Hazard Mitigation Assistance (HMA) Program

Procurement Fact Sheet

General

The Illinois Emergency Management Agency (IEMA) supports full and open competition for the procurement of services under the Hazard Mitigation Assistance (HMA) Program. Any services procured under a HMA Program project must comply fully with the federal and state procurement requirements. Failing to comply with the procurement requirements will jeopardize the HMA Program funding for the entire project.

Federal Procurement Standards

1. Maintain a contract administration system ensuring performance in accordance with contract terms.
2. Maintain written standards of conduct governing performance of agents engaged in award and administration of contracts. Must provide: a) no agent may participate that has financial or other interest in award; b) no agent may accept/solicit gratuities from contractors or potential contractors; and c) disciplinary action for violations.
3. Establish procedures to avoid purchase of unnecessary/duplicative items.
4. Analyze lease versus purchase options to decide most economical approach.
5. Award only to responsible contractors with ability to perform in consideration of: a) contractor integrity; b) compliance with public policy; c) past performance; and d) financial and technical resources.
6. Maintain records of procurement to include rationale for a) method of procurement; b) contract type; c) contractor selection, and d) contract price.
7. May use time and material contracts only a) after determining no other contract is suitable, and b) contract includes ceiling price that contractor exceeds at its own risk.
8. Responsible for settlement of contractual and administrative issues, to include: a) source evaluation; b) protests; c) disputes, and d) claims.
9. Have protest procedures to resolve disputes relating to procurements and disclose information regarding protests.

Competition

1. Full and open competition is required. Noncompetitive practices include: a) unreasonable qualifying requirements, including unnecessary experience/bonding; b) noncompetitive pricing practices
between firms; c) noncompetitive awards to consultants on retainer contracts; d) organizational conflicts of interest; e) specifying ‘brand name’ product, and; f) any arbitrary action.

2. Prohibit in-State or local geographical preferences, except as required by federal law.

3. Have written source selection procedures for procurement transactions that include: a) complete description of the requirement; and b) all factors to be used in evaluating bids.

4. May use prequalified lists of firms, but ensure: a) list is current; b) has enough qualified sources for competition; and c) bidders are allowed to qualify during solicitation period.

Procurement Requirements

State Procurement Requirements

☐ Counties (as summarized from 55 ILCS 5/5-1022) - Any purchase by a county with fewer than 2,000,000 inhabitants of services, materials, equipment or supplies in excess of $30,000, other than professional services, shall be contracted for in one of the following ways:

- By a contract let to the lowest responsible bidder after advertising for bids in a newspaper published within the county or, if no newspaper is published within the county, then a newspaper having general circulation within the county; or
- By a contract let without advertising for bids in the case of an emergency if authorized by the county board.

- In determining the lowest responsible bidder, the county board shall take into consideration the qualities of the articles supplied; their conformity with the specifications; their suitability to the requirements of the county, availability of support services; uniqueness of the service, materials, equipment, or supplies as it applies to networked, integrated computer systems; compatibility to existing equipment; and the delivery terms. The county board also may take into consideration whether a bidder is a private enterprise or a State-controlled enterprise and, notwithstanding any other provision of this Section or a lower bid by a State-controlled enterprise, may let a contract to the lowest responsible bidder that is a private enterprise.

☐ Townships (as summarized from 60 ILCS 1/85-30) - Any purchase by a township for services, materials, equipment, or supplies in excess of $20,000 (other than professional services) shall be contracted for in one of the following ways:

- By a contract let to the lowest responsible bidder after advertising for bids at least once in a newspaper published within the township, or if no newspaper is published within the township, then in one published within the county, or if no newspaper is published in the county, then in a newspaper have general circulation within the township.
- By a contract let without advertising for bids in the case of an emergency if authorized by the township board.

☐ Municipalities (as summarized from 65 ILCS 5/8-9/2)

- In municipalities with a population of less than 500,000, any work or other public improvement which is not to be paid for in whole or in part by special
assessment or special taxation, when the expense thereof will exceed $20,000, shall be constructed either (1) by a contract let to the lowest responsible bidder after advertising for bids, in the manner prescribed by ordinance, except that any such contract may be entered into by the proper officers without advertising for bids, if authorized by a vote of two-thirds of all the aldermen or trustees then holding office; or (2) in the following manner, if authorized by a vote of two-thirds of all the aldermen or trustees then holding office, to-wit: the commissioner of public works or other proper officers to be designated by ordinance, shall superintend and cause to be carried out the construction of the work or other public improvement and shall employ exclusively for the performance of all manual labor thereon, laborers and artisans whom the municipality shall pay by the day or hour; and all material of the value of $20,000 and upward used in the construction of the work or other public improvement, shall be purchased by contract let to the lowest responsible bidder in the manner to be prescribed by ordinance.

- In municipalities with a population of 500,000 or more, all purchase orders or contracts of whatever nature, for labor, services or work, the purchase, lease, or sale of personal property, materials, equipment or supplies, involving amounts in excess of $10,000, made by or on behalf of any such municipality, shall be let by free and open competitive bidding after advertisement, to the lowest responsible bidder, or in the appropriate instance, to the highest responsible bidder, depending upon whether such municipality is to expend or to receive money. All such purchase orders or contracts, as defined above, which shall involve amounts of $10,000, or less, shall be let in the manner described above whenever practicable, except that such purchase orders or contracts may be let in the open market in a manner calculated to insure the best interests of the public, after solicitation of bids by mail, telephone, or otherwise.

