

**City of Beaverton**  
**City Council Agenda for the Regular Meeting of**  
**Monday, April 27, 2020 (Virtual Meeting)**  
**6:00 pm**

COUNCIL

Mayor – Ray Nau  
Member – Terry McCartney  
Member – Kevin Neville  
Member – Tim Danielak  
Member – Nellie List  
Member – Nila Frei  
Member – Brooke Werth

1. Roll Call 6:00 pm
2. Pledge of Allegiance
3. Approval of Agenda
4. Public Comment      *This is an opportunity for persons to address the Council on issues relevant to City business but not on the meeting agenda. Please state your name and address.*
5. Adoption of Meeting Minutes: Special meetings March 23 and April 9, 2020
6. Agenda Items:
  - A. Consideration of Bids for Pump Station Replacements  
  
**Summary:** Rowe Engineering has completed their due diligence to verify the lowest bid and in addition, reviewed all possible scenarios to get to the most efficient price. Attached is the bid tabulation and award letter for the Lift Station Project. The City can award the project contingent upon USDA concurrence.
  - B. Consideration for Federal Award Policies  
  
**Summary:** If the City receives money from the Federal Government and expends more than \$750,000 of federal dollars in a single fiscal year, the City is required to complete a single audit. Attached are the policies recommended by our accounting consultant (AHP) for compliance with federal awards.
7. Reports:
  - A. County Commissioner’s Report/Rick Grove
  - B. DPW Report/Robert Sabisch
  - C. Police Report/Chief Brad Davis
  - D. Mayor’s Report/Ray Nau
  - E. City Manager’s Report/Heath Kaplan
  - F. Engineer’s Report
  - G. Library Use Data Report
8. Ways & Means: Payment of Bills for March 2020: \$ 116,367.35
9. Committee Reports
  - A. Fire Board
  - B. Fair Board
  - C. Parks and Recreation
  - D. Police Committee
  - E. Personnel Committee
  - F. Downtown Development Authority
10. Communications
11. Adjournment

MINUTES OF SPECIAL BEAVERTON CITY COUNCIL MEETING  
March 23, 2020

Due to City Hall shut down, meeting was held virtually

Meeting was called to order by Mayor Ray Nau at 6:03 pm

Pledge of Allegiance was recited by all attendees

Present: Council members McCartney, Danielak, List, Frei,

Absent: Neville, Werth

Also present: City Manager Heath Kaplan, Mayor Ray Nau, City Clerk Janelle Keen, City Treasurer Shannon Sirpilla, Community Development Coordinator Sharon Campbell

Approval of Agenda: Motion by Danielak, second by McCartney. All present voting aye, motion carried

Public Comment: None

Adoption of meeting minutes: Motion by Frei, second by McCartney to approve minutes of regular meeting March 16, 2020. All present voting aye, motion carried

Public Meeting:

Motion by Danielak, second by Frei to open public meeting at 6:07pm. All voting aye, motion approved

No Public requests to join meeting

Motion by Frei, second by Danielak to close public meeting at 6:08pm. All voting aye, motion approved

Business Agenda Items:

A. Resolution 2020-6: Approval of DNR Trust Fund Project and Commitment to Matching Funds

Motion by McCartney, second by Frei to approved resolution 2020-6. McCartney aye, Danielak aye, List aye, Frei aye. All voting aye, resolution adopted

Werth joined meeting at 6:13pm

A. -County Commissioner Rick Grove: No report

B -DPW Supervisor Robert Sabisch: No report

C -Police Report: No report

D -Mayor's Report/Ray Nau: No report

E. -City Manager's Report/Heath Kaplan: Due to the executive order by the governor, City Hall will only be open for necessary business on Thursdays. The closing for the new City Hall will still be held on April 1<sup>st</sup>. A special meeting will need to be held on April 9<sup>th</sup> at 6:00pm to adopt Bond Resolution for Saginaw Street

F. -Engineer's Report: No report

G. -Library Use Data Report: No report

Ways & Means: Motion by Danielak, second by McCartney to approve bills paid for February 2020 in the amount of \$ 300,451.54. (Payables already approved at March 16, 2020 meeting)

Committee Reports:

- A. -Fire Board: No report
- B. -Fair Board: No report
- C. -Park & Recreation: McCartney stated that top soil and wood chips would delivered tomorrow, Kaplan stated that the opening of Calhoun Campground for the 2020 season is still pending and may not open this year, Chief Davis has previously discussed using the campground as a sight of quarantine for officers
- D. -Police Committee: No report
- E. -Personnel Committee: No report
- F. -Downtown Development Authority: No report

Motion by McCartney, second by Danielak to adjourn meeting at 6:24pm. All present voting aye, motion carried

Respectfully Submitted,

Janelle Keen/Clerk

MINUTES OF SPECIAL BEAVERTON CITY COUNCIL MEETING  
April 9, 2020

Due to City Hall shut down, meeting was held virtually

Meeting was called to order by Mayor Ray Nau at 6:06 pm

Pledge of Allegiance was recited by all attendees

Present: Council members McCartney, List, Frei, Werth

Absent: Neville, Danielak

Also present: City Manager Heath Kaplan, Mayor Ray Nau, City Clerk Janelle Keen

Approval of Agenda: Motion by Frei, second by McCartney to approve agenda. All present voting aye, motion carried

Public Comment: No public requests to join meeting

Adoption of meeting minutes: Minutes for special meeting March 23 to be presented at next regular meeting on April 27, 2020

Business Agenda Items:

A. Ordinance 2020-1: Bond Ordinance for Sewer Lift Station Project. Motion by List, second by McCartney to approve Ordinance 2020-1. All voting aye, motion approved

- A. -County Commissioner Rick Grove: No report
- B. -DPW Supervisor Robert Sabisch: No report
- C. -Police Report: No Report
- D. -Mayor's Report/Ray Nau: No report
- E. -City Manager's Report/Heath Kaplan: No report
- F. -Engineer's Report: No report
- G. -Library Use Data Report: No report

Committee Reports:

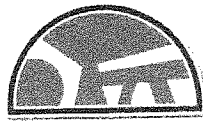
- A. -Fire Board: No report
- B. -Fair Board: No report
- C. -Park & Recreation: No report
- D. -Police Committee: No report
- E. -Personnel Committee: No report
- F. -Downtown Development Authority: No report

Communication: McCartney inquired if Kaplan had spoken to Angela and Jim about opening campground. Kaplan stated he had not due to the campground opening restrictions that are still in effect. Motion by Frei, second by McCartney to suspend Ways & Means meeting for April and present payables at April 27th meeting. All voting aye, motion approved. List questioned progress on A&W. Kaplan stated that construction had ceased due to COVID 19 shutdowns.

Motion by McCartney, second by Werth to adjourn meeting at 6:13pm. All present voting aye, motion carried

Respectfully Submitted,

Janelle Keen/Clerk



# ROWE PROFESSIONAL SERVICES COMPANY

*Large Firm Resources. Personal Attention.™*

April 21, 2020

Mr. Heath Kaplan  
City Manager  
City of Beaverton  
124 West Brown Street  
Beaverton, MI 48612

RE: Pump Station Replacements

Dear Mr. Kaplan:

Enclosed, please find a copy of the bid tabulation for the above referenced project. All bids opened and read at the bid opening on March 31, 2020 have been reviewed and audited. Sterling Excavation, Inc. was the low bidder with a bid amount of \$1,071,950.

The project is over the estimated budget of \$878,000 established during the USDA RUS application process. We reached out to the Contractor for recommended value engineering suggestions and they did not have any reduction recommendations that could be completed without changing the scope of the project. The local USDA loan specialist has been contacted and will submit a subsequent funding application in the amount of \$166,010 once the project has been awarded to Sterling Excavation, Inc. This budget adjustment accounts for a 3 percent contingency amount of \$37,760.

Sterling Excavation, Inc has performed similar projects for other communities. We have contacted their reference and found them to be well respected and provide quality work on time. It is my recommendation to the City of Beaverton to award the Pump Station Replacement project to Sterling Excavation, Inc., contingent upon approval of the subsequent funding application.

If you have any questions, or need additional information regarding this matter, please feel free to contact me.

