Procurement ToolBox

Comprehensive guide to getting + KEEPING your FEMA grant dollars!

getting it right!
FROM THE GOHSEP LEGAL TEAM

October 21, 2015

Dear Procurement Stakeholder,

When a disaster occurs, its magnitude may overwhelm the resources of the State and local entities. Under those circumstances, the President may declare a disaster. With the Presidential Declaration comes Federal assistance for the affected areas.

Disaster recovery assistance is available to State agencies, local governments and quasi-government entities, and certain private nonprofit (PNP) organizations (Subrecipients) through grants from the FEMA Public Assistance (PA) and Hazard Mitigation (HM) grant programs. Federal funding is also available for disaster preparedness, response and recovery education and training.

Federal assistance received for these programs is administered in Louisiana by the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP). A large body of Federal law, regulation and policy governs the use of grant funds by the Subrecipient (Applicant). Failure to apply and properly follow these grant requirements may result in the deobligation of these funds, calling for the return of funds to FEMA.

The record indicates that the risk is considerable. From 2007-2015, the U.S. Department of Homeland Security - Office of the Inspector General (DHS-OIG) conducted 74 audits of FEMA grants issued in Louisiana under the PA and HM programs. After adjustments for harmless deobligation values, the audits recommended that $1.5 billion in grant funds be deobligated. Improper procurement was one of the major reasons for the recommendations. In some years, improper procurement accounted for 82% of the amount recommended for deobligation.

Due to the complex rules governing procurement and the negative financial consequences of improper procurement practices, GOHSEP has dedicated significant resources to conduct education training programs to address these procurement issues. GOHSEP has complemented its education training programs by producing the Procurement ToolBox: Comprehensive guide to getting + KEEPING your FEMA grant dollars* – a job aid designed to simplify the procurement process and assist Subrecipients (Applicants) in maintaining regulatory compliance. The ToolBox can be downloaded from http://gohsep.la.gov/RESOURCES/OVERVIEW/PUBLICATIONS.

We trust that you will find our training and this ToolBox helpful. Our goal is to assist each Subrecipient (Applicant) in “avoiding your second disaster” and keeping every dollar of Federal assistance to which you are entitled. Should you need assistance do not hesitate to contact us.

GOHSEP Legal Team

* Based on both formal and informal information, GOHSEP has provided the user with GOHSEP's interpretation of FEMA guidance. Much of the information may be open to more than one interpretation and is meant to provide the user with guidance, source references and a better understanding of Federal procurement requirements.
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**PURPOSE:** To establish cost reasonableness through comparison to recognized standards.

**1. BACKGROUND OF PROJECT:**
- Date prepared.
- Prepared by.
- FEMA disaster number.
- Subrecipient (Applicant).
- Project title and name of facility.
- Facility address.
- Category of work and Project Worksheet (PW) number.
- Vendor’s cost analyzed.
- Attachments (references, supporting documentation, etc.).

**2. DESCRIBE THE KEY POINTS OF YOUR COST ANALYSIS:**
- Project history (focus on vendor’s Scope of Work [SOW]).
- Issue: State the reason for the cost analysis.
- Cost analysis process.
  - State the SOW as it appears in the PW.
  - Segregate the project's eligible and ineligible costs. It is important to identify and include both.
  - Identify the costs expended by the Subrecipient (Applicant) that require cost analysis.
  - Identify the methods to justify the comparable cost estimation:
    - Use like and in-kind comparisons from various resources (i.e., RSMeans, BNi Costbooks, Marshal & Swift, internet, catalogues, historical data, average market prices, etc.)
    - Adjust those comparables to account for any relevant differences such as:
      - Inflation (time value of money).
      - Price volatility in raw materials.
- Explain the ways in which your selected comparables are alike.

**3. CONCLUSION + RECOMMENDATION (IF APPLICABLE):**
- Is the cost reasonable or not?
INTRODUCTION
Procurement guidelines can be confusing. At times it is difficult to determine what needs to be done to comply with procurement regulations. The Procurement Toolbox: Comprehensive guide to getting + KEEPING your FEMA grant dollars! (ToolBox) is created to assist the Subrecipient to better understand and apply the regulations. If you procure goods and services using Federal funds, you need this ToolBox.

SCOPE OF THIS PUBLICATION + DISCLAIMER
This document provides guidance on Federal procurement regulations as stated in Code of Federal Regulations (CFR) 44 CFR 13.36 and 2 CFR 200. The limited space of this brochure does not make it possible to include all of the provisions addressing procurement and its cost principles. It does not and is not designed to address all procurement issues which a Subrecipient (Applicant) may encounter. It is the Subrecipient’s (Applicant’s) responsibility to ensure that Federal regulations are followed in all circumstances involving Federal funding.

Please remember that this publication addresses Federal procurement requirements only. The use of State and local funds may have different requirements. FEMA requires that the Subrecipient (Applicant) follow the most restrictive process.

It is the responsibility of the Subrecipient (Applicant) to be knowledgeable of and to ensure that all Federal regulations are followed.

HOW TO USE THIS PUBLICATION
Do you know what methods of procurement you should use for different kinds of purchases? OR the procurement requirements based on type and size of purchase? OR what types of contracts to use when? OR provisions that MUST be in your contract documents? OR what procedures you are required to have in writing ready for inspection? OR what to do to ensure procured goods and services are cost reasonable? OR for that matter, what “cost reasonable” is?

This publication addresses each of the issues and more using easy-to-read and follow charts, checklists and Frequently Asked Questions (FAQs).

REFERENCES + CITATIONS
You must know what is required by what statute or regulation. You will find throughout this ToolBox source references to learn more about individual entries.

LANGUAGE
It is important to know “the language.” For example, you will find a list of commonly used acronyms in this ToolBox.

When discussing procurement, you will hear entities referred to as the Grantee OR Recipient or the Applicant OR Subgrantee OR Subrecipient. Here’s what you need to know:

Grantee/Recipient – Grants are typically awarded to States and Federally recognized Tribal authorities or Territories. The entity receiving the grant award is called the Recipient. You may also hear Recipients referred to as the Grantee. FEMA currently prefers the term Recipient.

Applicant – An Applicant is an entity applying for and receiving a subgrant through the Grantee.

Subgrants – The Recipient or Grantee sometimes awards subgrants to other entities, typically local governing authorities, State agencies, certain private nonprofits (PNPs) or emergency management programs.

Subrecipient – Once a subgrant is awarded, the Applicant becomes a Subrecipient. You may hear Subrecipients referred to as Subgrantees. Subgrantee, Subrecipient and Applicant are often used interchangeably. FEMA currently prefers the term Subrecipient.
PURPOSE OF THIS PUBLICATION
This ToolBox is intended to assist Subrecipients (Applicants) in identifying and applying the required Federal regulations for the procurement of materials, supplies and services when using Federal funds.

INTENDED AUDIENCE
Intended audiences include Louisiana local governing authorities, eligible private nonprofit (PNP) organizations and Federally recognized Tribal governing authorities who receive funding from the FEMA Public Assistance (PA), FEMA Hazard Mitigation (HM) and Preparedness grant programs.

