

Q&A

TxCDBG Recommendation of
Procuring Administration
Engineering Services Prior to
Preparing a TxCDBG Application

Why the recommendation?

- **2 CFR §200.319 Competition:**

(a) All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, **statements of work**, or invitations for bids or requests for proposals must be excluded from competing for such procurements.

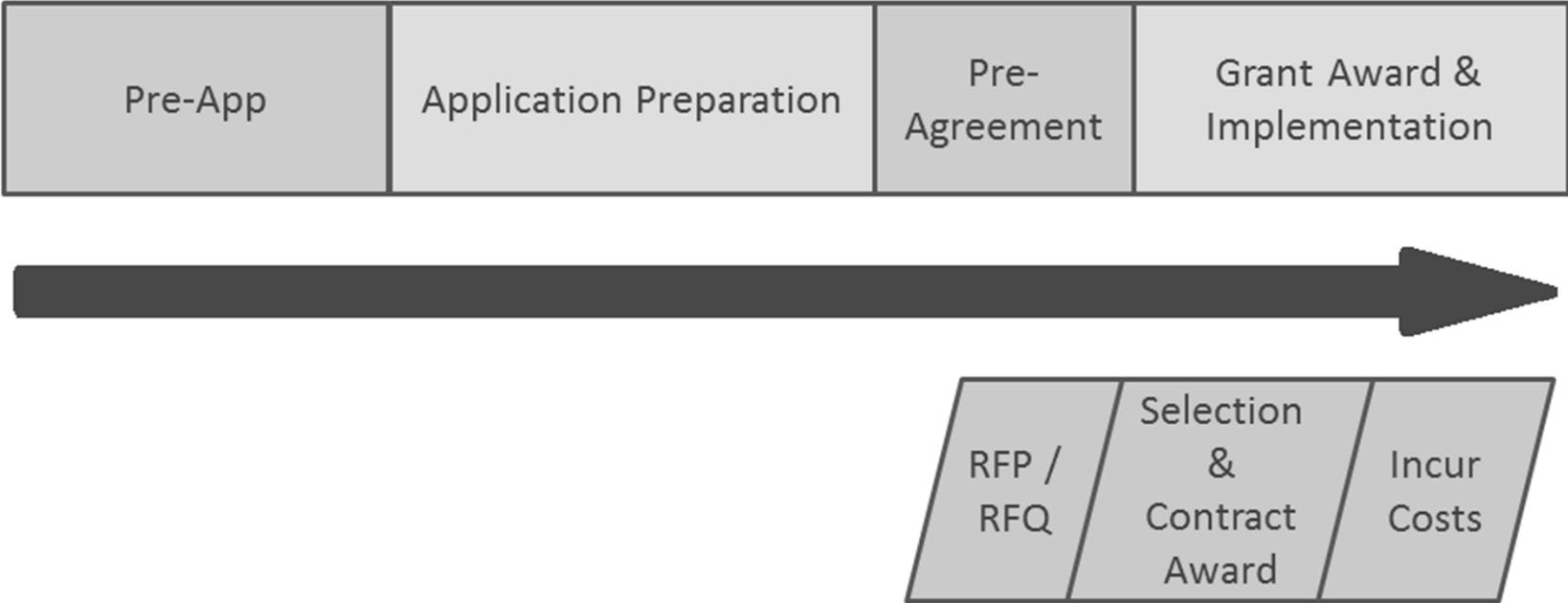
Why the recommendation?

- Prevents organizations/individuals that assist in preparing an application to later compete for professional services associated with the project in the application.
- **Currently, TxCDBG does not consider preparing/ assisting in the preparation an application to be developing or drafting a “statement of work” but additional OMB and/or HUD guidance may change this!**

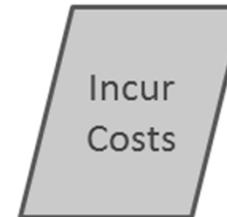
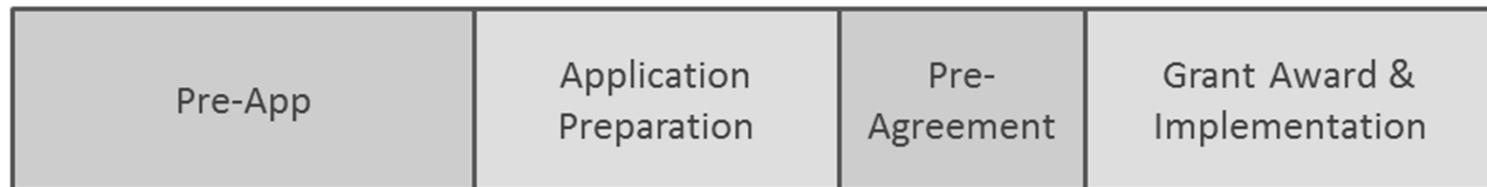
What can we do?