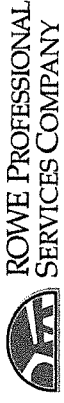
Sincerely,  
ROWE Professional Services Company

David E. Richmond, PE  
Senior Project Manager

Enclosure

R:\PROJECTS\18M0097\DOCS\SPECS OR SPECIAL PROVISIONS\FOR BIDDING PURPOSES\FOR BIDDING PURPOSES\20-04-21  
RECOMMENDATION LTR.DOCX

**TABULATION OF BIDS**



OWNER: City of Beaverton  
 PROJECT: Pump Station Replacement Project  
 JOB NO.: 18M0097  
 DATE: March 31, 2020

	PORTER STREET	ROSS STREET	BROWN STREET	TOTAL LUMP SUM PRICE
Sterling Excavation	\$ 408,255.00	\$ 309,995.00	\$ 353,700.00	\$ 1,071,950.00
The Isabella Corporation	\$ 438,000.00	\$ 337,500.00	\$ 422,000.00	\$ 1,197,500.00
RBF Construction	\$ 400,000.00	\$ 400,000.00	\$ 494,000.00	\$ 1,294,000.00
Fisher Contracting Company	\$ 517,168.00	\$ 381,820.00	\$ 427,999.00	\$ 1,326,987.00
JR Heineman & Sons Inc	\$ 528,000.00	\$ 407,000.00	\$ 423,000.00	\$ 1,358,000.00

# **CITY OF BEAVERTON FEDERAL AWARD POLICIES**

## PURPOSE

Establish and maintain internal controls that provide reasonable assurance that Federal awards are being managed in compliance with all Federal regulations and with the terms and conditions of the award. The City of Beaverton will follow the Uniform Guidance, the policies and procedures applicable to Local Units of Government in the State of Michigan), Government Accountability Office Standards for Internal Control in the Federal Government (the Green Book) and the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) Internal Control – Integrated Framework Principles included as Attachment A.

## INTERNAL CONTROLS

The City of Beaverton will maintain effective internal control over the Federal award providing reasonable assurance that the City of Beaverton is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

- Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.
- Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive.
- Follow the process workflow included as Attachment B

## CERTIFICATION

To assure that expenditures are proper and in accordance with the terms and conditions of the Federal award and approved project budgets, the annual and final fiscal reports or vouchers requesting payment under the agreements must include a certification, signed by an official who is authorized to legally bind the non-Federal entity, which reads as follows: “By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise.”

## ADVANCE PAYMENTS AND REIMBURSEMENTS

Payment methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the City of Beaverton whether the payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means.

- Advanced payments must be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the City of Beaverton to carry out the purpose of the approved program or project. Any advanced payments must be consolidated to cover anticipated cash needs.
- The City of Beaverton shall minimize the time elapsed between receipt of federal aid funds and subsequent payment of incurred costs.

**ALLOWABLE COSTS**

Federal awards will meet the following general criteria in order to be allowable except where otherwise authorized by statute;

- Be necessary and reasonable for the performance of the Federal award;
- Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items;
- Be consistent with policies and procedures that apply uniformly to both Federally- financed and other activities of the City of Beaverton;
- Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.;
- Be determined in accordance with generally accepted accounting principles (GAAP);
- Not be included as cost or used to meet cost sharing or matching requirements of any other Federally-financed program in either the current or a prior period;
- Be adequately documented.

**PROCUREMENT**

When procuring property and services under a Federal award, the City of Beaverton will follow 2 CFR §200.318 (General Procurement Standards) through §200.326 (Contract Provisions) or City of Beaverton purchasing procedures whichever is more restrictive. The following table outlines procurement requirements when using Federal funds.

Procurement Method	Goods	Services
Micro-Purchase – No required quotes. However, must consider price as reasonable, and, to the extent practical, distribute equitably among suppliers.	\$3,000 or less  <i>Must use</i> more restrictive \$3,000 federal threshold	\$3,000 or less  <i>Must use</i> more restrictive \$3,000 federal threshold



<p>Small Purchase Procedures (Informal) – Obtain/document quotes from a reasonable number of qualified sources (at least three).</p>	<p>\$3,000 - \$40,000 (Single trade)  \$3,000 - \$65,000 (Multi trade)  \$3,000 - \$50,000 (Non-Public works projects)</p> <p><b>Must use</b> more restrictive City threshold instead of \$150,000 Federal threshold</p>	<p>\$3,000 - \$40,000 (Single trade)  \$3,000 - \$65,000 (Multi trade)  \$3,000 - \$50,000 (Non-Public works projects)</p> <p><b>Must use</b> more restrictive City threshold instead of \$150,000 Federal threshold</p>
<p>Sealed Bids / Competitive Bids (Formal)</p>	<p>\$40,000 or more (Single trade)  \$65,000 or more (Multi trade)  \$50,000 or more (Non-Public works projects)</p> <p><b>Must use</b> more restrictive City threshold instead of \$150,000 Federal threshold</p>	<p>\$50,000\$40,000 or more (Single trade)  \$65,000 or more (Multi trade)  \$50,000 or more (Non-Public works projects)</p> <p><b>Must use</b> more restrictive City threshold instead of \$150,000 Federal threshold  0 or more</p>
<p>Competitive proposals</p>	<p>Used when conditions are not appropriate for the use of sealed bids.</p> <ul style="list-style-type: none"> <li>• Must publicize request for proposals soliciting from an adequate number of qualified sources</li> <li>• Maintain written method for conducting technical evaluations</li> <li>• Contract must be awarded to the responsible firm whose proposal is most advantageous to the Program</li> </ul>	
<p>Non-competitive proposals</p>	<p>Appropriate only when:</p> <ul style="list-style-type: none"> <li>• Available only from a single source; or</li> <li>• Public emergency; and</li> <li>• Expressly authorized by awarding or pass-through agency in response to written request from the City of Beaverton; or</li> <li>• After soliciting a number of sources, competition is deemed inadequate.</li> </ul>	

Contracts for more than the simplified acquisition threshold currently set at \$150,000 must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

Contracts and sub-grants of amounts in excess of \$150,000 requires that the City of Beaverton will comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act

and the Federal Water Pollution Control Act.

The City of Beaverton will monitor procurements to avoid duplicative purchases. The City will also continue to enter into inter-entity agreements to realize cost savings for shared goods and services when possible.

Verify and document that vendors are not suspended or debarred from doing business with the Federal government.

### SINGLE AUDIT ACT

The City of Beaverton, as a recipient of Federal funds, shall adhere to the Federal regulations outlined in 2 CFR §200.501 as well as all applicable Federal and State statutes and regulations.

### CLOSURE

A project agreement end date will be established in accordance with 2 CFR §200.309 (Period of Performance). Any costs incurred after the project agreement end date are not eligible for Federal reimbursement.

## **CITY OF BEAVERTON CODE OF CONDUCT**

### PURPOSE

The purpose of the Code of Conduct is to ensure the efficient, fair and professional administration of federal grant funds in compliance with 2 CFR §200.112 (Conflict of Interest), 2 CFR §200.318 (General Procurement Standards), and other applicable federal and state standards, regulations, and laws.

### APPLICATION

This Code of Conduct applies to all elected officials, employees or agents of the City of Beaverton engaged in the award or administration of contracts supported by federal grant funds.

### REQUIREMENTS

No elected official, employee or agent of the City of Beaverton shall participate in the selection, award or administration of a contract supported by federal grant funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when any of the following has a financial or other interest in the firm selected for award:

- The City employee, elected official, or agent; or
- Any member of their immediate family; or
- Their partner; or
- An organization which employs, or is about to employ any of the above.

The City of Beaverton's elected officials, employees or agents shall neither solicit nor accept

gratuities, favors, or anything of monetary value from contractors, potential contractors or subcontractors.