To the extent possible, GOHSEP will work with the Subrecipient (Applicant) to resolve any procurement issues. Possible penalties for improper procurement may include:
- Withholding payments
- Deobligating funds
- Suspending grant
- Withholding future grants
- Applying penalties
- And MORE!

AUTHORITIES
There are several governing authorities that regulate the rules of procurement.

- **Law:**
  - Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act)
  - Disaster Operations Legal Reference, Version 2.0
- **Regulations:**
  - 44 CFR 13.36 (Common Rule)
  - 2 CFR 215, 220, 225, 230
  - 2 CFR 200
- **Policy**
  - Disaster Assistance Policy (DAP) 9500 Series
  - Public Assistance (PA) Guide FEMA 322/June 2007
  - PA Policy Digest FEMA 321/January 2008
  - PA Applicant Handbook FEMA 323/March 2010
  - Debris Management Guide FEMA 325/July 2007
  - Hazard Mitigation Assistance Guidance
  - Hazard Mitigation Assistance Guidance Addendum
# ACRONYMS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
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<tbody>
<tr>
<td>A/E</td>
<td>Architecture and Engineering</td>
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<tr>
<td>AG</td>
<td>Attorney General</td>
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<tr>
<td>BCG</td>
<td>Baseline Cost Generator</td>
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<tr>
<td>CCR</td>
<td>Central Contractor Registration</td>
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<tr>
<td>CEF</td>
<td>Cost Estimating Factor</td>
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<tr>
<td>CFDA</td>
<td>Grant Catalogue of Federal Domestic Assistance</td>
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<tr>
<td>CFR</td>
<td>Code of Federal Regulation</td>
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<tr>
<td>CPI</td>
<td>Consumer Price Index</td>
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<tr>
<td>CSI</td>
<td>Construction Specification Institute</td>
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<tr>
<td>DAP</td>
<td>Disaster Assistance Policy</td>
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<td>DHS</td>
<td>U.S. Department of Homeland Security</td>
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<td>DOC</td>
<td>U.S. Department of Commerce</td>
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<tr>
<td>DOLR</td>
<td>Disaster Operations Legal Reference</td>
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<td>DOTD</td>
<td>U.S. Department of Transportation and Development</td>
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<td>DRS</td>
<td>Disaster Recovery Specialist</td>
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<td>EEO</td>
<td>Equal Employment Opportunity</td>
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<td>EPA</td>
<td>Environmental Protection Agency</td>
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<td>EO</td>
<td>Executive Order</td>
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<tr>
<td>FAQ</td>
<td>Frequently Asked Question</td>
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<tr>
<td>FAR</td>
<td>Federal Acquisition Regulation</td>
</tr>
<tr>
<td>FEMA</td>
<td>Federal Emergency Management Agency</td>
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<td>FIPS</td>
<td>Federal Information Processing Standard</td>
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<tr>
<td>FMA</td>
<td>Flood Mitigation Assistance</td>
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<tr>
<td>FP + C</td>
<td>Facility Planning and Control</td>
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<tr>
<td>GA</td>
<td>Grant Alert</td>
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<tr>
<td>GOHSEP</td>
<td>Governor’s Office of Homeland Security and Emergency Preparedness</td>
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<tr>
<td>GPS</td>
<td>Global Positioning System</td>
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<td>GSA</td>
<td>General Services Administration</td>
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<td>HM</td>
<td>FEMA Hazard Mitigation</td>
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<tr>
<td>HLS</td>
<td>Homeland Security</td>
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<tr>
<td>LAC</td>
<td>Louisiana Administrative Code</td>
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<td>LED</td>
<td>Louisiana Department of Economic Development</td>
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<td>LLA</td>
<td>Louisiana Legislative Auditor</td>
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<tr>
<td>LA RS</td>
<td>Louisiana Revised Statute</td>
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<tr>
<td>MBDA</td>
<td>Minority Business Development Agency</td>
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<td>NAVD 88</td>
<td>North American Vertical Datum of 1988</td>
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<tr>
<td>O + P</td>
<td>Overhead and Profit</td>
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<tr>
<td>OCC</td>
<td>Office of Chief Council</td>
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<td>OIG</td>
<td>Office of Inspector General</td>
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<td>OMB</td>
<td>Office of Management and Budget</td>
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<td>OSP</td>
<td>Office of State Purchasing</td>
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<td>PA</td>
<td>FEMA Public Assistance</td>
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<tr>
<td>PAC</td>
<td>Public Assistance Coordinator</td>
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<tr>
<td>PD</td>
<td>Presidential Declaration</td>
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<td>PE</td>
<td>Professional Engineer</td>
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<td>PNP</td>
<td>Private Nonprofit</td>
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<tr>
<td>PO</td>
<td>Project Officer</td>
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<tr>
<td>PTAC</td>
<td>Procurement Technical Assistance Center</td>
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<tr>
<td>PW</td>
<td>Project Worksheet</td>
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<tr>
<td>RFC</td>
<td>Repetitive Flood Claims</td>
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<td>RFP</td>
<td>Request for Proposals</td>
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<td>RFQ</td>
<td>Request for Qualifications</td>
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<tr>
<td>RP</td>
<td>Recovery Policy</td>
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<tr>
<td>SAL</td>
<td>State Applicant Liaison</td>
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<tr>
<td>SAM</td>
<td>System for Award Management</td>
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<tr>
<td>SAT</td>
<td>Simplified Acquisition Threshold</td>
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<td>SBA</td>
<td>U.S. Small Business Administration</td>
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<tr>
<td>SCP</td>
<td>State Cooperative Purchase</td>
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<tr>
<td>SOW</td>
<td>Scope of Work</td>
</tr>
<tr>
<td>SRIA</td>
<td>Sandy Recovery Improvement Act of 2013</td>
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<tr>
<td>SRL</td>
<td>Severe Repetitive Loss</td>
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<tr>
<td>Stafford Act</td>
<td>Robert T. Stafford Disaster Relief and Emergency Assistance Act</td>
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<tr>
<td>T + M</td>
<td>Time and Materials</td>
</tr>
<tr>
<td>USC</td>
<td>United States Code</td>
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</tbody>
</table>
REFERENCES

42 USC 5189a

gpo.gov/fdsys/granule/USCODE-2010-title42/USCODE-2010-title42-chap68-subchapIV-sec5189a

2 CFR 200


2 CFR

www.ecfr.gov/cgi-bin/text-idx?c=ecfr&tpl=/ecfrbrowse/Title02/2cfr225_main_02.tpl

44 CFR

gpo.gov/fdsys/pkg/CFR-2014-title44-vol1/content-detail.html

Central Contractor Registration (CCR)
sam.gov/

Disaster Operations Legal Reference (DOLR) version 2.0
fas.org/ipa/agency/dhs/fema/dor.pdf

FEMA 322 — Public Assistance Guide — June 2007
fema.gov/media-library/assets/documents/25651

FEMA 9500 Policy Series
fema.gov/9500-series-policy-publications

FEMA Debris Management Guide
fema.gov/pdf/government/grant/pa/demagde.pdf

FEMA Fiscal Year 2015 Hazard Mitigation Assistance Guidance and Addendum
fema.gov/media-library/assets/documents/103279