- **Procure administrative and engineering services BEFORE the preparation of an application.**
 - **The solicitation must be explicit about grant fund cycle.**
 - Example: “For the 2017-2018 Community Development Fund”
 - **If the applicant is applying for more than one grant fund, some steps can combined but each application must be explicitly listed.**
 - Ex. combined publication announcing separate RFPs for administrative services for 2017-2018 CD Fund and for 2016 Main Street Program.

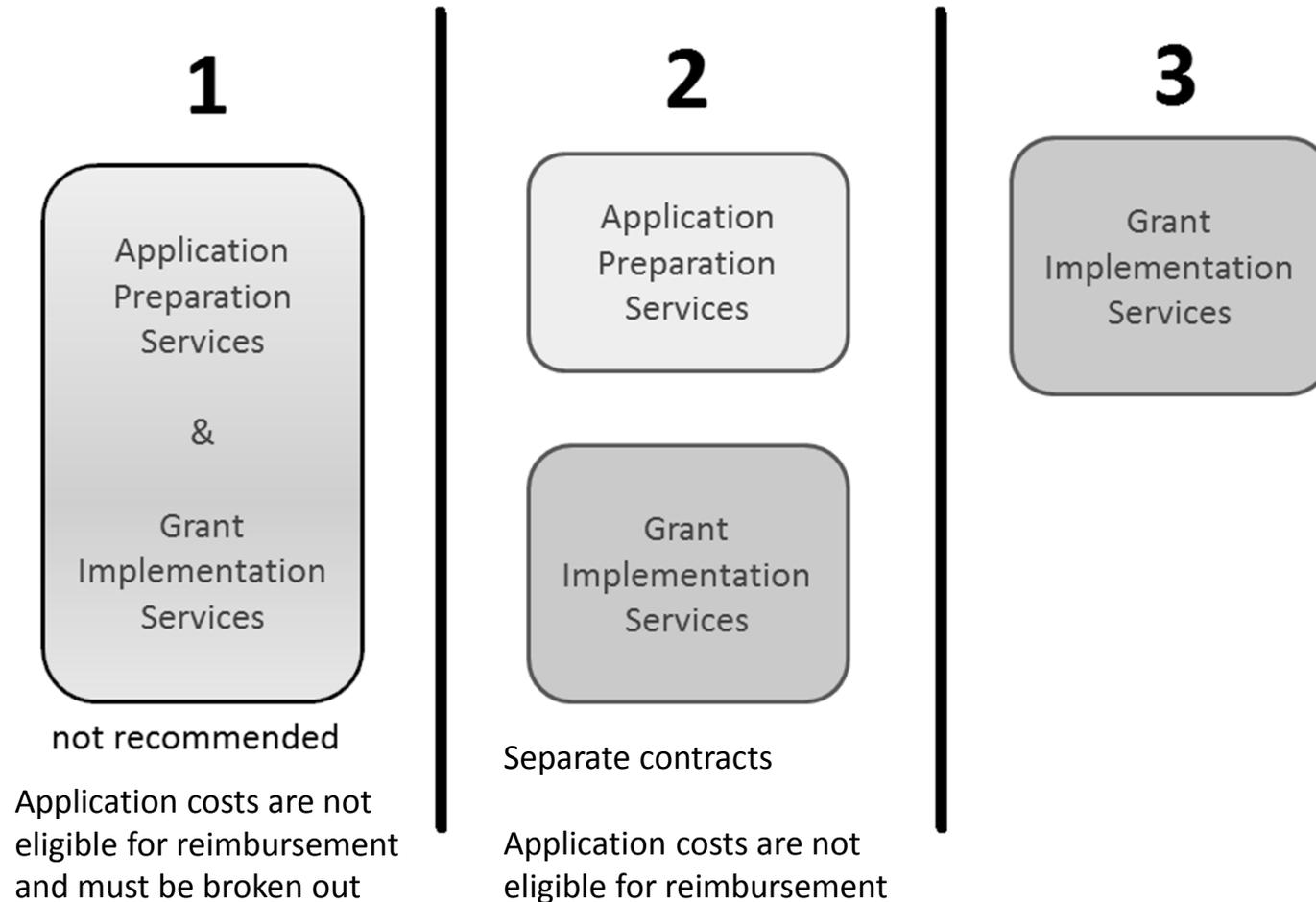
Traditional Timeline



Pre-application Procurement (recommendation)



What services should be included in the Professional Services Contract?



What about the contract?

- **Contingency Contract Language**
 - “Payment of the fees associated with Part III – Payment Schedule of this Agreement shall be contingent upon CDBG funding. In the event that grant funds are not awarded to the City / County by TDA through the TxCDBG program, this agreement shall be terminated by the City / County.”
- **Delayed Contract Execution**
 - TDA does not prohibit delaying execution of the contract until notification of funding award
 - At a minimum, complete the formal selection process, including council/court vote on selection if required
- **Discuss options with local legal counsel!**

What if we do not procure pre-app?

If TDA receives federal guidance that any assistance with preparation of applications meets the definition of “statements of work”:

- any firm or individual that assisted in preparation of an application **will not be permitted** to submit a proposal for grant implementation services for that application once the guidance is released.

Q&A