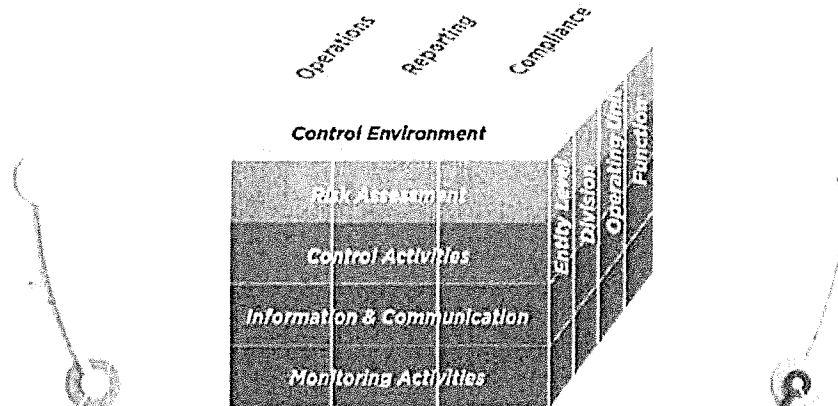
REMEDIES

To the extent permitted by federal, state or local laws or regulations, violation of these standards may cause penalties, sanctions or other disciplinary actions to be taken against the City of Beaverton's elected officials, employees or agents, or the contractors, potential contractors, subcontractors or their agents. Any potential conflict of interest will be disclosed in writing to the Federal awarding agency or pass-through entity in accordance with applicable Federal awarding agency policy.

\_\_\_\_\_  
Heath Kaplan, City Manager

Date: \_\_

# COSO Internal Control Integrated Framework Principles



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## Control Environment

The organization demonstrates a commitment to integrity and ethical values.

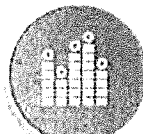
- 1) The board of directors demonstrates independence from management and exercises oversight of the development and performance of internal control.
- 2) Management establishes with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.
- 3) The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.
- 4) The organization holds individual accountable for their internal control responsibilities in the pursuit of objectives.



## Risk Assessment

The organization specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives.

- 5) The organization identifies and analyzes risks as a basis for determining how the risks should be managed.
- 6) The organization identifies and analyzes the potential effects of risks arising from the achievement of objectives.
- 7) The organization identifies and analyzes the potential effects of risks arising from the achievement of objectives.
- 8) The organization identifies and analyzes the potential effects of risks arising from the achievement of objectives.
- 9) The organization identifies and analyzes the potential effects of risks arising from the achievement of objectives.



## Control Activities

The organization selects and develops control activities to support the achievement of objectives related to the reporting of financial information.

- 10) The organization selects and develops control activities to support the achievement of objectives related to the reporting of financial information.
- 11) The organization selects and develops control activities to support the achievement of objectives related to the reporting of financial information.
- 12) The organization selects and develops control activities to support the achievement of objectives related to the reporting of financial information.



## Information & Communication

The organization communicates relevant and quality information to support the functioning of internal control.

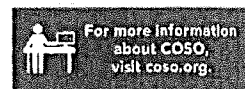
- 13) The organization communicates relevant and quality information to support the functioning of internal control.
- 14) The organization communicates relevant and quality information to support the functioning of internal control.
- 15) The organization communicates relevant and quality information to support the functioning of internal control.



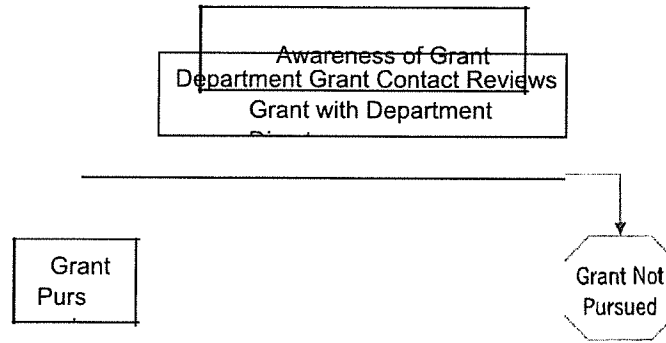
## Monitoring Activities

The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.

- 16) The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.
- 17) The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.
- 18) The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.



### Grant Process



Grant  
Awar

Grant Approved by City  
Staff as designated

Copies of Application, Contract, Routing and  
Approval Form, reporting requirements and other  
pertinent documentation submitted to the Grant  
Accountant for the Audit file

Department responsible for management of activities as required  
by the grant contract, compliance with grant requirements and all  
billing and reporting for the grant. Copies of progress billings to the  
Grant Accountant.

## City of Beaverton Federal Awards Policies – Appendix

### Activities Allowed or Allowable

#### Summary of Descriptions of Controls over Compliance

- Cost incurred on the project are completed by contractor under the supervision of the City Engineer. The City Engineer has been hired as an expert to oversee contractor activities and as an intermediary between the City of Beaverton and the contractors
- Draws are initiated as a time frame range to capture expenses incurred on the project. The contractors are requested to complete a Contractors Application for Payment to request payment for services and provide the City Engineer and the City all supporting documentation and breakdown of each expense.
- The City Engineer reviews the application that each contractor submits for payment and determines if all expenses are appropriate in nature. The City Engineer signs off as approval of completion.
- Heath Kaplan, City Manager, reviews the documentation after the City Engineer's completion of their review. The City Manager signs the documentation as his approval of all expenses are allowable and accurately stated.
- The Clerk oversees completing the USDA Standard Form RD-440-11 and categorize all expenses to their proper account classification. Next, the City's third-party accountant reconciles the cash balance to last month on the Standard Form 272. Based off how much cash is remaining; the total withdrawal request is generally close in value to the total disbursement calculated by the contractors. The Clerk signs for approval on Form 272 for completion
- The City Manager scans and emails all documentation complied to the USDA agency for their final approval. Funds are received after USDA final approval.

### Allowable Cost-Cost Principles

#### Summary of Descriptions of Controls over Compliance

- The City contracted with an engineering firm as experts for creating a completion schedule.
- The City hired various contractor under the supervision of the City Engineer for certain parts of the projects.
- Each party when completing a Contractor Application for Payment, if applicable, is given an estimate cost budget. The direct cost incurred on each application for payment for the individual contractor will increase the percentage of completion.
- The City and the City Engineer approves the cost breakdown before the project begins, with modifications as needed.

## City of Beaverton Federal Awards Policies – Appendix

### Cash Management

#### Summary of Descriptions of Controls over Compliance

- Approval of all Contractors Application for Payments by Heath Kaplan, City Manager, and the City Engineer for the period are combined in a total disbursement amount for request.
- The third-party Accountant uses the required Standard Form 272 by the USDA to reconcile cash balance each month.
- The approved disbursement amount from Form RD-440-11 will be on Form 272.
- The City request a draw based off the prior month ending cash balance and the total disbursement for the current month.
  - The cash balance will be above zero.
- Once the application is approved by the USDA, funds are transferred to the bank account by ACH from the USDA.
- Funds are distributed based off the total disbursement requested amount. Each vendor would be paid based off the amount requested from the Contractors Application for Payment form.

### Period of Availability of Federal Funds

#### Summary of Descriptions of Controls over Compliance

- Contractors will submit a Contractors Application for Payment with an application date with all supporting documents for each number.
- The City Manager and the City Engineer will verify each invoice attached to the application that was within the Draw Request time frame on Standard Form 272.
- The City Manager and the City Engineer will sign and approve the application once they completed their reviews.
- The Clerk will reconcile all disbursements on Form RD-440-11 and categorize each expense to their respected account and make sure they are within the correct period.
- When Form RD-440-11 and Standard Form 272 are completed, they are signed and approved by the City Manager.

## City of Beaverton Federal Awards Policies – Appendix

### Reporting

#### Summary of Descriptions of Controls over Compliance

- Contractors would complete a Contractors Application for Payments and provide all supporting documentation necessary to support all information from the application.
- The City Engineer reviews the application that each contractor submits for payment and determines if all information is accurate and appropriate in nature. The City Engineer signs off as approval of completion.
- Heath Kaplan, City Manager, reviews the documentation after the City Engineer's completion of their review. The City Manager signs the documentation as his approval of information is accurate and appropriate in nature.
- The Clerk compiles all supporting documentation and uses the required Standard Form 272 by the USDA to complete the required reporting.
- Once the application is approved by the USDA, funds are transferred to the City of Beaverton bank account by ACH from the USDA



# PROCUREMENT POLICY

These procedures are intended to serve as guidelines for the procurement of supplies, equipment, construction services and professional services for the Disaster Recovery Community Development Block Grant (CDBG) Program. These guidelines meet the standards established in 24 CFR 85.36.