General Services Administration (GSA)
gsa.gov/portal/category/100000

Louisiana Department of Economic Development (LED)
opportunitylouisiana.com

Louisiana Legislative Auditor (LLA)
lla.la.gov/legalFAQs

Louisiana Procurement Technical Assistance Center (PTAC)
lptac.org/homePage.do

Louisiana Revised Statute (LA RS)
legis.la.gov/Legis/Laws_Toc.aspx?folder=75&level=Parent

Public Assistance (PA) Guide — FEMA 322/June 2007
fema.gov/public-assistance-policy-and-guidance/public-assistance-guide

Small Business Administration (SBA) Assistance Resources
sba.gov/tools/local-assistance/LA/local-resources

Robert T. Stafford Disaster Relief and Emergency Assistance Act (Public Law 93-288) as amended. (Stafford Act)
fema.gov/media-library/assets/documents/15271

U.S. Department of Commerce’s Minority Business Development Agency
mbda.gov

Women’s Business Centers
sba.gov/tools/local-assistance/wbc

Women’s Business Council Gulf Coast
wbecsouth.org/
The NEW PROCUREMENT GUIDE: Getting and KEEPING your FEMA grant dollars!

A portion of the following information can be found in The NEW PROCUREMENT GUIDE: Getting and KEEPING your FEMA grant dollars!

GOVERNING REGULATIONS CHART

Governing regulations for procurement are dependent upon the type of grant you receive. For disaster-related grants, the effective date is dependent on the issuance of the Presidential Declaration (PD). For nondisaster grants, the effective date is dependent on the date the grant award is issued.

<table>
<thead>
<tr>
<th>ENTITY</th>
<th>GRANT AWARDS OR PD BEFORE 12/26/2014</th>
<th>GRANT AWARDS OR PD ON OR AFTER 12/26/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>REGULATION</td>
<td>COST PRINCIPLE</td>
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<tr>
<td>Tribal</td>
<td>44 CFR 13.36</td>
<td>2 CFR 225</td>
</tr>
<tr>
<td>Hospitals</td>
<td>2 CFR 215.40 – .48</td>
<td>2 CFR 230</td>
</tr>
<tr>
<td>Educational institutions</td>
<td>2 CFR 215.40 – .48</td>
<td>2 CFR 220</td>
</tr>
</tbody>
</table>
METHODS OF PROCUREMENT

There are several methods for procuring goods and services. The chart below identifies methods of procurement and describes when to use each.

<table>
<thead>
<tr>
<th>METHOD OF PROCUREMENT</th>
<th>WHEN TO USE</th>
</tr>
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</table>
| **Micro-purchases**   | • Does not apply to grant awards OR Presidential Declarations (PDs) prior to 12/26/2014.  
• Applies to purchases less than OR equal to $3,000 (increased to $3,500 on 10/1/2015).  
• No solicitation required.  
• Subrecipient (Applicant) determines reasonableness. |
| **Small purchases**    | • Applies to purchases less than OR equal to the Simplified Acquisition Threshold (SAT).  
• Only quotes required (a minimum of three [3] written or telephone quotes from qualified sources).  
• Purchases of commercial products sold in substantial quantities to the general public.  
  – Limited by State law to contracts for supplies and materials less than $10,000.  
  – Item must meet the definition of commercial product. |
| **Sealed bids**        | • Preferred for construction.  
• Fixed price.  
• Publicly advertised and publicly opened.  
• Two (2) or more responsive bidders. (Rejected bidders are not considered responsive.)  
• Awarded to lowest, responsive, responsible bidder.  
• Any OR all bids may be rejected for a sound, documented reason. |
| **Competitive proposals** | General  
• Must have more than one (1) responsible bidder.  
• Must be publicized to maximum extent practical.  
• Must have written procedure for conducting evaluations and award (See REQUIRED Written Procedures).  
Request for Proposals (RFP)  
• Price a criteria for selection.  
• Contract awarded to firm offering best value.  
Request for Qualifications (RFQ)  
• Limited to Architecture and Engineering (A/E) services.  
• Qualifications only criteria selection.  
• Price negotiated after selection based on cost analysis. |
| **Noncompetitive proposals** | • Available only from a single source.  
• Used when insufficient number of responses received.  
• Used in emergency or exigent circumstances.  
• Always requires a cost analysis. |

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1 The threshold is dependent upon the date of issuance of the grant or the Presidential Declaration (PD). For grants awarded before 12/26/2014, the SAT is $100,000. For grants awarded after 12/26/2014, the threshold is $150,000. Adjusted annually for inflation according to the Consumer Price Index (CPI).
# PROCUREMENT REQUIREMENTS BY CATEGORY OF PURCHASE + SIZE OF CONTRACT

Category of purchase and size of the contract both determine the requirements for procurement.

- The most restrictive rules apply; those are circled below.
- Responses ONLY count if they are responsive and responsible.
- FEMA requires a minimum of **two (2)** responses for contracts in excess of the SAT and a minimum of **three (3)** responses for contracts equal to or less than the SAT.
- PNPs must, at a minimum, follow Federal regulations.

<table>
<thead>
<tr>
<th>CATEGORY OF PURCHASE</th>
<th>FEDERAL REGULATIONS: (44 CFR 13.36)</th>
<th>SIZE OF CONTRACT</th>
<th>REQUIREMENTS FOR STATE + LOCAL + FEDERALLY RECOGNIZED TRIBAL GOVERNMENT ENTITIES (LOUISIANA REVISED STATUTE [LA RS] 38:2211-2296)</th>
<th>LOCAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials + supplies</td>
<td>Quotes required</td>
<td>Less than $1,000 and $1,000 - $9,999</td>
<td>No competitive procedure or cost analysis for commercial items. <strong>Louisiana Legislative Auditor (LLA) recommends three (3) written quotes.</strong></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>$10,000 - $30,000</td>
<td><strong>Three (3) telephone or FAX quotes.</strong></td>
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<td></td>
<td></td>
<td>Greater than $30,000</td>
<td><strong>Bid required.</strong></td>
<td></td>
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<td></td>
<td></td>
<td>Greater than $100,000/ $150,000</td>
<td><strong>Bid required – no minimum number of responses.</strong></td>
<td></td>
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<tr>
<td>Public works</td>
<td>Quotes required</td>
<td>Less than OR equal to $150,000</td>
<td>No competitive requirement. <strong>LLA recommends RFP process and/or three (3) solicited bids.</strong></td>
<td></td>
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<tr>
<td></td>
<td>Bid required</td>
<td>Greater than $150,000</td>
<td><strong>Bid required – no minimum number of responses.</strong></td>
<td></td>
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<tr>
<td>Services (Except for A/E)</td>
<td>Quotes required</td>
<td>Less than OR equal to $150,000</td>
<td>No competitive requirement. <strong>LLA recommends RFP process and/or three (3) solicited bids.</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bid required</td>
<td>Greater than $150,000</td>
<td><strong>Bid required.</strong></td>
<td></td>
</tr>
<tr>
<td>A/E services</td>
<td>Bid required</td>
<td>ANY size</td>
<td><strong>No competitive requirement.</strong></td>
<td></td>
</tr>
</tbody>
</table>
| State Cooperative Purchase (SCP) | Authorized under 44 CFR 13.36(b)(5) and 2 CFR 200.318(e) | ANY size | - Authorized under **LA RS Title 38:2212.1(F)** (Louisiana bid law).
- **Limited** to public entities as defined by **LA RS 38:2211**.
- ONLY Office of State Procurement (OSP) SCP contracts.
- Can be used for materials, supplies and equipment. |     |
EQUAL OPPORTUNITY REQUIREMENTS