Local Government Professional Services Selection Act (as summarized from 50 ILCS 510/)

- Local units of government within the State of Illinois must negotiate and enter into contracts for architectural, engineering and land surveying services on the basis of demonstrated competence and qualifications for the type of services required and at fair and reasonable compensation. Whenever a project requiring architectural, engineering or land surveying services is proposed for a local unit of government, the local unit of government shall:
  - Mail or e-mail a notice requesting a statement of interest in the specific project to all firms who have a current statement of qualifications and performance data on file with the political subdivision;
  - Place an advertisement in a secular English language daily newspaper of general circulation throughout such political subdivision, requesting a statement of interest in the specific project and further requesting statements of qualifications and performance data from those firms which do not have such a statement on file.
with the political subdivision. Such advertisement shall state the day, hour and place the statement of interest and the statements of qualifications and performance data shall be due; or

- Place an advertisement for professional services on the political subdivision’s website requesting a statement of interest in the specific project. The professional services advertisement shall include a description of each project and state the time and place for interested firms to submit its letter of interest, statement of qualifications, and performance data, as required.

- Local units of government shall evaluate the firms submitting letters of interest, taking into account qualifications, ability of professional personnel, past record and experience, performance data on file, willingness to meet time requirements, location, workload of the firm, and such other qualifications-based factors as the political subdivision may determine in writing are applicable. The political subdivision may conduct discussions with and require public presentations by firms deemed to be the most qualified regarding their qualifications, approach to the project, and ability to furnish the required services.

- The local unit of government shall prepare a written description of the scope of the proposed services to be used as a basis for negotiations and shall negotiate a contract with the highest qualified firm at compensation that the political subdivision determines in writing to be fair and reasonable. In making this decision, the political subdivision shall take into account the estimated value, scope, complexity and professional nature of the services to be rendered.

- A political subdivision may waive these requirements of if it determines, by resolution, that an emergency situation exists and a firm must be selected in an expeditious manner, or the cost of architectural, engineering, and land surveying services for the project is expected to be less than $25,000.

Federal Procurement Requirements (as summarized from 2 CFR, Part 200, Subpart D)

- Micro-Purchases (<$3,500) – Micro-purchases may be awarded without soliciting competitive quotations if the non-federal entity considers the price to be reasonable.

- Small Purchase Procedures ($3,500 and <$150,000) – Small purchase procedures are those relatively simple and informal procurement for securing services, supplies and other property that do not cost more than the Simplified Acquisition Threshold ($150,000). Price or rate quotations must be obtained from an adequate number of qualified sources.

- Sealed Bids (> $150,000) – Sealed bids are publicly solicited (formally advertised) and a firm fixed price contract is awarded to the responsible bidder. The sealed bid method is the preferred method for procuring construction contracts.
Competitive Proposals – Competitive proposals may be used to procure qualification-based services (e.g., architectural/engineering/consulting services). If this method is used, the following requirements apply: a) requests for proposals are publicized; b) proposals must be solicited from an adequate number of qualified sources; c) the non-federal entity must have a written method for conducting technical evaluations of the proposals received and selecting recipients; and d) contracts must be awarded to the responsible firm whose proposal is the most advantageous to the program, with price and other factors considered.

Non-Competitive Proposals – Non-competitive proposals is the solicitation of a proposal from only one source and may only be used when one or more of the following circumstances apply: a) The item is only available from a single source; b) the public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation; c) the federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-federal entity; or d) After solicitation of a number of sources, competition is determined inadequate.

Small, Minority and Women-Owned Businesses

Take affirmative steps to assure small, minority, women-owned and labor surplus area firms are used: a) placing such firms on solicitation lists; b) soliciting such firms if they are potential sources; c) dividing requirements when possible; d) establish delivery schedules encouraging participation of such firms; e) using services of SBA, and the Minority Business Development Agency of the Department of Commerce; and f) requiring prime contractors to take these steps.

Contract Cost and Price

1. Perform cost/price analysis for every procurement to include modifications: a) independent estimates before receiving bids/proposals; and b) cost analysis, if: (i) offerers are required to submit elements of estimated cost; or (ii) adequate price competition is lacking and sole source procurements unless price reasonableness can be established with commercial pricing data or based on prices set by law.
2. Negotiate profit as separate element of price for each contract in which: a) there is no price competition; and b) where a cost analysis is performed.
3. To establish fair and reasonable profit consider: a) complexity of work; b) risk; c) contractor's investment; d) Amount of subcontracting; e) quality of past performance; and f) industry profit rates in surrounding geographical area for similar work.
4. Ensure costs/prices based on estimates are consistent with federal cost principles.
5. Shall not use cost plus a percentage of cost contracts.

Procurement Documentation

As Recipient for the HMA Program grant funding in Illinois, IEMA must assure compliance with the procurement requirements related to HMA projects. To assure compliance, the following documentation must be submitted to IEMA for projects where procurement of services is required, prior to any payment being processed for the project:

□ Bid/proposal documents for the project (e.g. specifications, drawings)
□ Bid/proposal advertising documents (e.g. newspaper advertisement)
□ Copies of all bids/proposals received
□ Bid/proposal tabulation (summary of bids/proposals)
□ Explanation of process used to select the responsible bid/proposal and copies of review sheets
□ For qualifications-based services, an explanation of process/criteria to evaluate the qualifications of each organization submitting a proposal
□ For projects of $150,000 or more in costs, documentation showing compliance with federal bonding requirements (e.g. bid bond, payment bond, performance bond)
□ Notice of award

If you have questions, please contact any member of the HMA Program staff at (217) 782-8719 or ema.Mitigation@illinois.gov.

Note: IEMA is not a permitting agency and does not issue permits for HMA Program projects. Documentation is only required to assure compliance with program requirements.