## CODE OF CONDUCT

No employee, officer, or agent of the \_\_\_\_\_ City of \_\_\_\_\_ shall participate in the selection or in the award or administration of a contract supported by Disaster Recovery CDBG funds if a conflict of interest, real or apparent, would be involved. Such a conflict could arise if the employee, officer or agent; any member of his/her immediate family; his/her partner; or an organization which employs or is about to employ any of the above, has a financial or other interest in the firm selected for award.

No officer, employee or agent of the \_\_\_\_\_ City of \_\_\_\_\_ shall solicit or accept gratuities, favors or anything of monetary value from contractors or firms, potential contractors or firms, or parties to sub-agreements, except where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value.

Any alleged violations of these standards of conduct shall be referred to the \_\_\_\_\_ City of \_\_\_\_\_ Attorney. Where violations appear to have occurred, the offending employee, officer or agent shall be subject to disciplinary action, including but not limited to dismissal or transfer; where violations or infractions appear to be substantial in nature, the matter may be referred to the appropriate officials for criminal investigation and possible prosecution.

## PROCUREMENT PROCEDURES

The director or supervisor of each department or agency of the \_\_\_\_\_ City of \_\_\_\_\_ responsible for procurement of services, supplies, equipment, or construction obtained with Disaster Recovery CDBG funds shall review all proposed procurement actions to avoid the purchase of unnecessary or duplicative items. Such reviews shall consider consolidation or breaking out to obtain a more economical purchase. When determined appropriate by the Director or Supervisor, an analysis to determine which approach would be the most economical shall be undertaken.

The \_\_\_\_\_ City of \_\_\_\_\_ shall take affirmative steps to assure that small and minority firms, women's business enterprises, and labor surplus firms are solicited whenever they are potential qualified sources. The \_\_\_\_\_ City of \_\_\_\_\_ shall also consider the feasibility of dividing total requirements into smaller tasks or quantities so as to permit maximum participation by small and minority firms, women's business enterprises, and labor surplus firms. Where permitted by regulations, delivery schedules will be developed which will include participation by such businesses.

The \_\_\_\_\_ City of \_\_\_\_\_ shall assist the prime contractor whenever possible by providing copies of lists which identify qualified small and minority firms, women's business enterprises, and labor surplus area firms.

SELECTION PROCEDURES

ALL procurement carried out with Disaster Recovery CDBG funds, where \_\_\_\_\_ City of \_\_\_\_\_ is a direct party, shall be carried out in a manner that provides maximum free and open competition. Procurement procedures will not restrict or eliminate competition. \_\_\_\_\_ City of \_\_\_\_\_ shall not place unreasonable requirements on firms in order for them to qualify to do business. Nor will \_\_\_\_\_ City of \_\_\_\_\_ encourage or participate in noncompetitive practices among firms. The \_\_\_\_\_ City of \_\_\_\_\_ is alert to organizational conflicts which would jeopardize the negotiation process and limit competition. \_\_\_\_\_ City of \_\_\_\_\_ will not require unnecessary experience or bonding requirements.

Pursuant to state law and federal regulations (24 CFR 85.36(b)), all solicitations of offers shall incorporate a clear accurate description of the technical requirements for the material, service, or product to be procured. In competitive procurements, these descriptions shall not contain features which unduly limit competition. The description may include a statement of the qualitative nature of the material, product, or service and the minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications shall be avoided whenever possible. A "brand name or equal" description may be used to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offerors shall be clearly stated.

All solicitations of offers shall clearly set forth all requirements which offerors must fulfill and all other factors to be used in evaluating bids, proposals, or statements of qualifications.

Contracts shall be awarded only to responsible contractors/firms that possess the potential ability to perform successfully under the terms and conditions of the proposed procurement.

Consideration shall be given to such factors as the contractor's/firm's capacity, integrity, compliance with public policy, record of past performance, and financial and technical resources.

METHODS OF PROCUREMENT

Direct procurement by the \_\_\_\_\_ City of \_\_\_\_\_ shall be made by using one of the following methods depending on the type of service to be procured.

Small Purchase Procedures. Relatively simple, informal procurement procedures will be used where the purchase of materials, single task services, supplies, equipment, and/or other property will not cost in the aggregate more than \$100,000, except where further limited by state law or local policy. The procurement officer must obtain a minimum of three oral or written price or rate quotations from qualified sources. Documentation on all quotations received (whether oral or written) shall be made a part of the file. Selections shall be made principally on price. Payment shall be made upon delivery or completion.

Competitive Sealed Bids/Formal Advertising. Under this procedure bids are publicly advertised in accordance with the applicable laws. A firm fixed price contract (either lump sum or unit price) shall be awarded to the responsible bidder whose bid is lowest in price and that conforms to all the material terms and conditions of the advertisement for bids.

Competitive sealed bids can be used ONLY when the following criteria are met: (1) there are complete, adequate, and realistic specifications or purchase descriptions; (2) there are two or more responsible bidders who are willing and able to compete effectively; (3) the procurement can be made on a firm

fixed-price contract and selection of the successful bidder can appropriately be made principally on the basis of price.

When formal advertising is used the following conditions shall be met.

- i. The advertisement for bids shall be publicly advertised.
- ii. The advertisement for bids, including the specifications and pertinent attachments, shall clearly define the items, end products or services needed in order for the bidders to properly respond to the advertisement.
- iii. All bids shall be opened publicly at the time and place specified in the advertisement for bids.

A firm fixed-price contract award shall be made by written notice to the lowest responsive and responsible bidder whose bid conforms to the advertisement for bids. Notwithstanding the above, any or all bids may be rejected when there are sound documented business reasons in the best interest of the Disaster Recovery CDBG Program.

“Responsible bidder” refers to the character or quality of the bidder -- whether it is an entity with which City of is safe doing business.

“Responsive bidder” refers to whether or not the bidder has offered City of in its bid what was asked for in the specifications.

Disqualification of a bidder for **lack of responsibility** will require notice to the bidder and the opportunity for a hearing. Rejection of a bid because of **unresponsiveness** requires only that bidder be informed of why bid was rejected.

Competitive Negotiation: Requests for Proposals/Qualification Statements. The technique of competitive proposals is normally conducted with more than one source submitting an offer. All competitive proposals shall be conducted using a formal RFP/RFQ containing at least the minimum items in the attached RFP/RFQ Outline (See Attachment A). Architectural and engineering services must be procured via requests for qualification statements; administrative consulting and other professional services must be procured via requests for proposals. Other professional services may also be procured by requests for proposals. The following procedures will be used for competitive negotiation:

- i. Requests for proposals or qualification statements will be adequately publicized to achieve sufficient competition. All submittals will be honored and entered into the competition.
- ii. Request for proposals or qualification statements shall contain a detailed list of tasks in the proposed scope of work that is expected to be accomplished.
- iii. The request for proposals or qualification statements shall identify all significant evaluation factors or selection criteria, including the corresponding point system that will be used to rate the proposals/qualification statements. Requests for proposals shall always include cost and at least one non-cost evaluation factor.
- iv. The selecting official (or committee, if one is designated) shall review all proposals and statements received and make a technical evaluation of each. This shall also include a written statement that identifies the basis upon which the selection was made; including the importance of cost (for RFPs).

- v. Contract award will be made to the responsible offeror whose submission is deemed most appropriate to the \_\_\_\_\_ City of \_\_\_\_\_ with consideration for price, qualifications, and other factors set by the local governing body. Unsuccessful offerors shall be notified in writing within ten working days of contract award. Documentation of notification shall be maintained in the contract selection file for the individual project.

For qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, at least three firms will be solicited. Following the review of the qualification statements received, the most qualified competitor will be selected to enter into contract negotiation. This shall always include negotiation of price to insure cost reasonableness. At the conclusion of successful negotiation, the competitor shall be invited to enter into a contract.