Contracting with small and minority firms, women-owned business enterprises and labor-surplus area firms [44 CFR 13.36(i); 2 CFR 215.44(b); 2 CFR 200.32]

- Must take affirmative steps to assure these firms are used when possible.
- Affirmative steps emphasize assurance that firms receive solicitation if they are potential sources.
- Appears to require that potential Subrecipients (Applicants) maintain a list of such firms.
  - Subrecipients (Applicants) allowed to divide total requirements to permit participation by such firms.
- Use the Louisiana Economic Development (LED) Agency, Small Business Administration (SBA) and Minority Business Development Agency (MBDA) of the U.S. Department of Commerce (DOC) for assistance in complying.
REQUIRED WRITTEN PROCEDURES FOR PROCUREMENT

Federal regulations require the Subrecipient (Applicant) to follow general procurement standards and have “documented procurement procedures” which are:

<table>
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<tr>
<th>WRITTEN PROCEDURES</th>
<th>GRANT AWARDS OR PD BEFORE 12/26/2014</th>
<th>GRANT AWARDS OR PD ON OR AFTER 12/26/2014</th>
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<tr>
<td></td>
<td>44 CFR 13.36</td>
<td>2 CFR</td>
</tr>
<tr>
<td><strong>Contract Administration/Oversight</strong></td>
<td>(b)(2)</td>
<td>215.47</td>
</tr>
<tr>
<td>• Employee + organizational conflicts of interest standards</td>
<td>(b)(3)</td>
<td>215.42</td>
</tr>
<tr>
<td>• Avoiding acquisition of unnecessary or duplicative items</td>
<td>(b)(4)</td>
<td>215.44(a)</td>
</tr>
<tr>
<td>• Granting awards to responsible contractors</td>
<td>(b)(8)</td>
<td>215.45(d)</td>
</tr>
<tr>
<td>• Maintaining records to detail history of the procurement</td>
<td>(b)(9)</td>
<td>215.46</td>
</tr>
<tr>
<td>• Use of time and material (T + M) contracts</td>
<td>(b)(10)</td>
<td>–</td>
</tr>
<tr>
<td>• Protest procedures</td>
<td>(b)(11)-(12)</td>
<td>215.41</td>
</tr>
<tr>
<td>• Selection procedures for procurement transactions</td>
<td>(c)(3)</td>
<td>215.44(a)</td>
</tr>
<tr>
<td><strong>Utilizing small businesses, minority owned firms and women business enterprises</strong></td>
<td>(e)</td>
<td>215.44(b)</td>
</tr>
<tr>
<td><strong>Procurement of recovered materials</strong></td>
<td>(i)(12)</td>
<td>215.16</td>
</tr>
</tbody>
</table>
TYPES OF CONTRACTS

**CONTRACTS TO USE**

<table>
<thead>
<tr>
<th>Contract Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lump sum</td>
<td>Contract for work within a prescribed boundary with a clearly defined scope and a total price.</td>
</tr>
<tr>
<td>Unit price</td>
<td>Work done on an item-by-item basis, with cost determined per unit (e.g., box, cubic yard, etc.).</td>
</tr>
<tr>
<td>Cost plus fixed fee</td>
<td>Total known cost with a defined fixed fee added to the price.</td>
</tr>
</tbody>
</table>
| Time and Materials (T + M) | Must make determination that no other type of contract is suitable; must contain a not-to exceed (ceiling) clause. Payment based on hourly rate schedule and cost of materials.  
  • Maintain high degree of oversight.  
  • Contracts used for emergency protective measures and debris operations can not exceed 70 hours continuous of actual work immediately following the emergency or disaster incident. |
| Intergovernmental agreements | Subrecipients (Applicants) are encouraged to enter into State and local intergovernmental agreements for procurement or use of common goods and services. |

**CONTRACTS TO AVOID**

<table>
<thead>
<tr>
<th>Contract Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Piggyback</td>
<td>Piggybacks are generally ineligible. However, work done using another Subrecipient’s (Applicant’s) pre-existing properly procured contract must meet strict criteria to be eligible. The existing contract must be viable, same item must be purchased; price and vendor must also be the same; include written mutual consent of the original contracting parties.</td>
</tr>
<tr>
<td>Cost-plus-percentage-of-costs</td>
<td>Strictly prohibited.</td>
</tr>
<tr>
<td>Percentage-of-construction-cost</td>
<td>Strictly prohibited.</td>
</tr>
<tr>
<td>Cost plus</td>
<td>Not allowed under State bid law (LA RS Title 38).</td>
</tr>
</tbody>
</table>
REQUIRED CONTRACT PROVISIONS

Governing regulations for procurement are dependent upon the type of grant you receive. For disaster-related grants, the effective date is dependent on the issuance of the Presidential Declaration (PD). For nondisaster grants, the effective date is dependent on the date the grant award is issued.

When applicable, contracts are required to include certain provisions as stated below:

<table>
<thead>
<tr>
<th>CONTRACT PROVISION</th>
<th>CFR</th>
<th>APPLICATION</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>APPLICATION</td>
<td></td>
</tr>
<tr>
<td>Bonding requirements</td>
<td>13.36(h)</td>
<td>215.48(c)</td>
</tr>
<tr>
<td></td>
<td>13.36(i)(1)</td>
<td>215.48(a)</td>
</tr>
<tr>
<td>Administrative and legal remedies for violation or breach of contract</td>
<td>13.36(i)(2)</td>
<td>215.48(b)</td>
</tr>
<tr>
<td>Executive Orders (EOs) 11246 and 11375 “Equal Employment Opportunity (EEO)”</td>
<td>13.36(i)(3)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>215 Appendix A(1)</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Copeland Anti-Kickback Act</td>
<td>13.36(i)(4)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>215 Appendix A(2)</td>
</tr>
<tr>
<td>Davis-Bacon Act</td>
<td>13.36(i)(5)</td>
<td>215 Appendix A(3)</td>
</tr>
</tbody>
</table>
### REQUIRED CONTRACT PROVISIONS (CONTINUED . . . )

