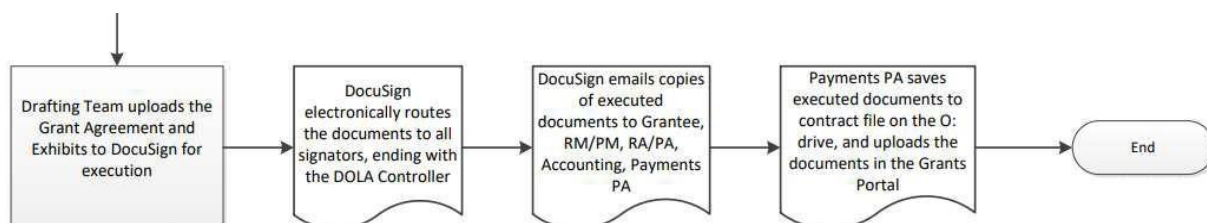
DRGR & BUDGET SETUP

1. The designated Contract Manager will provide contract/grant information to CDBG-DR Staff for set up in DRGR
2. The CDBG-DR Staff/DLG Internal Services team will provide the contract/grant information to AFS to set up the budget in CORE.
3. The AFS Accountant will confirm to CDBG-DR Staff and DLG Internal Services that the budget has been set up and provide the CORE budget coding. The AFS Accountant will update the Contracts Tracker.
4. After the DOLA Executive Director signature (DocuSign), the AFS Accountant will create pre-execution encumbrance/P.O. in CORE prior to final execution by the DOLA Controller

ROUTING

1. After Pre-Review, the DLG Internal Services Drafting Team will upload the contract/agreement documents into DocuSign
2. Routing in DocuSign will be as follows (subject to change based on DOLA or OSC policy):
 - a. AFS Accountant for Funding Code drop-down entry
 - b. Program Review (if applicable)
 - c. Grantee/Contractor Signature (if applicable)
 - d. Executive Director's Office Signature
 - e. AFS Accountant for CORE Encumbrance Entry
 - f. DOLA Controller for Final Execution (OSC for High Risk Contracts)
 - g. Receives a Copy:
 - i. CDBG-DR Staff
 - ii. Division Budget Manager
 - iii. Grantee/Contractor
 - iv. AFS Accountant
3. If the contract amount is over \$25,000.00 then a FFATA data form must be completed by the Vendor and the information input into the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) by CDBG-DR Staff.
4. AFS Accountant will create a pre-execution encumbrance in CORE prior to entering encumbrance information into DocuSign and forwarding to Controller
5. After Execution, AFS Accountant will update the encumbrance with executed documents
6. Final encumbrance must be approved in CORE prior to making payments against the contract encumbrance

Note: All involved staff should update the Contracts Tracker throughout the process.





Appendix I - Solicitation (DQ, RFP, etc.) Process Document

| Action | Description |
|---|---|
| Required Documents and Information: | <ul style="list-style-type: none"> • Solicitation document - draft DQ, RFP • Approved HR Personal Services Certification, if applicable (required > \$5000) • Funding/Accounting Template • CMS Record (DocuSign launcher will create/add the CMS record) • CORE RQS (I:\DLG Operations\CORE – How to create an RQS document for procurement) • Purchase Authorization Procurement Form with DocuSign Approvals – Solicitations • BLANK e-signature routing FORM for Approvals Personal Services Procurement Solicitation |
| Process: Program (Prior to DocuSign Launch) | <ul style="list-style-type: none"> • Work with Procurement Director on draft DQ, RFP • Work with HR on an Approved HR Personal Services Certification |
| Process: Operations (DocuSign Launch) | <p>Create folder on O:Drive for solicitation and save all documents to folder <i>O:\CONTRACTS\CONTRACTS for DLG OPERATIONS\Personal Services Contracts and Purchase Orders</i></p> <p>Create CMS Record; print, save to folder</p> <p>Get funding from accounting</p> <p>Create RQS in CORE, save and validate but do not submit</p> <p>Complete all fields of the <i>Purchase Authorization Procurement Form - Solicitations</i></p> <p>Complete <i>BLANK e-signature routing FORM for Approvals Personal Services Procurement Solicitation</i></p> <p>DocuSign: attach required documents; launch.</p> <p>When the DocuSign envelope completes the initial review phase, Operations will receive a copy. Attach the copy of all documents to the RQS, validate, and submit. The RQS will go through the CORE approval process and a DQ # created for Procurement.</p> <p>Save completed/approved DocuSign envelope to the O:Drive folder.</p> |

Note: all templates are on the O:Drive:

O:\CONTRACTS\CONTRACTS for DLG OPERATIONS\Templates



Appendix II - Personal Services Contract Process Document

| Action | Description |
|---|--|
| Phase 1: Approvals | |
| Approvals | HR: Personal Services Certification > \$5000 Procurement: Sole Source; Documented Quote (DQ); Request for Proposal (RFP) (See guidance below for dollar thresholds) |
| Required Documents and Information: | <ul style="list-style-type: none"> • Draft Contract • Solicitation documents, if applicable • HR Personal Services Certification, if applicable (required > \$5000) • Funding/Accounting Template • CMS Record (DocuSign launcher will create/add the CMS record) • Risk Analysis • Purchase Authorization Procurement Form with DocuSign Approvals - Contract Review • BLANK e-signature routing FORM for Contract Review Personal Services Contract |
| Phase 1: DocuSign Approvals | |
| Process: Program (Prior to DocuSign Launch) | <ul style="list-style-type: none"> • Procurement documents: Get procurement approval, if applicable (see below. If a formal procurement is required, the Procurement Process for Solicitations precedes this process) • Approved HR Personal Services Certification, if applicable (required > \$5000) • Draft Contract • Email all documents to Operations with the name, title, and email address of primary Vendor contact |
| Process: Operations (DocuSign Launch) | Check Vendor in CORE; if not in CORE, get W9 from vendor; submit to accounting to add vendor to CORE; optional EFT paperwork Create folder on O:Drive for purchase and save all documents to folder <i>O:\CONTRACTS\CONTRACTS for DLG OPERATIONS\Personal Services Contracts and Purchase Orders</i> Create CMS Record; print, save to folder Complete all fields of the <i>Purchase Authorization Procurement Form with DocuSign Approvals - Contract Review</i> Complete <i>BLANK e-signature routing FORM for Contract Review and Approval Personal Services Contract</i> DocuSign: attach required documents; launch Save completed/approved DocuSign envelope to the O:Drive folder |
| Phase 2: DocuSign Contract Execution | |
| Process: Operations (DocuSign Launch) | <ul style="list-style-type: none"> • Add the DocuSign envelope # to the top of the contract and route for execution • Complete all fields of the BLANK e-signature routing FORM for Execution Bi-Lateral Contracts-MTO • Launch in DocuSign • When executed, add the executed contract to O:Drive folder and update all trackers. |

Note: all templates are on the O:Drive:

O:\CONTRACTS\CONTRACTS for DLG OPERATIONS\Templates



Appendix III - Personal Services PO Process Document

| Action | Description |
|---|---|
| Quote | Vendor quote; check CORE to ensure vendor and address are in CORE |
| Approvals | HR: Personal Services Certification > \$5000 Procurement: Sole Source; Documented Quote (DQ); Request for Proposal (RFP) (See guidance below for dollar thresholds) |
| Purchase Order | Required if > \$5000 but < \$150,000 |
| Special Circumstances | Official function required if training is to be provided with or without food purchase. |
| Required Documents and Information: | <ul style="list-style-type: none"> Quote Solicitation documents, if applicable HR Personal Services Certification, if applicable (required > \$5000) Funding/Accounting Template CMS Record (DocuSign launcher will create/add the CMS record) Purchase Authorization Procurement Form with DocuSign Approvals - Purchase Order BLANK e-signature routing FORM for Purchase Orders |
| Process: Program (Prior to DocuSign Launch) | <ul style="list-style-type: none"> Quote: Get quote from vendor Procurement documents: Get procurement approval, if applicable (see below. If a formal procurement is required, the Procurement Process for Solicitations precedes this process) HR Personal Services Certification, if applicable (required > \$5000) Any other required documents such as the Official Function Form Email all documents to Operations with the name, title, and email address of primary Vendor contact |
| Process: Operations (DocuSign Launch) | <p>Check Vendor in CORE; if not in CORE, get W9 from vendor; submit to accounting to add vendor to CORE; optional EFT paperwork</p> <p>Create folder on O:Drive for purchase and save all documents to folder <i>O:\CONTRACTS\CONTRACTS for DLG OPERATIONS\Personal Services Contracts and Purchase Orders</i></p> <p>Create CMS Record; print, save to folder</p> <p>Complete all fields of the <i>Purchase Authorization Procurement Form with DocuSign Approvals - Purchase Order</i></p> <p>Complete <i>BLANK e-signature routing FORM for Purchase Orders</i></p> <p>DocuSign: attach required documents; launch</p> <p>Save completed/approved DocuSign envelope to the O:Drive folder</p> <p>When the final PO is received from Accounting, save to the O:Drive folder, attach the PO Terms and Conditions, and forward to the vendor contact and add to the O:Drive folder</p> |

Note: all templates are on the O:Drive:

O:\CONTRACTS\CONTRACTS for DLG OPERATIONS\Templates