### CONTRACT PRICING

\_\_\_\_\_ City of \_\_\_\_\_ shall perform cost or pricing analysis in connection with EVERY procurement action including contract modifications in accordance with the requirements of "Cost and Price Analysis for HUD Grantees and Funding Recipients". [See Attachment C] Costs or prices based on estimated costs for Disaster Recovery CDBG projects shall be allowed only to the extent that the costs incurred or the cost estimates included in negotiated prices are consistent with federal cost principals [48 CFR Part 31]. Lump sum prices will only be utilized when there is a definable work product and the quantity to be provided is certain and the contractor assumes all the risk for costs incurred. Unit prices can be utilized when there is a definable work product and the contractor assume all the risk for costs incurred, but the quantity is estimated. Cost reimbursement will be utilized when the task does not result in a definable work product or the contractor will not assume the risk of incurring the cost to complete the task. Cost reimbursement, unit or lump sum price, or a combination thereof may be utilized as appropriate.

A cost reimbursement type contract is most appropriate when the scope and extent of the work to be performed are not clearly defined, such as a professional services contract. A cost reimbursement contract MUST clearly establish a cost ceiling which may not be exceeded without formally amending the contract, and must identify a fixed dollar profit that may not be increased unless there is a contract amendment that increases the scope of the work.

A fixed price contract is appropriate when the scope of work is very well defined and product oriented. A fixed price contract can only be awarded when fair and reasonable prices can be established through adequate price competition and the solicitation is based principally on price. A fixed price contract MUST establish a guaranteed price that may not be increased.

Cost plus percentage of cost and percentage of construction cost methods of contracting MUST NOT be used.

### PROCUREMENT RECORDS

The \_\_\_\_\_ City of \_\_\_\_\_ shall maintain records sufficient to detail the history of the procurement. The records will include the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection and the basis for the contract price

### CONTRACT PROVISIONS

The records shall include the following contract provisions and conditions:

- i. Contracts other than small purchase shall contain provisions that allow for administrative, contractual, or legal remedies if contractors violate or breach contract terms, and provide for sanctions and penalties as appropriate.
- ii. All contracts in excess of \$10,000 shall provide for termination for cause and for convenience by the City of including the manner in which it will be done and the basis for settlement.
- iii. All construction contracts and subcontracts in excess of \$10,000 shall include provisions which require compliance with Executive Order 11246, Equal Employment Opportunity, as amended by Executive Order 11375, and as supplemented in DOL regulations (41 CFR Part 60).
- iv. All contracts and subcontracts for construction or repair shall include a provision for compliance with the Copeland "Anti-Kick-Back" Act (18 USC 874) as supplemented by DOL regulations (29 CFR Part 3).
- v. All contracts or subcontracts in excess of \$2,000 for construction or repair shall include a provision for compliance with the Davis-Bacon Act (40 USC 276a to a7) as supplemented by DOL regulations (29 CFR Part 5).
- vi. All construction or repair contracts or subcontracts in excess of \$2,000, and in excess of \$2,500 for other contracts which involve the employment of mechanics or laborers, shall include a provision for compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 USC 327330) as supplemented by DOL regulations (29 CFR Part 5).
- vii. Each contract shall include a notice of DCEO requirements and regulations pertaining to reporting and patent rights under any contract involving respect to any discovery or invention which arises or is developed in the course of or under such contract, and of the state requirements pertaining to copyrights and rights in data.
- viii. All negotiated contracts shall include a provision that makes it possible for the DCEO, HUD, the Comptroller General of the United States, or any of their duly authorized representatives, to have access to any books, documents, papers, or records of the contractor/firm that are directly pertinent to the contract, for the purpose of making audit examination excerpts and transcriptions. Further, the contract must include a provision that all required records will be maintained by the contractor/firm for a period of four years after the City of formally closes out each Disaster Recovery CDBG program.
- ix. All contracts, subcontracts, and subgrants in amounts in excess of \$100,000 shall contain a provision which requires compliance with the requirements of Section 306 of the Clean Air Act (42 USC 1857 h), Section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15).
- x. Contracts shall recognize mandatory standards and policies relating to energy efficiency that are contained in the State Energy Conservation Plan issued in compliance with the Energy Policy and Conservation Act (P.L. 94163).
- xi. The City of will be permitted to require changes, remedies, changed conditions, access and record retention, and suspension of work clauses approved by the [governing body].

CONTRACT ADMINISTRATION

The City of shall maintain contract administration systems that insure contractors/firms perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. The accepted performance of contractors/ firms will be a factor in subsequent contract negotiations and award. Remedial action by the \_\_\_\_\_ City of through legal processes shall be considered in instances of identified significant nonperformance.

PROTEST PROCEDURE

Any person who is aggrieved in connection with the solicitation or award of a contract shall make a protest to the chief procurement officer.

Protest with respect to a **solicitation** shall be submitted in writing at least two working days prior to the opening of bids. Protest with respect to the **award** of a contract shall be submitted in writing within ten calendar days after the contract award.

## **PROCUREMENT POLICY**

### **ATTACHMENT A – RFP/RFQ OUTLINE**

Under the federal procurement regulations professional services are typically procured through the competitive proposal or request for proposal method [24 CFR 85.36(d)(3)]. A well-written RFP or RFQ will contain all of the information the proposers need to know in a manner that captures interest and is easy to follow. The RFP or RFQ will consist of an introduction and six sections, each of which is summarized briefly on this page:

All RFPs or RFQ issued by the \_\_\_\_\_ City of \_\_\_\_\_ for professional services will at minimum contain the following items:

1. Advertisement/Purpose (Introduction) – Will include a Cover Letter to summarize the services being solicited and the due date for proposals.
2. Program Information – Will include an overview of the grant/project status and a summary of the roles and responsibilities of all involved parties to provide the context for the solicited services and capture the interest of potential respondents.
3. Scope of Services - Will include an overview of the solicited services, summarize general expectations, specify the anticipated role of the selected firm, and provide a detailed list of tasks to be accomplished. Should be connected to the fee proposal and be detailed enough to be in the final contract.
  - Statement of Work (RFP only): All tasks the selected consultant will be expected to perform will be listed in detail. The List must be detailed enough for consultant to provide price or estimated cost for the services.
4. Submission and Evaluation Requirements – Will describe what sections should be included in the proposal (e.g. approach, organization chart or staffing plan, fee proposal (RFP only), etc.) and what information each of those sections should contain. Also the criteria the Committee will use to evaluate the proposal and the weights for each criterion will be described. Submission requirements and evaluation criteria should be linked.
  - Approach section (RFP): For each task identified in the scope of work, respondent is to describe how they would accomplish the task(s).
  - Project staffing: Respondent will be asked to include an organization chart, names and roles of principal staff members, time commitments for principal staff members, and attach resumes.
  - Qualifications: Respondent will be asked to include project summaries the respondent's relevant experience, organized by firm or by type of experience.
  - Fee proposal (RFP only): Respondent will be asked to provide a price for services described in the approach, broken out by task.
  - Evaluation Criteria: The criteria on which the proposals will be evaluated (e.g. creativity of approach, reasonableness of fee, quality of relevant qualifications, previous experience, etc.) will be listed and the weighting for each criteria given.

5. Schedule and Required Information - Will provide information about the procurement not related to the actual project. This includes a schedule/timetable for the procurement, information on written questions and pre-proposal conference, contractual obligations, information on conflict of interest, and all other required clauses.
6. Attachments - Provide any required forms (e.g. form for fee proposal or Certifications/Assurances), further clarify the expectations by including a sample contract, copies of the roles/ responsibilities checklist, and/or scopes of work for other consultants, and include more detailed information on the project (e.g. application or project summary).



# **PROCUREMENT POLICY**

## **ATTACHMENT B – Sealed Bid Requirements and Procedures**

Under the federal procurement regulations construction services are required to be procured through the competitive sealed bid method [24 CFR 85.36(d)(2)]. This method is also required for the procurement of equipment and supplies over \$100,000.