<table>
<thead>
<tr>
<th>CONTRACT PROVISION</th>
<th>CFR</th>
<th>APPLICATION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contract Work Hours and Safety Standards Act</strong></td>
<td>13.36(i)(6) 215 A(4)</td>
<td>Construction contracts <em>greater than</em> $2,000 and for other contracts <em>greater than</em> $2,500 where mechanics and laborers are employed.</td>
</tr>
<tr>
<td></td>
<td>- - Appendix II(E)</td>
<td>All construction contracts <em>greater than</em> $100,000 where mechanics and laborers are employed.</td>
</tr>
<tr>
<td><strong>Compliance with reporting requirements</strong></td>
<td>13.36(i)(7) 215.50</td>
<td>Contracts/grants must include the Subrecipient (Applicant) responsibility to provide the required reports, i.e. program performance, financial and progress reports.</td>
</tr>
<tr>
<td><strong>Compliance with regulations pertaining to patent rights (inventions), copyrights and rights in data</strong></td>
<td>13.36(i)(8)(9) 215.36 A(5) Appendix II(F)</td>
<td>The PA Program <em>does not authorize</em> any experimental, developmental or research work that would give rise to patents, inventions, copyrights or data. Therefore, there is NO REQUIREMENT for such clauses (OCC PA Field Manual page 94).</td>
</tr>
<tr>
<td><strong>Clean Air Act and Clean Water Act</strong></td>
<td>13.36(i)(12) 215 A(6)</td>
<td>Applies to all contracts <em>greater than or equal to</em> $100,000.</td>
</tr>
<tr>
<td></td>
<td>- - Appendix II(G)</td>
<td>Applies to all contracts <em>greater than or equal to</em> $150,000.</td>
</tr>
<tr>
<td><strong>Byrd Anti-Lobbying Amendment</strong></td>
<td>- 215 A(7) Appendix II(U)</td>
<td>Contractors that apply or bid for a contract must certify that it will not and has not used any Federal funds to influence an employee or member of Congress in obtaining any federal award.</td>
</tr>
<tr>
<td><strong>Access to records</strong></td>
<td>13.36(i)(10) 215.53</td>
<td>Allows the Federal government, the Recipient (Grantee) or Subrecipient (Applicant) access to a contractor’s records. Subrecipient (Applicant) must include provision in contract stating this requirement by the contractor.</td>
</tr>
<tr>
<td><strong>Retention of records</strong></td>
<td>13.36(i)(11) 215.53</td>
<td>Where applicable, contract clause requiring the Subrecipient (Applicant) to retain all records for three (3) years from the date of final expenditure report and a contractor to retain records for three (3) years after the termination date of the contract (OCC PA Field Manual page 95 referring to responsibility of contractor).</td>
</tr>
</tbody>
</table>

Publication Date: October 21, 2015
### REQUIRED CONTRACT PROVISIONS (CONTINUED . . .)

<table>
<thead>
<tr>
<th>CONTRACT PROVISION</th>
<th>CFR</th>
<th>APPLICATION</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>APPLICATION</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Contractor agrees to comply with <strong>mandatory standards</strong> and <strong>policies</strong> relating to energy efficiency which are contained in the state energy conservation plan (LA RS 40:1730.49).</td>
</tr>
<tr>
<td>Energy efficiency</td>
<td>13.36(i) (13)</td>
<td>Appendix II(H)</td>
</tr>
<tr>
<td></td>
<td>215.44(1)(3)(vi)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2 CFR</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2 CFR 200</td>
<td></td>
</tr>
<tr>
<td>Awards to debarred and suspended parties</td>
<td>13.35</td>
<td>Subrecipient (Applicant) must require and contractor must make a <strong>declaration</strong> that the contractor, its principles or affiliates (subcontractors), are currently <strong>not disqualified</strong> as a result of debarment or suspension.</td>
</tr>
<tr>
<td></td>
<td>215 Appendix A(8)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Appendix II(I)</td>
<td></td>
</tr>
<tr>
<td>Procurement of recovered materials</td>
<td>13.36(i) (12)</td>
<td>Applies to State and local government entities and their <strong>contractors</strong>.</td>
</tr>
<tr>
<td></td>
<td>215.16</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Appendix II(J) See 200.322</td>
<td></td>
</tr>
</tbody>
</table>
2. Procurement Checklist
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According to Federal regulations (2 CFR 200.318 - 326), all non-Federal entities (other than States) must comply with the following procurement standards:

- Conduct all procurement transactions in a manner providing full and open competition with the standards of this section (2 CFR 200.319(a)). Noncompetitive procurement may be used under certain circumstances, one of which is when the public exigency or emergency will not permit a delay resulting from competitive solicitation (2 CFR 200.320(f)).

- Take all necessary affirmative steps to assure the use of minority businesses, women-owned business enterprises and labor-surplus area firms when possible (2 CFR 200.321).

- Maintain oversight to ensure contractors perform according to the terms, conditions and specifications of their contracts or purchase orders (2 CFR 200.318(b)).

- Maintain written standards of conduct covering conflicts of interest and governing the performance of its employees who engage in the selection, award and administration of contracts (2 CFR 200.318(c)(1)).

- Maintain records sufficient to detail the history of the procurement. These records will include, but are not 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 (2 CFR 200.318(i)).

- Use time and material (T + M) type contracts only after determining that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. T + M type contract means a contract whose cost to a non-Federal entity is the sum of (1) the actual cost of materials; and (2) direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit (2 CFR 200.318(j)(1)).

- Perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold (SAT) 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)).

- Do not use cost plus a percentage of cost and percentage-of-construction-cost methods of contracting (2 CFR 200.323(d)).

- Include required provisions in all contracts awarded (2 CFR 200.326).

---

2 States must follow the same policies and procedures they use for procurements using non-Federal funds (2 CFR 200.317).
3. Procurement

Cost Analysis

3. Procurement COST ANALYSIS
- Cost Analysis Checklist
- Tips + Other Resources for Cost Analysis 23
- Sample Cost Analysis Templates 25
TIPS + OTHER RESOURCES FOR COST ANALYSIS

Below is a listing of Cost Analysis sources and methods, which can assist in proving that the cost for noncompetitive procurement for services received or goods purchased are reasonable:

- **National retailers/Material purchase catalogs** – Lowes, Home Depot, Walmart, Office Depot, etc. - Check their circulars, websites or catalogs for the item that you purchased and compare to the price you paid for the item.
- **Internet searches** – “Google” the exact item you purchased and provide at least two print-outs which show the price you were charged is comparable to other prices on the internet for that item.
- **State contracts and travel guide** – doa.louisiana.gov/osp - State contracts are properly procured and then entered into yearly for purchases of certain items which the State anticipates they may need to purchase in the upcoming year. In this site, you can look for the item you purchased and compare the price you paid to the approved price on State Contract.
- **General Services Administration (GSA) rates & contracts** – GSA.gov – Contains pricing for services, hourly rates and purchases of common items. Provide print-outs of the cost for your item or service per GSA.
- **FEMA equipment cost codes** – fema.gov – FEMA Cost Codes can be used to demonstrate the price that you paid for utilizing one of your pieces of equipment.
- **EIA.gov for historical gas & diesel pricing** – eia.gov/dnav/pet/pet_pri_gnd_dcu_nus_w – Contains pricing on gas and diesel for current and previous years.
- **RSMeans, Cost Works, ExacTheate** – RSMeans.com, CostWorks.com, ExacTheate.com – These programs may require a purchasing fee and specific knowledge of its use, but they are good tools for demonstrating estimations of construction jobs and therefore proving reasonable cost.
- **A/E FEMA cost curves** – FEMA Public Assistance Guide Publication 322, June 2007 – pages 58 & 60 – Either of two cost curves, dependent upon job complexity can be used to analyze reasonable cost of architectural and engineering fees as compared to the construction value.
- **Facility Planning and Control (FP + C) schedule** – doa.louisiana.gov/fpc – for current and historical Building Cost Index and Consumer Price Index schedules to analyze A/E fees as compared to construction costs.