### Sealed Bid Requirements

1. Advertisement or bids- instructions to potential bidders including: location and time and date for submission; availability of bid documents and duration of public inspection, deposit(s) and other bidding requirements; notice of Federal contract requirements.
2. Information for Bidders- instructions to potential bidders including: bid preparation requirements; details for price submission; bidder qualifications, bid security requirements, timelines for bid and contract award; liquidated damages provisions; conditions of work; addenda and interpretations; security for performance; power of attorney; governing laws and regulations; method of bid award; and obligations of bidders.
3. Requirements for a Bid Guarantee. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.
4. Requirements for a Performance Bond. A performance bond on the part of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.
5. Requirements for a Payment Bond. A payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.
6. Requirements for a Certificate as to Corporate Principal.
7. Requirements for a Public Work Bid, including acceptable pricing format.

### Sealed Bid Procedures

The sealed bid solicitation will be published at least once, not less than 30 and not more than 45 days before the date for filing bids in a newspaper that serves as the official publication for the grantee. If the grantee does not have an official publication then it will be published in a newspaper published at least once weekly and having general circulation in the geographic area served by the governmental entity. Preference should be given to a newspaper published daily if available.

The sealed bid solicitation will insure the complete plans and specifications will be available on the date of the first advertisement.

The advertisement for the sealed bid solicitation will indicate where specifications can be obtained and when and where bids will be received and opened.

All sealed bids received will be date and time stamped upon receipt.

Any sealed bid which does not arrive at the designated place by the appointed time will not be considered and will not be opened. The bid will be marked by the time received and returned to the bidder unopened.

All bids will remain confidential until the public bid opening.

All bids submitted on time will be publicly opened and the sealed bids read aloud.

Where specified in the bid documents, factors such as discounts, transportation costs, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts shall only be used to determine low bid when prior experience indicates that such discounts are generally taken.

After approval by the [*council, governing body, selection committee*]; a firm fixed price award in writing to the lowest responsive bidder whose bid conforms to the advertisement for bids will be made.

A bid abstract of the bid opening will be maintained. At a minimum it will include the following:

- date, time, and location of the bid opening;
- a listing of all bids received and the amounts of their bids
- a listing of all persons present;
- a tabulation of the bids opened;
- the award decision

Unsuccessful bidders will be promptly notified in writing.

# **PROCUREMENT POLICY**

## **ATTACHMENT C – HUD Guidance on Cost Price Analysis**

Under the federal procurement regulations grantees are required to perform a cost price analysis on every procurement action [24 CFR 85.36(f)]. HUD has provided a guide to recipients to meet this requirement. The important sections of which are provided below.

### **Quick Guide to Cost and Price Analysis for HUD Grantees and Funding Recipients**

#### **What is price analysis?**

Price analysis is essentially price comparison. It is the evaluation of a proposed price (i.e., lump sum) without analyzing any of the separate cost elements that it is composed of.

#### **What is cost analysis?**

Cost analysis is the evaluation of the separate elements (e.g., labor, materials, etc.) that make up a contractor's total cost proposal or price (for both new contracts and modifications) to determine if they are allowable, directed related to the requirement and ultimately, reasonable.

#### **Is cost or price analysis always required?**

Yes. HUD's regulations at 24 Code of Federal Regulations (CFR) Part 84, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations," and 24 CFR Part 85, "Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments," require grantees to perform a cost or price analysis for *every* procurement action, including contract modifications (e.g., "change orders"), using HUD grant funds.

#### **When do I perform a price analysis?**

You use price analysis whenever you are comparing lump sum prices – not cost estimates - received from contractors in a competitive pricing situation (e.g., when sealed bids are obtained).

#### **What qualifies as competition?**

Generally, competition means two or more responsible (e.g., not debarred or suspended, etc.) offerors ("bidders"), competing independently, submit priced offers that satisfy the grantee's contract requirement. Obviously, the greater the number of offers received, the greater the competition and ideally, the better the pricing.

#### **When do I perform a cost analysis?**

Cost analysis is used whenever you do not have price competition. A cost analysis is required when:

- Using the **competitive proposal** (or "negotiated") method of contracting (see 24 CFR 85.36(d)(3) for a definition), e.g., for acquiring professional, consulting or architect/engineering (A/E) services. **Under the competitive proposal method, offerors are required to submit cost proposals that show the elements (e.g., labor, materials, overhead, profit) of their proposed costs or price. SEE FORMAT BELOW.**
- Negotiating a contract with a **sole source**, i.e., not soliciting competitive bids or offers. When a sole source is appropriate and justified (see 24 CFR 85.36(d)(4)), you must obtain a complete

cost breakdown from the sole source contractor and perform an analysis using the cost principles to establish a fair and reasonable price or estimated cost.

- After soliciting competitive sealed bids, you receive **only one bid**, and it differs substantially from your independent estimate of the contract price. If you determine that the bid is unreasonable and decide to not re-compete (e.g., market survey tells you that you wouldn't get competition), then you may formally cancel the solicitation and negotiate a contract price with the single bidder. In that case, you must obtain a cost breakdown of the single bid price and use cost principles to determine if that price is reasonable.
- Negotiating a **modification** (including change orders) to *any* type of contract, if the modification changes the work authorized under the contract, and changes the price or total estimated cost, either upwards or downwards. You must obtain a detailed breakdown of the contractor's proposed cost - not a lump sum proposal - before negotiating the change in contract price.

**CAUTION:** Modifications that change the work beyond the scope of the contract must be justified in accordance with the conditions set forth in 24 CFR 85.36(d)(4) or 24 CFR 84.43. If the out-of-scope change cannot be justified, you must procure the work competitively.

#### ***Do I need to analyze and negotiate profit separately?***

Whenever you are required to perform a cost analysis, and you are negotiating a contract action that provides for a profit or fee, you must negotiate profit separately. When negotiating profit, you should consider **all** of the following:

- The complexity of the work to be performed. The more difficult the work, the more profit a contractor may be entitled to.
- Contractor's risk. How much risk - either performance or cost to the contractor - will the contract create? The higher the risk, the higher the reward, i.e., profit.
- Contractor's investment (labor, oversight, etc.). How much and what type of resources will the contractor have to dedicate to performing the contract? The greater the investment of resources the more profit.
- Subcontracting. The amount of profit depends upon the size, nature and oversight needs of the subcontracts the contractor will use. Will the contractor perform most of the work, or will he/she sub out some of it, and if so, how much? Will subcontracted work be routine or complex? What amount and level of oversight and management will subcontracted work require of the contractor? Simple subcontracts for routine supplies of services should not be worth as much profit as complex subcontracts that require a lot oversight by your own highly skilled staff or management.
- Quality of the contractor's past performance. Profit should reward the contractor for a proven record of high quality performance. A consistent record of delivering quality goods or services on time within cost, indicates that the contractor will likely "deliver the goods" to you, too. (Note: You probably won't be considering a poor performer for a new contract award.) Performance under the current contract must be considered when negotiating a modification.
- Industry profit rates in the surrounding geographical areas for similar work. What's the "going rate," especially for standard, more commercial types of work? **CAUTION:** Be careful to not pay going rates when the work required is not really covered by those rates, e.g., paying specialty rates for routine work.

**CAUTION!** The "cost-plus-a-percentage-of-cost" and "percentage-of-construction-cost" contract types are prohibited. (See also 24 CFR 85.36(f)(4), and 24 CFR 84.44(c).) These types of contracts reward contractors for incurring greater costs, which is just the opposite of what is in your, the buyer's, best interest.

***How do cost analysis and price analysis apply to the different contracting methods?***

- ***Small Purchases.*** For routine, commercial type purchases, comparing price or rate quotes obtained from an adequate number of qualified vendors is sufficient price analysis. If the small purchase is for professional or technical services, or the HA needs to evaluate other factors than price, then at least a limited cost analysis is appropriate. In either case, the HA's analysis should include comparing the proposed prices to past prices it has paid for the same or similar items or services.
- ***Sealed Bidding.*** This is the preferred method for contracting for supplies, equipment and construction. (See 24 CFR 85.36(d)(2) for a definition.) Normally, the competitive pricing forces of the marketplace determine the reasonableness of the low price obtained through sealed bidding. Nevertheless, the HA should always compare its own independent cost estimate to the low competitive bid received. In the event they are significantly different, the HA will need to examine each to verify that either its own estimate or the market price is valid. Otherwise, no further price or cost analysis is required under sealed bidding.