- **Obtain price quotes** – “Google” or use the phone book – call or email vendors, preferably in your area, and describe the item you purchased or the service you had performed. Provide as much description as possible. Ask them to provide you with an estimate for that item or service. Document the results.
- **FEMA estimates** – FEMA Project Worksheet (PW) – FEMA will occasionally use RSMeans, a Cost Estimating Factor (CEF), or a Baseline Cost Generator (BCG) to estimate the value of work when a PW is written. The Subrecipient (Applicant) may use this information, but must perform an independent Cost Analysis.
- **Historical data** – Past invoices – Provide proof of previous purchases (prior to the disaster for which you’re currently claiming reimbursement of costs) of the same item, or provide proof of previous rates you were charged for the same service. The previously purchased item and service must be identical to the item or service that you are currently comparing to.
- **Phone a friend** – Neighboring towns/Parishes, school districts, fire departments, etc. – Your neighbors may have recently purchased the item or service which you are trying to determine reasonable cost and may be willing to share their prices charged with you so that you can use them as a comparison.
- **Call your resources** – Contractors, A/E firms, GOHSEP DRS, GOHSEP SAL, FEMA Project Officer (PO)/Public Assistance Coordinator (PAC) – These individuals may provide you with an estimate of what the item you purchased or services you entered into should have cost. GOHSEP and FEMA personnel may be aware of other purchases or contracts within the PA Program which you can then compare to your price.
- The Cost Analysis must compare the price it would have been in the year in which you purchased it or entered into contract.
- **Consumer Price Index (CPI) inflation** – bls.gov/data/inflation_calculator – CPI factor can be applied to rates so as to ‘roll-back’ or ‘roll-forward’ a price. This is helpful when comparing price information across several years’ time span.
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SAMPLE COST ANALYSIS TEMPLATES

The following templates are not a specific format for Cost Analysis. The SAMPLE templates are offered as a best practice example. These are not comprehensive.

TEMPLATE 1: EXAMPLE FOR COST OF LABOR + EQUIPMENT

<table>
<thead>
<tr>
<th>Date Prepared:</th>
<th>mm/dd/yy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepared By:</td>
<td>GOHSEP Technical Team</td>
</tr>
<tr>
<td>FEMA Disaster No.:</td>
<td># and name</td>
</tr>
<tr>
<td>Subrecipient (Applicant):</td>
<td>The Parish</td>
</tr>
<tr>
<td>FIPS:</td>
<td>123-456789-00</td>
</tr>
<tr>
<td>Project Title/Facility:</td>
<td>Various Parish buildings</td>
</tr>
<tr>
<td>Facility Address:</td>
<td>Various locations</td>
</tr>
<tr>
<td>Category of Work &amp; PW Number(s):</td>
<td>Cat B, PW#1234</td>
</tr>
<tr>
<td>Cost Analyzed:</td>
<td>$16,125.00</td>
</tr>
<tr>
<td>Purpose:</td>
<td>Cost reasonableness</td>
</tr>
<tr>
<td>Attachment(s):</td>
<td>Attachment 1</td>
</tr>
</tbody>
</table>

Procurement Background

Hurricane XXXX delivered very high wind velocities and heavy flooding throughout The Parish. The Parish lost electrical service to several buildings. It was necessary for The Parish to maintain fully operational capacity for the protection, public safety and health of the population of The Parish. To facilitate essential services, The Parish contracted with The Vendor to energize emergency power generators.

Due to the resulting damage caused by Hurricane XXXX, namely the lack of electrical power, The Parish contracted with The Vendor to supply labor and the necessary equipment to connect and disconnect numerous generators to various building at several locations throughout the Parish.

The public exigency or emergency for the requirement did not permit a delay resulting from competitive solicitation and as such The Parish entered into a noncompetitive procurement, according to 2 Code of Federal Regulations (CFR) 320(f)(4) (Procurement by Noncompetitive Proposals).

Cost Analysis

- Develop a detailed list of tasks and subtasks, based on the services requested in the RFP/RFQ.
- Estimate the number of hours needed to complete each task and divide among staff with a variety of hourly rates.
- Estimate materials, supplies, services or other direct costs to complete each task.
- Apply overhead rate if applicable to appropriate cost base for each task.
- Apply profit rate if applicable to appropriate base for each task.
- Sum all the elements of cost and profit for the task.

A comparative cost analysis was prepared based on RSMeans Commercial New Construction 1st, 2nd, 3rd or 4th Quarter 20XX (as appropriate) which was been adjusted to the City index code location using non-union open shop rates (or union rates if stated in contract) and RSMeans Crew 20XX Open-Shop. The 20XX pricing was adjusted by using the United States Department of Labor, Bureau of Labor Statistics CPI (Consumer Price Index)/RSMeans Historical Cost Index (as the case may be) inflation calculation factor to reflect the 20XX value.
The FEMA Cost Estimating Format (CEF) is used as a cost analysis, reasonableness tool. Using the CEF system, a minimum of six (6) of the ten (10) largest item costs, from the vendor’s invoice, are checked against industry standard construction cost data. Secondly, a minimum of 25 percent of the remaining cost items were checked against industry standard construction data. Effectively, 50 percent of the total invoices or contract must be analyzed. The item costs checked are deemed reasonable when they are not greater than 10 percent of the industry standard construction cost data (see FEMA CEF for Large Projects Instructional Guide V2.1, September 2009 Part E: Cost Escalation Allowance page 8-1). For this Cost Analysis, XX% of the invoiced amount was sampled using the CEF tool.

Given the nature of the emergency and the utmost urgency to restore electricity, the Vendor was called out in adverse conditions resulting in overtime charges. This “after-hours call out” rate equals one and one-half times the regular hourly billable rate. The rate of 150% is nationally recognized as a standard for overtime. RSMeans #012157500020 grants an allowance up to double the regular hourly rate.

<table>
<thead>
<tr>
<th>INVOICE ITEMS</th>
<th>APPLICANT’S CONTRACTOR PRICE Electric</th>
<th>ADJUSTED 20XX COMPARISON PRICE</th>
<th>TOLERANCE RATIO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor and Equipment</td>
<td>$13,125.00</td>
<td>$12,708.21</td>
<td>+3%</td>
</tr>
</tbody>
</table>

Acceptable tolerance ratio is not to exceed +10% of the adjusted comparison price.

Attachment #1 – The cost comparison worksheet which compares The Vendor invoiced amount with 20XX RSMeans adjusted values. The Vendor invoiced bundled the individual elements which included labor and transportation to and from the job site. Using RSMeans, each element of the job was individually listed.

**Conclusion**

Following a complete review of The Vendor’s invoices and comparing those line items to adjusted values, The Parish paid a fair and reasonable amount for the services billed.