***CAUTION!*** *When only one bid is received in response to a competitive bid solicitation, you do not have price competition. If you decide to award on the basis of a single submitted bid price, i.e., without negotiation, you must justify that the price is fair and reasonable. At a minimum, you should compare the bid price to your own in-house estimate and past prices paid for the same or substantially similar item(s) in the past.*

*You should also try to obtain information from the marketplace, if you have not already done so in developing your own estimate. If you decide to cancel the sealed bid and negotiate a contract price with the single bidder, you must obtain a complete cost breakdown and perform a cost analysis of the proposed price. If the bidder refuses to provide a breakdown of his/her costs, you may have no other choice than to resolicit bids. In any case, you must document the rationale for your award decision.*

- ***Competitive Proposals.*** This method is most often used to contract for professional, consulting, and architect/engineering (A/E) services. (See 24 CFR 85.36(d)(3) for a definition.) To determine the reasonableness of proposed costs, you must obtain cost breakdowns from the offerors showing all the elements of their proposed total costs and perform a cost analysis of each proposal using the appropriate set of cost principles (discussed below).

***NOTE!*** *When awarding a contract using the competitive proposal method, the type of contract (e.g., firm fixed-price or cost-reimbursement) you propose to award does not affect the requirement for a cost analysis. For example, if you intend to award a firm fixed-price contract via the competitive proposal method, you still must analyze all of the proposed costs contained in each offeror's price. However, you are not required to negotiate each individual cost element in arriving at an agreement on total price. The final price you negotiate with the contractor on a fixed-price contract normally reflects agreement only on the total price. Therefore, the overall objective should be to negotiate total prices that are fair and reasonable.*

***NOTE!*** *In certain cases, the contract may specify separately priced items. This is commonly done in indefinite-delivery (e.g., indefinite-quantity, sometimes called job order, or "open ended") contracts. Under these contracts, the HA orders pre-priced items on an as-needed basis, up to a stated maximum quantity. For these contracts, agreement must be reached on each item's price before award and the prices included in the final contract document.*

ATTACHMENT C.1

## Format for Cost Analysis

Develop a detailed list of tasks and subtasks, based on the services requested in the RFP/RFP.  
 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 for 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.

Contract Task 1: **Proposal Review**

<b>Labor Cost</b>	
Estimated 10 proposals x 4 hours per proposal for Assistant Planner @ \$20 per hour	800.00
Estimated 10 proposals x 1.5 hours per proposal for Senior Planner @ \$32.50 per hour	487.50
Fringe Benefit @ 22% of Direct Labor Cost	383.25
<b>Total estimated Direct Labor Cost for completing Proposal Review Task</b>	<b>1,670.75</b>
<b>Materials and Services Cost</b>	
Estimated 15 copy pages per proposal x 10 proposals @ \$.32 per page	48.00
Estimated printing cost per proposal summary @ \$3.50 ea x 10	35.00
<b>Total estimated Materials and Services Cost for completing Proposal Review Task</b>	<b>83.00</b>
<b>Overhead</b>	
Overhead rate for federally funded contracts @ 32% x Direct Labor Cost	534.64
<b>Total estimated Costs for completing Proposal Review Task</b>	<b>2,288.39</b>
<b>Profit</b>	
Profit @ 8% of total estimated Cost	<b>183.07</b>
<b>TOTAL PRICE for completing Proposal Review Task</b>	<b>2,471.46</b>
Estimated unit price <i>if applicable</i> Total Price divided by # proposals	247.14

CITY OF BEAVERTON  
**DPW REPORT**

Work Task To Be Performed, Purchases, and Notes  
4/23/2020

- ❖ Auto Greaser at Dam is on order
- ❖ Main contactor coils burned up the generator so we switched them out with the capacitor coils. In process to find a replacement or repair
  - Powertech, Swartz Creek referred by Boyce Hydro \$5750.00
- ❖ South bank of Spillway is bulging and in need of repair
  - DeLisle \$86,780.00
- ❖ Flower Beds are ready for planting
- ❖ Spring Cleanup has begun in all our parks
- ❖ New Pump is in full operation at the Sewer Lagoon
- ❖ There is a big dumpster at DPW Lot for all residents to use for extra trash

# BEAVERTON POLICE DEPARTMENT

## March 2020 Report

Calls for service-192	Misdemeanor Arrests- 11
Criminal Calls for Service-97	Felony Arrests- 4
Civil Calls for Service-95	Alarms- 1
Non Traffic Citations-1	Calls to School- 13
Traffic Stops- 37	EMS assists- 5
Verbal Warnings- 22	Assist other police agencies- 8
Citations Issued- 15	Trailer Park-2



# BEAVERTON POLICE DEPARTMENT

## March 2019 Report

Calls for service-152	Misdemeanor Arrests- 19
Criminal Calls for Service-94	Felony Arrests- 2
Civil Calls for Service-58	Alarms- 0
Non Traffic Citations-2	Calls to School- 3
Traffic Stops- 75	EMS assists- 5
Verbal Warnings- 52	Assist other police agencies- 7
Citations Issued- 23	Trailer Park-4

Check Date	Bank	Check	Vendor Name	Amount
Bank 101 GENERAL ACCOUNT				
03/04/2020	101	26579	AT&T	641.81
03/04/2020	101	26580	AUTO-WARES GROUP	368.11
03/04/2020	101	26581	BEAVERTON HARDWARE & SPORTS	260.39
03/04/2020	101	26582	CHARTER COMMUNICATIONS	186.42
03/04/2020	101	26583	CMS INTERNET LLC	2,958.69
03/04/2020	101	26584	CONSUMERS ENERGY	4,294.53
03/04/2020	101	26585	VOID	0.00
03/04/2020	101	26586	DREYER & HOVEY & POST, LLP	2,460.50
03/04/2020	101	26587	FASTENAL COMPANY	72.17
03/04/2020	101	26588	FIRST BANKCARD	1,670.19
03/04/2020	101	26589	GLADWIN ACE HARDWARE	9.94
03/04/2020	101	26590	JESSICA DION	340.00
03/04/2020	101	26591	MATT GRANDY	415.50
03/04/2020	101	26592	PACE ANALYTICAL SERVICES, LLC	1,575.00
03/04/2020	101	26593	REPUBLIC SERVICES	5,676.06
03/04/2020	101	26594	ROWE PROFESSIONAL SERVICES CO.	1,885.00
03/04/2020	101	26595	USABLUEBOOK	45.39
03/04/2020	101	26596	SHANNON SIRPILLA	119.05
03/09/2020	101	26597	ANDREWS HOOPER & PAVLIK P.L.C.	2,460.12
03/09/2020	101	26598	ANTHONY ORANGE	112.70
03/09/2020	101	26599	BEAVERTON AREA BUSINESS ASSOC.	120.00
03/09/2020	101	26600	BEAVERTON HARDWARE & SPORTS	283.56
03/09/2020	101	26601	BLUE FLAME PROPANE, INC	182.54
03/09/2020	101	26602	BRADLEY LEASING	325.00
03/09/2020	101	26603	CHARTER COMMUNICATIONS	259.51
03/09/2020	101	26604	CONSUMERS ENERGY	1,441.17
03/09/2020	101	26605	FLYNN LUMBER & SUPPLY CO.	65.56
03/09/2020	101	26606	GALLS INC.	68.00
03/09/2020	101	26607	GLADWIN COUNTY COMMUNITY FOUNDATION	100.00
03/09/2020	101	26608	GLADWIN COUNTY TREASURER	457.50
03/09/2020	101	26609	GLADWIN TIRE COMPANY	80.00
03/09/2020	101	26610	HEATH KAPLAN	56.35
03/09/2020	101	26611	JIM'S AUTOMOTIVE, INC.	356.10
03/09/2020	101	26612	NEWKIRK ELECTRIC ASSOCIATES	1,566.00
03/09/2020	101	26613	ROBERT SABISCH	154.10
03/09/2020	101	26614	SMITH & ASSOCIATES CPA, PC	276.76
03/09/2020	101	26615	VARNUM LAW	37.35
03/09/2020	101	26616	VERIZON WIRELESS-VSAT	585.60
03/09/2020	101	26617	WEX BANK	799.55
03/16/2020	101	26618	BEAVERTON AREA FIRE PROTECTION DIST	11,423.25
03/16/2020	101	26619	BRAD DAVIS	16.92
03/16/2020	101	26620	CENTRAL MI DIST. HEALTH DEPT.	114.00
03/16/2020	101	26621	CONSUMERS ENERGY	195.89
03/16/2020	101	26622	CRYSTAL FLASH	477.66
03/16/2020	101	26623	FRUCHEY'S FAMILY MARKET	790.18
03/16/2020	101	26624	GLADWIN COUNTY RECORD	180.74
03/16/2020	101	26625	GREAT LAKES COMM ACT PARTNERSHIP	663.00
03/16/2020	101	26626	HEATH KAPLAN	75.56
03/16/2020	101	26627	JAY'S SPORTING GOOD, INC.	82.96
03/16/2020	101	26628	LYNN HEIPLE	43.70
03/16/2020	101	26629	MASUD LABOR LAW GROUP	306.00
03/16/2020	101	26630	MICHIGAN STATE POLICE	33.00
03/16/2020	101	26631	MIDLAND DAILY NEWS	1,782.00
03/16/2020	101	26632	OFFICE CENTRAL	85.98
03/16/2020	101	26633	PITNEY BOWES	144.93
03/16/2020	101	26634	UNITED STEELWORKERS	102.92
03/16/2020	101	26635	US BANK EQUIPMENT CO.	224.98
03/19/2020	101	26636	BERKADIA G	16,870.00
03/19/2020	101	26637	CINTAS	1,067.58
03/19/2020	101	26638	CONSUMERS ENERGY	4,447.53
03/19/2020	101	26639	VOID	0.00
03/19/2020	101	26640	RICHARD GREGORY OLIVER JR	9,960.00
03/19/2020	101	26641	STATE OF MICHIGAN	45.32
03/19/2020	101	26642	UMB BANK	3,185.00
03/19/2020	101	26643	USABLUEBOOK	136.47
03/19/2020	101	26644	AGATHON SOLAR LLC	9,960.00
03/20/2020	101	26645	GLADWIN COUNTY LIBRARY	10,000.00
03/26/2020	101	26646	BRADLEY LEASING	325.00
03/26/2020	101	26647	City of Beaverton	921.10
03/26/2020	101	26648	COUNTY WIDE SEPTIC LLC	560.00
03/26/2020	101	26649	ELECTION SOURCE	953.50
03/26/2020	101	26650	FIRST BANKCARD	1,703.54
03/26/2020	101	26651	JAY'S SPORTING GOOD, INC.	382.93
03/26/2020	101	26652	MICHIGAN POICE EQUIPMENT	522.00
03/26/2020	101	26653	STEVE CINGANO	21.19
03/26/2020	101	26654	SUPER CLEAN WASHES	50.00
03/26/2020	101	26655	BRAD DAVIS	412.82

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Check Date	Bank	Check	Vendor Name	Amount
101 TOTALS:				
Total of 77 Checks:				111,033.87
Less 3 Void Checks:				9,960.00
Total of 74 Disbursements:				<u>101,073.87</u>

Bank 248 DOWNTOWN DEVELOPMENT AUTHORITY CHECKING

03/04/2020	248	6516	BEAVERTON HARDWARE & SPORTS	24.78
03/04/2020	248	6517	City of Beaverton	515.74
03/04/2020	248	6518	CONSUMERS ENERGY	225.87
03/04/2020	248	6519	DREYER & HOVEY & POST, LLP	192.50
03/04/2020	248	6520	FIRST BANKCARD	81.50
03/09/2020	248	6521	ANDREWS HOOPER & PAVLIK P.L.C.	139.88
03/09/2020	248	6522	SMITH & ASSOCIATES CPA, PC	15.74
03/16/2020	248	6523	MASUD LABOR LAW GROUP	34.00
03/16/2020	248	6524	UNITED STEELWORKERS	11.44
03/19/2020	248	6525	CINTAS	118.62
03/19/2020	248	6526	CONSUMERS ENERGY	65.79
03/26/2020	248	6527	City of Beaverton	377.09 v
03/26/2020	248	6528	City of Beaverton	<u>377.09</u>

248 TOTALS:

Total of 13 Checks:				2,180.04
Less 1 Void Checks:				377.09
Total of 12 Disbursements:				<u>1,802.95</u>

Bank 703 CURRENT TAX COLLECTION FUND CHECKING

03/09/2020	703	3613	BEAVERTON SCHOOLS	521.01
03/09/2020	703	3614	City of Beaverton	8,496.57
03/09/2020	703	3615	GLADWIN COUNTY TREASURER	2,666.64
03/09/2020	703	3616	MID MICHIGAN COMMUNITY COLLEGE	<u>1,806.31</u>

703 TOTALS:

Total of 4 Checks:				13,490.53
Less 0 Void Checks:				0.00
Total of 4 Disbursements:				<u>13,490.53</u>

REPORT TOTALS:

Total of 94 Checks:				126,704.44
Less 4 Void Checks:				10,337.09
Total of 90 Disbursements:				<u>116,367.35</u>

March 2, 2020 Fire Board Minutes

The Beaverton Area Fire Protection District Board met in session on Monday March 2, 2020 at 7:00 P.M. at the Beaverton Fire Hall.

Present: John Blades, BJ Oard, Nila Frei, Madalyn Hubble, Tim Mickler, Kevin Neville  
Absent:

Firemen: Shane Cornell; Phil Andrist; Paul Dunn; Adam Johnson

BJ Oard leading the Pledge to the Flag called the meeting to order at 7:00 P.M.

MOTION by John Blades and supported by Nila Frei to accept the February 3, 2020 minutes with corrections. All ayes, motion passed

OLD BUSINESS: Matt Fruchey went through the 2020-2021 budget. We are over on repair/maintenance but new truck repair was put in this line. Utilities are over; suggested taking from rent to utilities. Beaverton Township passed the new proposed budget.

CHIEF REPORT: 58 runs at this time vs 66 last year. We are on pace for 342. Matt discussed not getting the \$10,000 grant for training equipment. He will have grant submitted for 40k-45k for extrication/air bags through federal AFG and Robert Dack writer. March 21<sup>st</sup> have Miosha evaluation. Four sets of gear were purchased for \$9,808. Grant is for \$3250. We pay for these and then Matt will submit a copy of cleared checks on the statement to get reimbursed. Nozzles were purchased to complete the 2017 AFG grant award. Doing preplan of Kember flooring and Howe racing –Risk assessment. We have a new member. Matt discussed the training he already has. Matt went over past due bills sent out to determine which ones to resend.

NEW BUSINESS: The Ford truck is not running well. Consensus of board and staff is to complete repairs and put into service..

A closed meeting was held from 8:00 pm to 8:19pm. Opened meeting by Nila Frei and supported by Tim Mickler. All ayes, motion passed. Went into closed session at 8:34. BJ Oard made motion; supported by Nila Frei. Motion by Tim Mickler; supported by Nila Frei. Closed session ended at 8:36pm. Motion to open meeting at 8:37 pm by Tim Mickler and supported by Nila Frei. All ayes, motion passed.

Closed session held from 8:37 to 8:53. Meeting opened at 8:54

The board needs a job description for Phil's new position and what he gets for a salary and benefits spelled out

**March Payables: Expense Total; \$6593.03 Salaries/Wages; \$ 2306.83 ; Payroll Taxes; \$ 1017.94 (Feb & March taxes)**

MOTION TO PAY BILLS: Motion made by Tim Mickler; supported by Madalyn Hubble. All ayes.

MOTION TO APPROVE FINANCIAL REPORTS: Motion made by Tim Mickler, supported by Madalyn Hubble. All ayes.

MOTION TO ADJOURN: Motion made by Tim Mickler, supported by Hubble. All ayes.

Meeting adjourned at 9:30 PM.

*"This institution is an equal opportunity provider."*

Jill Nau- Administrator