**Approval**

Print Name ___________________________ Signature ___________________________ Date __________

Title ________________________________

Comments:
The following templates are not a specific format for Cost Analysis. The SAMPLE templates are offered as a best practice example. These are not comprehensive.

**TEMPLATE 2: EXAMPLE OF ONLINE QUOTE COMPARISON SAMPLE**

<table>
<thead>
<tr>
<th>To:</th>
<th>GOHSEP</th>
</tr>
</thead>
<tbody>
<tr>
<td>From:</td>
<td>Mr. Purchasing Agent, Big Parish</td>
</tr>
<tr>
<td>Date:</td>
<td>April 13, 2015</td>
</tr>
<tr>
<td>RE:</td>
<td>Cost Reasonableness for Flood Control Measures, Big Parish PW #1234, Hurricane Vic</td>
</tr>
</tbody>
</table>

During the emergency period for Hurricane Vic, to protect homes and business from rising storm surge, I contacted Tiger Dams R Us on July 28, 2007, to rent an inflatable levee system. Without obtaining these items, thousands of homes would have suffered from massive flooding.

The price I was quoted was $350.00 per day for x size tiger dams. I opted to rent the inflatable levee system with x size tiger dams for that price. A copy of the invoice has been attached to this memo for your review.

Prior to Hurricane Vic, in 2004 during Hurricane Taz, we had also rented x same size tiger dams from this same vendor at the rate of $350.00 per day. Please find attached to this memo a copy of the invoice from that occurrence.

On today, January 4, 2015, I got a quote via the internet from another vendor, Inflatable Levees R Us, for the same x size tiger dams and their rate is $365.00 per day. Attached to this memo is a copy of that internet search for your review. Considering inflation, the additional $15.00/day is not considered excessive. This can be verified by adding the CPI to the price 2007 price. X CPI times $350.00 over 8 years leads to Y new price (Someone should fill in the correct numbers here before release).

**Price Comparison**

The below chart is a recap of the price comparison which we performed:

<table>
<thead>
<tr>
<th>Cost Comparison for x size Tiger Dam rental</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004, Tiger Dams R Us</td>
</tr>
<tr>
<td>$350.00/day</td>
</tr>
<tr>
<td>2007, Tiger Dams R Us</td>
</tr>
<tr>
<td>$350.00/day</td>
</tr>
<tr>
<td>2015, Inflatable Levees R Us</td>
</tr>
<tr>
<td>$365.00/day</td>
</tr>
</tbody>
</table>

**Additional Comments**

Tiger Dams R US was the only vendor who could meet our urgent need and time line during the rising storm surge of Hurricane Vic in 2007. Additionally, and moreover, the price that they charged Big Parish during Hurricane Vic has been proven to be reasonable based on the above comparisons. Therefore, please accept this Memo as demonstrating cost reasonableness for the $350.00/day tiger dams that we rented during the emergency period of Hurricane Vic.
The following templates are not a specific format for Cost Analysis. The SAMPLE templates are offered as a best practice example. These are not comprehensive.

TEMPLATE 3: EXAMPLE OF A/E SERVICES ADDITIONAL TO FEE CURVE

Costs Analysis:

<table>
<thead>
<tr>
<th>Date Prepared:</th>
<th>mm/dd/yy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepared By:</td>
<td>Owner</td>
</tr>
<tr>
<td>FEMA Disaster No.:</td>
<td>DR1603 – LA Hurricane Katrina</td>
</tr>
<tr>
<td>Subrecipient (Applicant):</td>
<td>Owner</td>
</tr>
<tr>
<td>FIPS:</td>
<td>999-9999-999</td>
</tr>
<tr>
<td>Project Title/Facility:</td>
<td>Town of Owner– Soil Boring and geotechnical study</td>
</tr>
<tr>
<td>Facility Address:</td>
<td>Various locations</td>
</tr>
<tr>
<td>Category of Work + PW Number(s)</td>
<td>9999, 9999, 9999</td>
</tr>
<tr>
<td>Analyzed:</td>
<td>Cost for Soil Boring and geotechnical study</td>
</tr>
<tr>
<td>Purpose:</td>
<td>Determine cost reasonableness for soil boring invoiced by contractor</td>
</tr>
</tbody>
</table>
| Attachment(s):          | 1. Contract Amendment  
                          | 2. Invoice          |

Project History:

On 29 August 2005, high winds, heavy rains and a storm surge from Hurricane Katrina caused damages to the town of Owner's drainage pumping system. The entire system was submerged in saltwater. The system consists of 10 pump stations with electric pumps mounted on platforms.

To facilitate the repair, the Owner contracted with Name of Engineering Firm to provide preliminary engineering analyses and design, final design, and construction inspection and administration for all 10 pump stations. The scope of work as part of the Hazard Mitigation effort was to elevate the equipment platforms by an additional five (5) feet. The new platforms were constructed using pilings which depend on the soil properties underneath. In order to select pile diameter and maintain adequate pile bearing capacities, a soil investigation was necessary for each proposed equipment platform. The Name of Engineering Firm sub-contracted with Name of Sub-contracted Specialty Firm to provide these additional services. Geotechnical services consists of soil test borings, laboratory testing, engineering analyses and reporting. The sub-contractor provided soil testing services at a Fixed Price of $3,500.00 per site totaling $35,000.00 for 10 sites.

Issues:

After Hurricane Katrina, the Owner engaged the services of Name of Engineering Firm to assess damages and provide technical assistance and project management. The Name of Engineering Firm secured a sub-contract from Name of Sub-contracted Specialty Firm to provide additional specialty services. Therefore a cost analysis is necessary to show cost reasonableness. Note that a cost analysis performed on mm/dd/yyyy showed that the cost for basic engineering services provided by Name of Engineering Firm was reasonable based on FEMA cost curves for A/E services.
Cost Analysis:

Soil exploration is categorized by FEMA as extra (special) engineering service and not part of the Basic Professional Services for design and construction presented in the FEMA curves. In addition to the basic engineering services, special engineering services such as engineering survey, soil investigation, inspection, and feasibility studies are eligible for funding per FEMA Engineering and Design Services policy.

The costs associated with special engineering services should demonstrate cost reasonableness. In order to determine the cost reasonableness for the soil investigation services, the sub-contract was reviewed to determine the scope of work. The scope of work per invoices is as follows:

Soil boring shall consist of:
1. A total of 10 soil borings shall be completed,
2. Each soil boring shall be 75 ft,
3. Soil boring shall be sampled at 5-ft intervals using a 3-in tube sampler,
4. Soil boring shall be grouted upon completion.

Geotechnical analysis shall consist of:
1. A location plan of the performed soil borings with Global Positioning System (GPS),
2. Boring logs reflecting sample depth in North American Vertical Datum of 1988 (NAVD 88),
3. A summary of the laboratory test data,
4. A discussion of the subsoil and ground water conditions at the site,
5. Modulis of horizontal reaction,
6. Pile curves for different pile diameters,
7. Estimate of settlement,
8. Recommendation and conclusion.

Based on the scope of work (SOW) provided by the sub-contractor, Owner’s Technical Team developed a line item cost estimate using RSMeans/CostWorks cost estimation resources. The cost estimated for soil investigation for each location is $4,545.00 (see table below). Therefore, the cost expended by the applicant for soil investigation services is reasonable.

<p>| CostWorks 2011 - [Owner - Soil Investigation] |
|--------------------------|-----------------|-----------------|-----------------|-----------------|</p>
<table>
<thead>
<tr>
<th>Qty</th>
<th>CSI Number</th>
<th>Description</th>
<th>Unit</th>
<th>Bare Labor</th>
<th>Bare Equip.</th>
<th>Total Incl. O&amp;P</th>
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<td>1.0</td>
<td>01 450 500 5150</td>
<td>Soil testing, shear tests, triaxial, maximum</td>
<td>Ea.</td>
<td>0.00</td>
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<td>Soil testing, shear tests, direct shear, ASTM D 3080, maximum</td>
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<td>Subsurface investigation, boring and exploratory drilling, drawings showing boring details</td>
<td>Total</td>
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<td>0.00</td>
<td>330.00</td>
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<tr>
<td>ID</td>
<td>Description</td>
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<td>Cost</td>
<td>Amount</td>
<td></td>
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</tr>
<tr>
<td>-----</td>
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<td>-------</td>
<td>--------</td>
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<tr>
<td>02 210 120 0200</td>
<td>Subsurface investigation, boring and exploratory drilling, report and recommendations from Professional Engineer (PE)</td>
<td>615.00</td>
<td>0.00</td>
<td>770.00</td>
<td></td>
<td></td>
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<tr>
<td>02 210 120 0300</td>
<td>Subsurface investigation, boring and exploratory drilling, mobilization and demobilization, minimum</td>
<td>180.00</td>
<td>206.00</td>
<td>500.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>02 210 120 1400</td>
<td>Subsurface investigation, boring and exploratory drilling, drill rig and crew with truck mounted auger, includes bit, layout and set up</td>
<td>715.00</td>
<td>825.00</td>
<td>2,025.00</td>
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<tr>
<td>Totals</td>
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<td>1,774.00</td>
<td>1,031.00</td>
<td>4,545.00</td>
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Contract Cost: $3,500.00  
Owner's Estimated Cost: $4,545.00  
Variance: $1,545.00  

Management Approval:  
________________________ __________________________  ________  
Print Name Signature Date  
________________________  
Title  

Comments:  

DISCLAIMER: The analysis for Additional Services may be obscured since such costs are incurred before the project begins and accurate comparisons to overall project costs cannot be obtained.  
Note: Reminder within the FAQ the Architect A/E Contract calls for a % of contract which (Historical data for similar work).
4. SAMPLE Procurement Policy Templates
5. Procurement

Desk Reference
Appendix

- Appendix A – Office of Inspector General, Audit Tips for Managing Disaster-Related Project Costs (DHS-OIG)
- Appendix B – Frequently Asked Questions (FAQs)
- Appendix C – GOHSEP Contacts
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APPENDIX B – FREQUENTLY ASKED QUESTIONS (FAQS)

1. What are the three (3) most important points I need to know about Federal procurement?
   - Must have a competitive process.
   - Stay away from prohibited contracts.
   - DOCUMENT, DOCUMENT, DOCUMENT!

2. How can the Subrecipient (Applicant) obtain quotes for small purchases?
   There is no “right” way. However, an easy and effective way is to identify all of the companies that have the goods or services you need and either hand deliver, telephone, fax or email the request for quotes to them. Must maintain documentation for reimbursement purposes.

3. What type of solicitation should be used for procurement of a Direct Administrative Costs (DAC) contract? Why?
   An RFP, which includes both qualifications and price. An RFQ may only be used for the acquisition of architecture and engineering (A/E) design services.

4. Does advertising in the official journal satisfy a Subrecipient’s (Applicant’s) requirement for publicizing?
   It may, if the minimum number of responses are received. If not, publicizing beyond the official journal or local newspaper and/or sending the bid package to firms who can perform the contract will be needed.

5. Is it necessary that all RFQs/RFPs be advertised/publicized?
   For RFQs, yes. For RFPs, advertising/publicizing is required based on category and size. Refer to the Procurement requirements by category of purchase + size of contract section of this ToolBox for threshold limits and bid requirements.

6. What is the minimum number of responses to an RFQ/RFP required by FEMA?
   For disasters occurring after December 26, 2014, all contracts less than $150,000 require three (3) quotes from responsible contractors. All contracts in the amount of $150,000 or greater require two (2) bid responses from responsible contractors.

7. What determines a responsible bidder? Can the Subrecipient (Applicant) count a bid if the Subrecipient (Applicant) rejects a bid?
   A responsible bidder is one who has fulfilled all of the administrative requirements stated in the bid package, does not have a conflict of interest, is not currently suspended or disbarred, and demonstrates by its response that it has the necessary experience and capability to perform the contract.

   The receipt of a bid from a contractor who is determined not to be responsible is the same as having not received the bid and cannot be counted to achieve the minimum number of responses.

8. Are Subrecipients (Applicants) required to contract with small, minority and women-owned enterprises or labor-surplus area firms?
   No, but you are required to take certain affirmative steps to use small, minority and women-owned enterprises and labor-surplus area firms whenever possible. Federal regulation (2 CFR 200.321) outlines those requirements and can be found on page 10 of this ToolBox.

9. Are A/E contracts allowed to have cost-plus-percentage of cost provisions?
   No, although such a provision may be considered industry standard in some circles, such a provision is prohibited by FEMA and should be expressed as a lump sum payment with the ability to increase the fee in the event of required additional services.

10. Is there ever an occasion when a competitive procurement process is not required?
    Yes, there are two occasions when a competitive procurement process is not required:

    1. The purchase of commercial products sold in substantial quantities to the general public. Limited to supplies and materials and to contracts less than $10,000. Not available to PNP's prior to 12/26/2014.
    2. 2 CFR 200.320(a) recognizes micro-purchases (equal or less than $3000) which do not require competitive quotes.
APPENDIX C – GOHSEP CONTACTS

If you have questions regarding this Procurement ToolBox: Comprehensive guide to getting and KEEPING your FEMA grant dollars!, please contact any of the following:

Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP)
7667 Independence Boulevard, Baton Rouge, LA, 70806
[O] 225-925-7500
[F] 225-925-7501

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Deputy Director, Grants and Administration
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SECTION CHIEFS + OTHER KEY CONTACTS

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SECTION CHIEFS + OTHER
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Section Chief, Hazard Mitigation Grants Management
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Section Chief, Office of Community Development (OCD) Hazard Mitigation Grant Program (HMGP)
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It is YOUR responsibility to have a working knowledge of AND to comply with local, State, Federal – and your own – procurement guidelines in order to get and keep all funds you were approved to receive. You must ensure that your contractors also follow all applicable procurement guidelines.

For more information or help with your procurement needs, visit http://www.fema.gov (search for procurement guidelines 44 CFR 13.36 and 2 CFR 215.44-.48 for grants awarded or PDs before 12/26/2014 and 2 CFR 200 for grants awarded or PDs after 12/26/2014) OR contact your organization’s purchasing officer OR GOHSEP, 225.925.7500.